



Washington County, Florida

FINANCIAL STATEMENTS

September 30, 2022



Washington County, Florida

Principal Officers

Board of County Commissioners

Alan Bush District 1
David Pettis, Jr. District 2
Tray Hawkins District 3
Wesley Griffin District 4
David Corbin District 5

SHERIFF

Kevin Crews

TAX COLLECTOR

Ken Naker

PROPERTY APPRAISER

Gil Carter

SUPERVISOR OF ELECTIONS

Carol F. Rudd

CLERK OF THE CIRCUIT COURT

Lora Bell



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FINANCIAL STATEMENTS

Clerk of the Circuit Court

Sheriff

Property Appraiser

Supervisor of Elections

Tax Collector

INDEPENDENT AUDITORS' REPORT

Honorable Members of the
Board of County Commissioners
Washington County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Florida (the "County"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022 and the respective changes in financial position and the respective budgetary comparison for each major fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Highway 79 Corridor Authority, which is 100% of the assets, net position, and revenues of the Highway 79 Corridor Authority component unit as of September 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Highway 79 Corridor Authority, is based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Emphasis of Matter

As discussed in Notes 1 and 8 to the financial statements, the County adopted provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, which required a prior period adjustment and a restatement of the 2021 financial statements. Our opinion is not modified with respect to these matters.

Responsibility of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 5 through 11 schedule of changes in net OPEB liability and related ratios, schedule of employer's proportionate share of the net pension liability – Florida Retirement Systems Pension Plan, schedule of employer contributions – Florida Retirement Systems Pension Plan, schedule of employer's proportionate share of the net pension liability – Health Insurance Subsidy Program and schedule of employer contributions – Health Insurance Subsidy Program, on pages 68 through 73, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual non-major fund financial statements and combining and individual statement of fiduciary net position schedules are presented for purposes of 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Local Governmental Audits, *Rules of the Auditor General* of the State of Florida, and neither schedule is a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with

auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements combining and individual statement of fiduciary net position schedules, the 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 our report dated June 29, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 County'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.

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

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

June 29, 2023

Washington County, Florida 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 2021-2022 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 \$69,908,867.
- The County's total net position increased by \$19,502,172 which represents a 39.69% increase from the 2020-2021 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balances of \$17,420,896, a decrease of \$900,958.
- Unrestricted fund balance for all governmental funds total \$6,584,271 as of September 30, 2022 compared to total governmental fund balances of \$17,420,896 at the same date.
- Unrestricted Governmental Fund Balance of \$6,584,271, is different from the Unrestricted Net Position amount on the Statement of Net Position (deficit) of (\$4,105,270) 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 exceeded Expenditures and Other Financing Sources (Uses) by \$1,401,126. This is primarily due to revenues exceeding the budget amount by \$1,328,060 and expenditures being less than the budgeted expenditures by \$1,400,500.
- Long-term liabilities increased by \$9,752,318. This increase was primarily due to an increase in the pension liability as noted on Page 55 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 2022 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 units of the Sunny Hills Units 12-15 Dependent District and the Highway 79 Corridor Authority. Financial information for these component units reported separately from the financial information presented for the primary government itself. The Sunny Hills Units 12-15 Dependent District and the Highway 79 Corridor Authority have separately issued financial reports which can be obtained by the individual Districts' 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.

Washington County, Florida Management's Discussion and Analysis

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 (Agency) 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.

Washington County, Florida Management's Discussion and Analysis

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, 2022 and September 30, 2021.

	Governmental Activities September 30, 2022	Governmental Activities September 30, 2021
Current and Other Assets	\$ 28,221,673	\$ 29,594,868
Capital Assets	71,078,844	51,382,853
Total Assets	99,300,517	80,977,721
Deferred Outflows, Pensions and OPEB	4,758,238	4,100,115
Current Liabilities	10,402,034	11,096,204
Long Term Liabilities	21,782,219	12,029,901
Total Liabilities	32,184,253	23,126,105
Deferred Inflows, Pensions and OPEB	1,965,635	11,545,036
Net Position		
Net Investment in Capital Assets	66,944,161	48,781,511
Restricted	7,069,976	9,160,240
Unrestricted (deficit)	(4,105,270)	(7,955,171)
Total Net Position	\$ 69,908,867	\$ 49,986,580*

*Net position has been restated due to the prior period adjustment described in Note 8 of the financial statements.

At September 30, 2022 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 \$66,944,161. 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 \$7,069,976. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Washington County, Florida
Management's Discussion and Analysis

Statement of Activities

	Governmental Activities September 30, 2022	Governmental Activities September 30, 2021
Revenues:		
Program Revenues:		
Charges for Service	\$ 5,757,993	\$ 5,909,033
Operating Grants and Contributions	4,877,817	33,276,551
Capital Grants and Contributions	28,679,867	921,772
General revenues:		
Property Taxes	9,281,679	8,562,273
Local Option Taxes	4,460,063	4,064,017
Sales Tax and Other Taxes	989,264	1,020,972
Intergovernmental and Shared	4,281,785	3,717,589
Investment Earnings	23,490	9,564
Miscellaneous	2,704,536	1,183,928
Total Revenues	61,056,494	58,665,699
Expenses:		
Program Activities:		
General Government	9,308,692	7,010,002
Public Safety	11,408,430	9,864,554
Physical Environment	406,142	379,917
Transportation	14,850,790	13,640,337
Economic Development	3,581,036	2,934,663
Human Services	723,147	932,067
Culture and Recreation	911,468	804,560
Court Related	221,146	1,189,283
Interest on Long-Term Debt	143,471	187,599
Total Expenses	41,554,322	36,942,982
Change in Net Position	19,502,172	21,722,717
Net Position, Beginning, as restated*	50,406,695	28,683,978
Net Position, Ending	\$ 69,908,867	\$ 50,406,695

*Net position has been restated due to the prior period adjustment described in Note 8 of the financial statements.

Washington County, Florida Management's Discussion and Analysis

Governmental activities increased the County's net position by \$19,502,172 or approximately 38.69%. Total revenues increased by \$2,390,795 from the prior year with a major factor being an increase in capital grants & contributions. Total expenses increased by \$4,611,340 from the prior year largely due to road improvement costs and public safety.

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 unassigned General Fund balance was \$9,367,047 while the total fund balance was \$11,795,475. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total General Fund expenditures. unassigned fund balance represents 56.44% of the total general fund expenditures, while total fund balance represents 71.08% of the same amount. The unassigned total governmental fund balance increased by \$1,462,546 during 2021-2022 fiscal year due primarily to revenues exceeding budget by \$1,328,060.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2021-2022 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, 2022 amounted to \$71,078,844 net of accumulated depreciation. This investment in capital assets includes land, buildings and fixed equipment, furniture, fixtures, infrastructure and equipment.

Washington County, Florida Management's Discussion and Analysis

LONG-TERM DEBT

At the end of fiscal year ended September 30, 2022, the County had long-term liabilities totaling \$21,782,219. Of this amount, inter-local agreement payables outstanding were \$144,000, Notes Payable were \$3,338,621, and Capital leases were \$796,062. Also, there is \$780,491 to address compensated absences obligations, \$16,318,975 for pension liability (GASB 68), and the remaining amount of \$404,070 for OPEB liabilities.

ECONOMIC FACTORS-WASHINGTON COUNTY, FLORIDA

The unemployment rate for County was 2.9% at September 2022. The rate was 4.7% at September 2021.

Population is estimated at 25,414 as of September 2022 and 25,436 as of September, 2021.

The taxable value for personal and real property in the County is \$1,098,723,807 for fiscal year ending September 30, 2022 and \$998,353,059 for the fiscal year ending September 30, 2021.

The general ad valorem tax mileage rate was 8.5 for the fiscal year ending September 30, 2022 and 8.5 for the fiscal year ending September 30, 2021.

The budgeted expenditures for the fiscal year ending September 30, 2022 represents a decrease of 23.74% over the September 30, 2021 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.

Washington County, Florida
Statement of Net Position

	Primary Government	Component Unit	
	Governmental Activities	Sunny Hills Dependent District	Highway 79 Corridor Authority
<i>September 30, 2022</i>			
Assets			
Cash and cash equivalents	\$ 17,780,010	\$ 761	\$ 40,169
Accounts receivable, net	1,006,433	-	34,399
Leases receivable	139,326	-	-
Due from other governments	6,989,659	-	-
Inventory	102,939	-	-
Due from developer	-	4,882	-
Prepaid expenses	-	-	3,034
Notes receivable	2,203,306	-	-
Capital assets, net			
Nondepreciable capital assets	7,165,981	1,770,313	29,258
Depreciable capital assets, net	63,912,863	-	2,577,902
Total assets	99,300,517	1,775,956	2,684,762
Deferred Outflows of Resources			
Other post-employment benefits	77,400	-	-
Pension	4,680,838	-	-
Total deferred outflows of resources	4,758,238	-	-
Liabilities			
Accounts payable and accrued expenses	4,569,231	4,046	12,217
Due to other governments	80,433	-	-
Unearned revenue	5,752,370	-	-
Long-term liabilities			
Portion due or payable within one year			
Notes payable	498,500	-	-
Leases payable	145,413	-	-
Interlocal agreement payable	5,000	-	-
Compensated absences	78,049	-	-
Portion due or payable after one year			
Notes payable	2,840,121	-	-
Leases payable	650,649	-	-
Interlocal agreement payable	139,000	-	-
Compensated absences	702,442	-	-
Pension Liability	16,318,975	-	-
Other post-employment benefits	404,070	-	-
Total liabilities	32,184,253	4,046	12,217

-Continued-

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

Washington County, Florida
Statement of Net Position (Continued)

	Primary Government	Component Unit	
	Governmental Activities	Sunny Hills Dependent District	Highway 79 Corridor Authority
<i>September 30, 2022</i>			
Deferred Inflows of Resources			
Related to leases	130,686	-	-
Other post-employment benefits	96,314	-	-
Pension	1,738,635	-	-
Total deferred inflows of resources	1,965,635	-	-
Net Position			
Net investment in capital assets	66,944,161	1,770,313	2,607,160
Restricted	7,069,976	-	-
Unrestricted (deficit)	(4,105,270)	1,597	65,385
Total net position	\$ 69,908,867	\$ 1,771,910	\$ 2,672,545

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

Washington County, Florida

Statement of Activities

For the year ended September 30, 2022

For the year ended September 30, 2022		Program Revenues	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental activities			
General government	\$ 9,308,692	\$ 1,814,863	\$ 1,334,531
Public safety	11,408,430	3,738,052	634,317
Physical environment	406,142	-	93,750
Transportation	14,850,790	-	-
Economic environment	3,581,036	-	2,505,648
Human services	723,147	-	74,834
Culture and recreation	911,468	-	234,737
Court related	221,146	205,078	-
Interest on long-term debt	143,471	-	-
Total primary government	\$ 41,554,322	\$ 5,757,993	\$ 4,877,817
Component Unit			
Sunny Hills Dependent District	\$ 23,515	\$ -	\$ 24,049
Highway 79 Corridor Authority	\$ 186,485	\$ -	\$ -

General revenues

Taxes
 Property taxes
 Local option taxes
 Sales tax and other taxes
 Intergovernmental and shared revenue
 Investment earnings
 Miscellaneous
 Reversion to State of Florida

Total general revenues and reversions

Change in net position

Net position, beginning, as originally stated

Prior period adjustment (see Note 8)

Net position, beginning of year as restated

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position				
Capital Grants and Contributions	Primary Government	Component Units		
	Governmental Activities	Sunny Hills Dependent District	Highway 79 Corridor Authority	
\$ -	\$ (6,159,298)	\$ -	\$ -	
-	(7,036,061)	-	-	
-	(312,392)	-	-	
28,679,603	13,828,813	-	-	
-	(1,075,388)	-	-	
-	(648,313)	-	-	
264	(676,467)	-	-	
-	(16,068)	-	-	
-	(143,471)	-	-	
<u>\$ 28,679,867</u>	<u>(2,238,645)</u>	<u>-</u>	<u>-</u>	
<u>\$ -</u>	<u>-</u>	<u>534</u>	<u>-</u>	
<u>\$ 837,857</u>	<u>-</u>	<u>-</u>	<u>651,372</u>	
	9,281,679	-	-	
	4,460,063	-	-	
	989,264	-	-	
	4,281,785	-	-	
	23,490	-	-	
	2,745,042	-	-	
	(40,506)	-	-	
	<u>21,740,817</u>	<u>-</u>	<u>-</u>	
	<u>19,502,172</u>	<u>534</u>	<u>651,372</u>	
	49,986,580	1,771,376	2,021,173	
	420,115	-	-	
	<u>50,406,695</u>	<u>1,771,376</u>	<u>2,021,173</u>	
	<u>\$ 69,908,867</u>	<u>\$ 1,771,910</u>	<u>\$ 2,672,545</u>	

Washington County, Florida
Balance Sheet –
Governmental Funds

<i>September 30, 2022</i>	General	Transportation Trust	Hurricane Michael
Assets			
Cash and cash equivalents	\$ 2,759,776	\$ 3,775,800	\$ 2,691,707
Accounts receivable, net	740,171	-	-
Leases receivable	139,326	-	-
Due from other funds	8,637,511	1,044,940	800,000
Due from other governments	1,022,032	474,456	2,608,695
Inventory	-	102,939	-
Note receivable	2,203,306	-	-
Total assets	\$ 15,502,122	\$ 5,398,135	\$ 6,100,402
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable and accrued expenses	\$ 877,454	\$ 170,059	\$ 3,066,963
Due to other funds	2,319,200	29,884	5,188,700
Due to other governmental units	-	-	-
Unearned revenue	111,250	-	500,000
Total liabilities	3,307,904	199,943	8,755,663
Deferred Inflows of Resources			
Unavailable revenue on settlement allocations	268,057	-	-
Deferred inflows related to leases	130,686	-	-
Total deferred inflows of resources	398,743	-	-
Fund balances			
Nonspendable	2,203,306	102,939	-
Restricted	225,122	5,095,253	-
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	9,367,047	-	(2,655,261)
Total fund balances (deficit)	11,795,475	5,198,192	(2,655,261)
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,502,122	\$ 5,398,135	\$ 6,100,402

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

	American Rescue Act		Nonmajor Governmental Funds		Total Governmental Funds
\$	4,132,153	\$	4,420,574	\$	17,780,010
	-		266,262		1,006,433
	-		-		139,326
	-		594,835		11,077,286
	-		2,884,476		6,989,659
	-		-		102,939
	-		-		2,203,306
<u>\$</u>	<u>4,132,153</u>	<u>\$</u>	<u>8,166,147</u>	<u>\$</u>	<u>39,298,959</u>

\$	7,399	\$	447,356	\$	4,569,231
	102,580		3,436,922		11,077,286
	-		80,433		80,433
	4,022,174		1,118,946		5,752,370
	4,132,153		5,083,657		21,479,320
	-		-		268,057
	-		-		130,686
	-		-		398,743
	-		-		2,306,245
	-		1,749,601		7,069,976
	-		1,196,331		1,196,331
	-		264,073		264,073
	-		(127,515)		6,584,271
	-		3,082,490		17,420,896
<u>\$</u>	<u>4,132,153</u>	<u>\$</u>	<u>8,166,147</u>	<u>\$</u>	<u>39,298,959</u>

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

Washington County, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

September 30, 2022

Total fund balances - governmental funds \$ 17,420,896

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

Future revenue from state settlement allocation appropriations are not available to pay current period expenditures and, therefore, are deferred at the fund level. 268,057

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.
Governmental capital assets, net 71,078,844

Other post-employment benefit ("OPEB") related deferred outflows, deferred inflows and net OPEB obligation represent an acquisition or consumption of net assets that applies to a future period and, therefore, are not reported as liabilities or assets in the governmental funds.

Deferred outflows related to post-employment benefits	\$ 77,400	
Deferred inflows related to post-employment benefits	(96,314)	
Deferred outflows related to pension liabilities	4,680,838	
Deferred inflows related to pension liabilities	(1,738,635)	
Net pension liabilities	(16,318,975)	
Other post-employment benefit obligation	(404,070)	(13,799,756)

Other liabilities not due and payable in the current period and, therefore, not reported in the governmental fund are as follows:

Lease obligations	\$ (796,062)	
Notes and bonds payable	(3,482,621)	
Compensated absences	(780,491)	(5,059,174)

Net position of governmental activities \$ 69,908,867

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

<i>For the year ended September 30, 2022</i>	General Fund	Transportation Trust
Revenues		
Taxes	\$ 12,125,541	\$ 1,929,520
Licenses and permits	1,670,817	10,170
Intergovernmental	3,220,392	1,061,393
Charges for services	1,245,029	-
Fines and forfeitures	861	-
Investment earnings	11,652	6,412
Miscellaneous revenue	1,345,764	868,992
Total revenues	19,620,056	3,876,487
Expenditures		
General government	7,936,489	-
Public health and safety	6,310,477	-
Physical environment	255,352	-
Transportation	-	3,532,069
Economic environment	398,772	-
Human services	635,314	-
Culture and recreation	155,276	-
Court related	36,593	-
Capital outlay	771,208	370,780
Debt service		
Principal	92,468	112,740
Interest and other charges	3,113	40,766
Total expenditures	16,595,062	4,056,355
Excess (deficiency) of revenues over (under) expenditures	3,024,994	(179,868)
Other financing sources (uses)		
Transfers in	554,587	43,713
Transfers out	(2,178,455)	(25,079)
Reversion to State of Florida	-	-
Net other financing sources (uses)	(1,623,868)	18,634
Net changes in fund balances	1,401,126	(161,234)
Fund balances (deficit) - beginning of the year, originally stated	10,388,660	5,359,426
Prior period adjustment	5,689	-
Fund balances (deficit) - beginning of the year, as restated	10,394,349	5,359,426
Fund balances (deficit) - end of the year	\$ 11,795,475	\$ 5,198,192

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

Hurricane Michael	American Rescue Act	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 675,945	\$ 14,731,006
-	-	344,082	2,025,069
22,196,181	908,953	10,393,117	37,780,036
-	-	2,299,385	3,544,414
-	-	187,650	188,511
376	-	5,049	23,489
-	-	254,218	2,468,974
22,196,557	908,953	14,159,446	60,761,499
-	-	1,120,063	9,056,552
-	154,127	3,291,387	9,755,991
-	-	195,163	450,515
3,208,657	-	3,348,508	10,089,234
-	-	2,984,877	3,383,649
-	-	58,905	694,219
-	-	694,124	849,400
-	-	188,404	224,997
21,103,104	631,678	3,437,943	26,314,713
-	20,567	433,327	659,102
-	-	99,700	143,579
24,311,761	806,372	15,852,401	61,621,951
(2,115,204)	102,581	(1,692,955)	(860,452)
-	-	2,340,732	2,939,032
-	(102,581)	(632,917)	(2,939,032)
-	-	(40,506)	(40,506)
-	(102,581)	1,667,309	(40,506)
(2,115,204)	-	(25,646)	(900,958)
(540,057)	-	3,108,136	18,316,165
-	-	-	5,689
(540,057)	-	3,108,136	18,321,854
\$ (2,655,261)	\$ -	\$ 3,082,490	\$ 17,420,896

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, 2022

Net change in fund balances - total governmental funds	\$	(900,958)

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

Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.		23,639,696

Depreciation expense on governmental capital assets included in the governmental activities in the statement of net position.		(3,943,705)

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.		659,102

Future revenue from state settlement allocation appropriations are not available to pay current period expenditures and, therefore, are deferred at the fund level.		268,057

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		(13,183)
Long-term landfill closure and post-closure liability		20,371
Pension expenses		(167,065)
Compensated absences		(60,143)

Change in net position of governmental activities	\$	19,502,172

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

Washington County, Florida
General Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual**

	Original	Final		Variance with Final Budget Positive (Negative)
<i>For the year ended September 30, 2022</i>	Budget	Budget	Actual	
Revenues				
Taxes	\$ 11,553,601	\$ 11,553,601	\$ 12,125,541	\$ 571,940
Licenses and permits	1,213,235	1,213,235	1,670,817	457,582
Intergovernmental	2,578,677	3,177,041	3,220,392	43,351
Charges for services	1,255,915	1,454,245	1,245,029	(209,216)
Fines and forfeitures	3,000	3,570	861	(2,709)
Investment earnings	-	256	11,652	11,396
Miscellaneous revenues	827,776	890,048	1,345,764	455,716
Total revenues	17,432,204	18,291,996	19,620,056	1,328,060
Expenditures				
Current				
General government	7,917,783	8,393,383	7,936,489	456,894
Public safety	6,142,959	6,869,023	6,310,477	558,546
Physical environment	199,397	264,106	255,352	8,754
Economic environment	598,583	624,111	398,772	225,339
Human services	737,900	746,145	635,314	110,831
Culture and recreation	156,883	161,076	155,276	5,800
Court related	51,911	51,511	36,593	14,918
Capital outlay	575,293	779,207	771,208	7,999
Debt service	52,000	107,000	95,581	11,419
Total expenditures	16,432,709	17,995,562	16,595,062	1,400,500
Excess of revenues over expenditures	999,495	296,434	3,024,994	2,728,560
Other financing sources (uses)				
Transfers in	103,524	449,884	554,587	104,703
Transfers out	(1,902,792)	(1,546,091)	(2,178,455)	(632,364)
Net other financing sources (uses)	(1,799,268)	(1,096,207)	(1,623,868)	(527,661)
Net change in fund balance	(799,773)	(799,773)	1,401,126	2,200,899
Fund balances - beginning, as restated	10,394,349	10,394,349	10,394,349	-
Fund balances - ending	\$ 9,594,576	\$ 9,594,576	\$ 11,795,475	\$ 2,200,899

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

Washington County, Florida
Transportation Trust Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

	Original	Final		Variance with Final Budget Positive (Negative)
<i>For the year ended September 30, 2022</i>	Budget	Budget	Actual	
Revenues				
Taxes	\$ 1,799,055	\$ 1,799,055	\$ 1,929,520	\$ 130,465
Licenses and permits	12,000	12,000	10,170	(1,830)
Intergovernmental	1,523,976	1,480,263	1,061,393	(418,870)
Investment earnings	-	-	6,412	6,412
Miscellaneous revenues	307,000	432,000	868,992	436,992
Total revenues	3,642,031	3,723,318	3,876,487	153,169
Expenditures				
Current				
Transportation	3,830,203	4,292,246	3,532,069	760,177
Capital Outlay	1,320,025	987,438	370,780	616,658
Debt Service - principal	112,740	112,740	112,740	-
Debt Service - interest	40,766	40,766	40,766	-
Total expenditures	5,303,734	5,433,190	4,056,355	1,376,835
Excess (deficiency) of revenues over (under) expenditures	(1,661,703)	(1,709,872)	(179,868)	1,530,004
Other financing sources (uses)				
Transfers in	-	43,713	43,713	-
Transfers out	-	-	(25,079)	(25,079)
Net other financing sources	-	43,713	18,634	(25,079)
Net change in fund balance	(1,661,703)	(1,666,159)	(161,234)	1,504,925
Fund balances - beginning	5,359,426	5,359,426	5,359,426	-
Fund balances - ending	\$ 3,697,723	\$ 3,693,267	\$ 5,198,192	\$ 1,504,925

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

Washington County, Florida
Hurricane Michael

**Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual**

<i>For the year ended September 30, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 50,000,000	\$ 50,000,000	\$ 22,196,181	\$ (27,803,819)
Investment earnings	-	929	376	(553)
Total revenues	50,000,000	50,000,929	22,196,557	(27,804,372)
Expenditures				
Current				
Transportation	28,896,896	28,897,825	3,208,657	25,689,168
Capital outlay	21,103,104	21,103,104	21,103,104	-
Total expenditures	50,000,000	50,000,929	24,311,761	25,689,168
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,115,204)	(2,115,204)
Net change in fund balance	-	-	(2,115,204)	(2,115,204)
Fund balances - beginning	-	-	(540,057)	(540,057)
Fund balances - ending	\$ -	\$ -	\$ (2,655,261)	\$ (2,655,261)

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

Washington County, Florida
American Rescue Act

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual

<i>For the year ended September 30, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 2,473,916	\$ 2,473,916	\$ 908,953	\$ (1,564,963)
Expenditures				
Current				
Public Health and Safety	4,447,832	3,657,291	154,127	3,503,164
Capital outlay	-	667,393	631,678	35,715
Debt Service				
Principal	-	20,567	20,567	-
Total expenditures	4,447,832	4,345,251	806,372	3,538,879
Excess (deficiency) of revenues over (under) expenditures	(1,973,916)	(1,871,335)	102,581	1,973,916
Other financing sources (uses)				
Transfers out	-	(102,581)	(102,581)	-
Net change in fund balance	(1,973,916)	(1,973,916)	-	1,973,916
Fund balances - beginning	1,973,916	1,973,916	-	(1,973,916)
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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

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

<i>September 30, 2022</i>	Custodial Funds
Assets	
Cash and cash equivalents	\$ 1,076,805
Due from other governments	3,094
Total assets	\$ 1,079,899
Liabilities	
Due to other funds	\$ 780,669
Due to other governments	226,511
Total liabilities	1,007,180
 Net Position	
Restricted Inmate Welfare	72,719
Total liabilities and net position	\$ 1,079,899

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

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

<i>September 30, 2022</i>	Custodial Funds
Additions	
Clerk of circuit and county courts collections	\$ 11,234,517
Tax collections and fees for other governments	29,962,055
Collections for others	253,593
Total additions	41,450,165
Deductions	
Payments of clerk of circuit and county courts collections	11,234,517
Payments of tax and fees to other governments	29,962,055
Payments to others	248,699
Total deductions	41,445,271
Net increase in fiduciary net position	4,894
Net position, beginning of year, as originally stated	-
Prior period adjustment (see Note 8)	67,825
Net position, beginning of year, as restated	67,825
Net position, end of year	\$ 72,719

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

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of Washington County, Florida (the 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). 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 financial statements.

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 financial reporting entity consists of the County and its component units, which are legally separate organizations for which the County is financially accountable. The County is financially accountable for legally separate organizations if County officials appoint a voting majority of an organization's governing body and either the County is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burden on the County. The County may also be financially accountable for organizations that are fiscally dependent on the County if there is a potential for the organization to provide specific financial benefits to the County or impose specific financial burdens on the County, regardless of whether the organizations have separate elected governing boards, governing boards appointed by higher levels of government, or jointly appointed boards. In evaluating the County as a reporting entity, management has considered all potential component units in accordance with Section 2100: Defining the Financial Reporting Entity of the GASB Codification.

A discretely presented component unit is reported in a separate column in the financial statements to emphasize it is legally separate from the government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with that of the primary government.

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Units

The government-wide financial statements include the financial data of the County's component units, Sunny Hills Units 12-15 Dependent District and the Highway 79 Corridor Authority. They are included because if excluded, the County's financial statements would be misleading. The component units are 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 (Sunny Hills) 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.

Highway 79 Corridor Authority

The Highway 79 Corridor Authority (the Authority) was formed as a legal entity and public body pursuant to Chapters 125, 166 and 163, Florida Statutes and an Interlocal Agreement dated June 11, 2018 (the Interlocal Agreement) by and between the City of Bonifay, Holmes County, and Washington County (the Authority Members), each a local government located in the State of Florida. The purpose of the Authority is to foster and assist economic development and acquire, plan for, develop, fund, construct, own, maintain, manage, improve, operate, and at its option, dispose of the Authority facilities and projects within the Corridor Area.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 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.

The 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the County has two discretely presented component units, Sunny Hills Dependent District and the Highway 79 Corridor Authority. The component units are major component units and are reported in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental, each displayed in a separate column. All remaining governmental are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

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.

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 the following fiduciary fund type:

Custodial Funds account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units and/or funds. Custodial funds are custodial in nature and do not involve measurement of results of operations. These funds are accounted for on an accrual basis of accounting.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets for governmental fund types that are legally required to prepare an annual budget are adopted on a basis consistent with GAAP except for the general fund. Generally the major differences in the general fund are recognition of unanticipated activity; capital assets and related debt activity, grant and intergovernmental revenues and related expenditures. The financial statements present budget information for only the major funds and all appropriations lapse at year-end.

Board of County Commissioners – Pursuant to Chapter 129, Florida Statutes, General Budget Policies, the following procedures are followed by the Board in establishing, adopting and maintaining the operating budget:

Prior to August 15, the Clerk of the Circuit Court, as ex-officio Clerk of the Board, submits to the Board a tentative budget for the fiscal year commencing the following October 1.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

Taxpayers are informed of the proposed budget and tentative millage rates through legal advertising. Public hearings are held to elicit taxpayer comments.

Prior to September 30, the budget is legally adopted through passage of a resolution for the fiscal year beginning October 1.

The Board, at any time within a fiscal year, may amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board, however, has established procedures by which the designated budget officer and heads of departments may authorize certain interdepartmental budget amendments, provided that the total appropriations of the department are not changed.

Florida Statute 129, Section 7, as amended in 1978, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Board acts on all budget changes between departments, the lower of fund or department becomes the level of control.

Appropriations from the reserve for contingencies may be made to increase the appropriation for any particular expenditure in the same fund, or to create an appropriation in the fund for any lawful purpose, but no expenditures shall be charged directly to the reserve for contingencies.

A receipt of a nature or from a source not anticipated in the budget and received for a particular purpose, including but not limited to grants, donations, gifts, or reimbursements for damages, may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget of the proper fund.

Supplemental appropriations funded from sources not described above require public hearings and action by the Board in the same manner as adopting the original budget. During the year ended September 30, 2022, there were general fund and transportation trust fund supplemental budget appropriations of \$1,562,853 or 9.51% and \$129,456 or 2.44%, respectively.

Washington County, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

The following items represent the major additional appropriations:

General Fund

Various federal and state grants	\$ 598,364
Public Safety	\$ 726,064
Capital Outlay	\$ 203,914

Transportation Trust Fund

Various operating costs	\$ 462,043
Reduction in Capital Outlay	\$ (332,587)

Clerk of the Court – Florida Statutes Chapter 218.35 and 218.36 governs the preparation, adoption and administration of the Clerk of the Circuit Court's (the Clerk) annual budget. The Clerk establishes an annual balanced budget which clearly reflects the revenues available to the office and the functions for which money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The budget is prepared on a basis consistent with GAAP.

The Clerk, functioning in the capacity as Clerk of the Circuit and County Courts and as Clerk of the Board of County Commissioners, prepares a budget in two parts:

The budget relating to the state court system (Circuit and County) is filed with the Florida Clerk of Courts Operations Corporation; and

The budget approved by the Board for funds necessary to perform those duties of Clerk of the Board of County Commissioners, County Auditor, and Custodian or Treasurer of all county funds and other county-related duties.

The fees generated by the various non-court departments of the Clerk of Circuit Court are used to pay operating expenditures of that department. All excess fees are remitted to the Board at year-end.

Sheriff – Florida Statutes Chapter 30.49 and 129.03 govern the preparation, adoption and administration of the Sheriff's annual budget. By June 1 each year, the Sheriff shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year. No later than August 1 of each year, the Board shall approve the Sheriff's budget.

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

Tax Collector and Property Appraiser – Florida Statutes Chapter 195.087 govern the preparation, adoption and administration of the budgets of the Tax Collector and Property Appraiser. On or before a legally designated date each year, the Tax Collector and the Property Appraiser shall submit to the Florida Department of Revenue a budget for the ensuing fiscal year. A copy of such budget shall be furnished at the same time to the Board. Final approval of the budgets is given by the Florida Department of Revenue.

Supervisor of Elections – The Supervisor of Elections works in cooperation with the Board to establish an annual budget for the office. Florida Statutes Chapter 129.201 and 129.03 govern the preparation, adoption and administration of the annual budget. The Supervisor of Elections' budget is funded from the Board's General Fund.

Employee Benefits

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*.

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 Annual Comprehensive Financial Report.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits (continued)

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.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand as well as demand deposits and certificates of deposit with original maturities of three months or less. This policy applies to the primary government and its component unit.

Investments

The County's investments are limited to investments authorized by State Statutes. Historically, the County has only invested in Florida Prime Certificates and money market accounts. As governed by Florida Statute 218.415, the County is authorized to invest available surplus funds in the following:

1. The Local Government Surplus Funds Trust Fund (the SBA) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Florida Statute 163.01.
2. Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
3. Interest-bearing time deposits or savings accounts in state qualified public depositories, as defined in Florida Statute 280.02.
4. Direct obligations of the U.S. Treasury.

Receivables

The County records accounts receivable for various taxes, fees and services. For emergency medical service fees, uncollectible allowance has been recorded based on contractual and historical experience. All other receivables are considered collectible and, as such, no allowance for uncollectibles is reported.

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Interfund Activities and Transactions

Activities 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.”

Inventories and Prepaid Items

The County uses the consumption method to account for inventory with cost determined by the first-in, first-out method. Inventory is comprised primarily by equipment parts and bulk fuel reported in the Transportation Trust Fund. Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in the government-wide statements. At the fund level, expenditures are recognized when the available finance resource is expended.

Capital Assets

Capital assets, which include property, plant, equipment, right-to-use assets, and infrastructure assets (e.g. roads, bridges, streets and sidewalks, and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Additions to capital assets are recorded at cost at the time of purchase. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets inventory is maintained as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006.

Depreciation has been provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Capital asset classes	Lives
Buildings	25 - 40
Improvements other than buildings	15 - 40
Infrastructure	30
Equipment and Vehicles	5 - 15

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (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 County had deferred inflows 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. In addition, the County had deferred inflows at year-end related to their other postemployment benefit plan (OPEB). These amounts are recognized as inflows of resources in the period that they become available. The deferred inflows related to leases relate to a building lease in which the County is the lessor.

Unearned revenues

Unearned revenues represents amounts received, but not yet earned. Balances at September 30, 2022 represented unearned funding related to the American Rescue Plan Act and Disaster Relief grants.

Unavailable revenues

Unavailable revenues are a liability that represents amounts not expected to be received within the period of availability. Balances at September 30, 2022 represented unavailable revenue due from the State of Florida for settlements with pharmaceutical companies.

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the Statement of Net Position. In fund financial statements, the face amount of debt issued is reported as other financing sources.

Lease Obligations

GASB No. 87, *Leases*, was adopted October 1, 2021. Under this new guidance, all contracts allowing for the County to use another entity's asset for a period greater than 12 months must be recorded as both a right-of-use (ROU) asset and a lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment. Any contract not meeting the 12-month period requirement is recognized as rental expense.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of lease liability are composed of fixed payments and term options that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease receivable

The County records revenues from lease in accordance with GASB No. 87, *Leases*. The lease receivable is initially measured at the present value of the lease payments expected to be received during the lease term. The deferred lease inflow of resources is measured as the sum of the initial measurement of the lease receivable net of lease payments received. Lease receipts result in a reduction of the lease receivable and recognition of inflows of revenues. At September 30, 2022, the County's total lease receivable of \$139,326 was for the lease of a building.

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Categories and Classification of Net Position and Fund Equity

Net position flow assumption and fund balance flow assumption - The authority to establish, modify or rescind a committed or assigned fund balance rests with the Board and these actions are accomplished through an adopted resolution. 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 they are needed. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the County's policy to use committed funds first, then assigned, and finally unassigned.

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.

Fund Equity is reported in the fund financial statements as either nonspendable or spendable in the following classifications:

Nonspendable– Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Categories and Classification of Net Position and Fund Equity (continued)

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The governing council (Board) has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned – Unassigned fund balance is the residual classification.

Revenues and Expenditures/Expenses

Property Taxes

Property taxes in the County are levied by the Board. The millage levies are determined on the basis of estimates of revenue needs and the total taxable valuations within the jurisdiction of the Board. No aggregate ad valorem tax millage in excess of 10 mills on the dollar is levied against property of the County as specified in Florida Statue 200.071.

Each year, the total taxable valuation is established by the Property Appraiser and the list of property assessments is submitted to the State Department of Revenue for approval. Taxes, assessed as of January 1 of each year, are due and payable on November 1 of each year or as soon thereafter as the assessment roll is opened for collection. Pursuant to Florida Law, all owners of property have the responsibility of ascertaining the amount due and paying it before April 1 of the year following the year in which the tax was assessed.

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Property Taxes (continued)

2022 Property tax calendar:

Lien date	- January 1, 2021
Levy date	- November 1, 2021
Tax bills mailed	- November 1, 2021
Collection dates	- November 30, 2021: 4% discount - Through January 2, 2022: 3% discount - Through January 31, 2022: 2% discount - Through February 28, 2022: 1% discount
Delinquent date	- April 1, 2022
Tax sale	- 2021 delinquent property taxes - on or before June 1, 2022

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 estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from estimates used.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 29, 2023, and determined there were no events that occurred that require disclosure.

Recently Issued and Implemented Accounting Pronouncements

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.

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

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. The implementation of GASB 87 resulted in the inclusion of a lease receivable in the Statement of Net Position and Balance Sheet. See note 8 for further discussion on the restatement of beginning balances required for the implementation of GASB 87.

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 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. The implementation of GASB 89 did not result in any change in the County's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). 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,

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

- 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.

The implementation of GASB 92 did not result in any significant change in the County's financial statements.

In May 2020, the GASB issued Statement No. 93 (GASB 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 GASB 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. The implementation of GASB 93 did not result in any change in the County's financial statements.

Washington County, Florida 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 Statement No. 97 (GASB 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 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 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 GASB 97 are effective for fiscal years beginning after June 15, 2021. The implementation of GASB 97 did not result in any change in the County's financial statements.

In October 2021, the GASB issued GASB Statement No. 98 (GASB 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 implementation of GASB 98 did not result in any change in the County's financial statements.

Pronouncements Issued But Not Yet Effective

The GASB has issued statements that will become effective in future years. These statements are as follows:

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. 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

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (Continued)

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 March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). 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* (GASB 96). 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

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (Continued)

stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022* (GASB 99). This Statement provides guidance on the following:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument,
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives,
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the PPP term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset,
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability,
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt,
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP),
- Disclosures related to nonmonetary transactions,
- Pledges of future revenues when resources are not received by the pledging government,
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments, as amended*, related to the focus of the government-wide financial statements,
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

Washington County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (Continued)

- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

Washington County, Florida Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Custodial Credit Risk

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

Receivables

Accounts receivables includes \$183,726 net receivables for Emergency Medical Services (“EMS”). This represents total receivables of \$1,070,892 net of allowance for doubtful accounts and contractual adjustments of \$887,166. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings. The County also had a receivable of \$268,057 from litigation settlements with pharmaceutical companies. Remaining receivables totaling \$554,650 consist of franchise fees due from utility companies.

Due from Other Governments is comprised of various grant reimbursements, revenue sharing and taxes collected for the County by the State of Florida of \$6,989,659.

Note receivable of \$2,203,306 represents the balance outstanding of a loan to Northwest Florida Healthcare, Inc. (the “Hospital”) of \$2,903,878 in December 2003. The loan 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.

Leases receivable are reported in accordance with GASB Statement No. 87 *Leases*, as detailed in Note 1. The lease receivable of \$139,326 represents the outstanding balance of a 60 month lease of a building to the Florida Department of Corrections beginning August 1, 2020 and expiring July 1, 2025. During fiscal year 2022, the County recognized leased principal of \$43,173 and \$10,983 of lease interest revenue.

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Balances

Due to/from other funds consists of the following:

Receivable Fund	Payable Fund	
General fund	Transportation Trust	\$ 29,884
	Hurricane Michael	5,171,250
	Other Governmental Funds	3,436,377
Transportation Trust Fund	General Fund	1,000,807
	American Rescue Act	44,133
Hurricane Michael	General Fund	800,000
Other Governmental Funds	General	518,393
	Hurricane Michael	17,450
	American Rescue Act	58,447
	Other Governmental Funds	545
Total		\$ 11,077,286

All amounts due will be paid within one year of the financial statement date.

Interfund Transfers

Transfers to/from other funds consist of the following:

<i>Transfers to General Fund from:</i>	
(2) Nonmajor Governmental funds	\$ 554,587
<i>Transfers to Transportation Trust Fund from:</i>	
(1) American Rescue Act	43,713
<i>Transfers to Nonmajor Governmental Funds from:</i>	
(2) General fund	\$ 2,178,455
(1) Transportation Trust	25,079
(1) American Rescue Act	58,868
(1) Nonmajor Governmental funds	78,330
	2,340,732
Total interfund transfers	\$ 2,939,032

- (1) reimburse for eligible expenditures
- (2) annual debt service requirements and budgeted appropriations

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital assets activity for the fiscal year is as follows:

	October 1, 2021 as Restated	Increases	Decreases	Transfers	September 30, 2022
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 4,843,865	\$ 743,183	\$ -	\$ -	\$ 5,587,048
Construction in progress	2,124,485	160,476	-	(706,028)	1,578,933
Total capital assets, not being depreciated	6,968,350	903,659	-	(706,028)	7,165,981
Capital assets, being depreciated:					
Buildings	28,319,099	2,100,780	-	-	30,419,879
Improvements other than buildings	21,474,811	18,957,520	-	206,028	40,638,359
Infrastructure	1,988,560	-	-	-	1,988,560
Machinery and equipment	23,328,857	1,677,737	63,959	500,000	25,442,635
Total capital assets, being depreciated	75,111,327	22,736,037	63,959	706,028	98,489,433
Less: Total accumulated depreciation	30,696,824	3,943,705	63,959	-	34,576,570
Total capital assets, being depreciated, net	44,414,503	18,792,332	-	706,028	63,912,863
Governmental activities capital assets, net	\$ 51,382,853	\$ 19,695,991	\$ -	\$ -	\$ 71,078,844

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

Depreciation and amortization expense was charged to the functions of government as follows:

Governmental activities:

General government	\$ 249,567
Public safety	1,488,320
Physical environment	6,465
Transportation	1,931,837
Economic environment	200,571
Human services	28,048
Culture and recreation	38,897
Total depreciation expense-governmental activities	\$ 3,943,705

Sunny Hills' and Highway 79 Corridor Authority's capital assets are as follows:

	October 1, 2021	Increases	Decreases	September 30, 2022
Sunny Hills				
Capital assets, not being depreciated:				
Land	\$ 1,770,313	\$ -	\$ -	\$ 1,770,313

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

Higway 79 Corridor Authority	October 1, 2021	Increases	Decreases	Transfers	September 30, 2022
Capital assets, not being depreciated:					
Construction in progress	\$ 2,090,502	\$ 539,141	-	\$ (2,600,385)	\$ 29,258
Capital assets, being depreciated:					
Infrastructure	-	-	-	2,216,021	2,216,021
Equipment	-	-	-	384,364	384,364
Total capital assets, being depreciated	-	-	-	2,600,385	2,600,385
Less: Total accumulated depreciation	-	22,483	-	-	22,483
Total capital assets, being depreciated, net	-	(22,483)		2,600,385	2,577,902
Governmental activities capital assets, net	\$ 2,090,502	\$ 516,658	\$ -	\$ -	\$ 2,607,160

Unearned Revenue

Revenue received under contracts with governmental agencies which are unearned until expended are as follows:

Law Enforcement grant	\$ 119,528
American Rescue Plan	4,022,174
SHIP	1,110,668
FEMA grant	500,000
Total	\$ 5,752,370

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities

The following is a summary of changes in long-term debt for the year ended September 30, 2022:

	Balance 10/01/21	Additions	Reductions	Balance 09/30/22	Due Within One Year
Governmental activities:					
Notes, lease and other payables:					
Interlocal agreement payable	\$ 148,500	\$ -	\$ 4,500	\$ 144,000	\$ 5,000
Notes payable	3,830,889	-	492,268	3,338,621	498,500
Leases payable	958,396	-	162,334	796,062	145,413
Total notes, leases and other payables	4,937,785	-	659,102	4,278,683	648,913
Other liabilities:					
Landfill closure and post-closure costs	20,371	-	20,371	-	-
Other post employment benefit obligations	359,964	44,106	-	404,070	-
Pension liability	5,991,433	10,327,542	-	16,318,975	-
Compensated absences	720,348	673,156	613,013	780,491	78,049
Total other liabilities	7,092,116	11,044,804	633,384	17,503,536	78,049
Total governmental activities	\$ 12,029,901	\$ 11,044,804	\$ 1,292,486	\$ 21,782,219	\$ 726,962

Governmental activities, claims, obligations and compensated absences are generally liquidated by the general fund.

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, 2022. There was no balance due at September 30, 2022.

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Debt service requirements on long-term debt at September 30, 2022 are as follows:

Fiscal Year Ending September 30,	Governmental Activities			
	Interlocal Agreement Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2023	\$ 5,000	\$ 6,660	\$ 498,500	\$ 107,105
2024	5,000	6,429	517,100	91,139
2025	5,500	6,198	534,600	74,492
2026	5,500	5,943	551,100	57,354
2027	6,000	5,689	569,400	39,681
2028-2032	33,000	24,120	667,921	38,667
2033-2037	38,000	16,026	-	-
2038-2042	46,000	6,545	-	-
Total	\$ 144,000	\$ 77,610	\$ 3,338,621	\$ 408,438

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 annual principal and interest charges until 2042.

\$ 144,000

Notes Payable

\$934,000 Non-Ad Valorem Tax Revenue Promissor 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.

\$ 653,000

\$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.

2,685,621

Total notes payable

\$ 3,338,621

Debt service requirements for the year-ended September 30, 2022 for the Series 2015 and 2016 notes payable was \$439,500 and \$73,976, respectively. Pledged revenues were \$989,264.

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Leases - Lessee

The County has entered into multiple lease agreements as lessee for equipment and buildings that qualify as leases for accounting purposes.

The present value of the future minimum lease payments is as follows:

Fiscal Year Ending September 30,	Governmental Activities		
	Leases Payable		Total
	Principal	Interest	
2023	\$ 145,413	\$ 38,171	\$ 183,584
2024	209,112	26,265	235,377
2025	90,599	19,963	110,562
2026	350,938	2,884	353,822
Total	\$ 796,062	\$ 87,283	\$ 883,345

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 cost of \$756,000, accumulated depreciation of \$108,000 and net book value of \$648,000. \$ 609,761

\$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 cost of \$197,500, accumulated depreciation of \$28,214 and net book value of \$169,286. 132,599

\$125,000, BB&T Governmental Finance, payable in monthly installments of \$27,992, interest at 3.89%, due 2024. Collateralized by equipment with a cost of \$125,000, accumulated depreciation of \$75,000 and net book value of \$50,000. 52,878

\$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 cost of \$117,977, accumulated depreciation of \$106,179 and net book value of \$11,798. 824

Total leases payable	\$ 796,062

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Net Position

Restricted net position reported \$6,823,988 of net position restricted by enabling legislation.

Fund Balances

Fund balances are comprised of the following:

Nonspendable

General fund		
Long-term note receivable	\$	2,203,306
Transportation trust fund		
Inventory		102,939
Total nonspendable fund balance	\$	2,306,245

Restricted

General fund		
Landfill closure	\$	58,589
Education and crime prevention		166,533
	\$	225,122
Transportation trust		
Transportation		5,095,253
Nonmajor governmental funds		
Court innovations	554,716	
Emergency communications	97,985	
Law enforcement	419,147	
Local housing assistance	58,052	
Probation	166,988	
Emergency management	32,946	
Road improvements	111,912	
Economic development	72,624	
Modernization of public records	56,583	
Crime prevention	111,218	
Court-related technology	64,030	
Culture and recreation	3,400	
		1,749,601
Total restricted fund balance	\$	7,069,976

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Fund Balances (continued)

Committed

Nonmajor governmental funds	
Fire operations	\$ 588,499
Municipal service business unit	189,264
Mosquito control	109,548
Boater improvement	1,107
Building department	289,458
Police education	18,455
Total committed fund balance	\$ 1,196,331

Assigned

Nonmajor governmental funds	
Emergency management	\$ 288,622
Choose Life Tags	1,867
Transportation	19,218
Public Library	(45,634)
Total assigned fund balance	\$ 264,073

Note 3: RETIREMENT 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

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

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.

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-11.91% DROP Program-18.60%, special risk employees-27.89%, senior management-31.57% and elected officials-57.00%. 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 County's contributions to the System Pension Plan ("Pension Plan") for the years ended September 30, 2022 and 2021 were \$1,558,827 and \$1,411,944 respectively, and equal to the actuarially determined contributions for each year. The County's contributions to the Retiree Health Insurance Subsidy Program ("HIS") for the years ended September 30, 2022 and 2021 were \$155,771 and \$152,909 respectively, and equal to the actuarially determined contributions for each year. These contributions were paid by their due date. Total payroll for the County employees covered by the System pension plan and HIS was \$10,368,210 the year ended September 30, 2022. The County's total payroll was \$10,479,894 for the same period.

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, 2022, the County reported a liability of \$13,592,323 for its proportionate share of the collective net pension liability for the Pension Plan. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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, 2022, the System's proportion of the Pension Plan was 0.036531%, which was a decrease of 0.000533% from its proportion measured as of June 30, 2021.

Washington County, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

For the year ended September 30, 2022, the County recognized pension expense of \$152,997. At September 30, 2022, the County reported deferred outflows and deferred inflows of resources related to the Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 645,558	\$ -
Changes of assumptions	1,673,951	-
Net difference between projected and actual investment earnings on pension plan investments	897,500	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	485,909	1,173,660
County contributions subsequent to the measurement date	480,573	-
Total	\$ 4,183,491	\$ 1,173,660

\$480,573 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023.

The balance of deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<i>For Year Ended September 30,</i>	Pension Expense, Net
2023	\$ 476,183
2024	476,183
2025	476,183
2026	476,183
2027	476,183
Thereafter	148,343
Total	\$ 2,529,258

Washington County, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

Actuarial assumptions. The total pension liability for the Pension Plan was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment rate of return*	6.70%
Projected salary increases	3.25%
* Net of pension plan investment expense	

The actuarial assumptions used in the actuarial valuation as of June 30, 2022 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 for the period July 1, 2013 to June 30, 2018.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

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 Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real Estate (property)	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	100.00%			

Washington County, Florida Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

Discount rate. The discount rate used to measure the total pension liability for the Pension Plan was 6.70%. The Plan's fiduciary net position was projected to be available to make all 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.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.70% for the Pension Plan, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.70%) or 1-percentage point higher (7.70%) than the current rate:

	FRS Net Pension Liability		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Governmental Employer's proportionate share of the net pension liability	\$ 23,506,988	\$ 13,592,323	\$ 5,302,483

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued System Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2022. The auditor's report dated January 13, 2023 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, 2022 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.

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.

Washington County, Florida Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

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.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At September 30, 2022, the County reported a liability of \$2,726,652 for its proportionate share of the collective net pension liability. For the Health Insurance Subsidy program ("HIS 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 July 1, 2021. The County's proportion of the collective net pension liability was based on the employers' shares of contributions to the HIS Plan relative to the total employer contributions of all participating employers. At June 30, 2022, the System's proportion of the HIS Plan was 0.025744%, which was a decrease of 0.000270% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the County recognized HIS Plan pension expense of \$14,068. At September 30, 2022, the County reported deferred outflows and deferred inflows of resources related to the HIS Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 82,760	\$ 11,998
Changes of assumptions	156,293	421,811
Net difference between projected and actual investment earnings on pension plan investments	3,947	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	210,111	131,166
County contributions subsequent to the measurement date	44,236	-
Total	\$ 497,347	\$ 564,975

Washington County, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

\$44,236 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Amounts reported as deferred outflows and deferred inflows of resources related to the HIS Plan will be recognized in the pension's expense as follows:

<i>For Year Ended September 30,</i>	Pension Expense, Net
2023	\$ 20,460
2024	20,460
2025	20,460
2026	20,461
2027	21,447
Thereafter	8,576
Total	\$ 111,864

The total pension liability for the HIS Plan was determined by an actuarial valuation as of July 1, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment rate of return*	3.54%
Projected salary increases	3.25%

* Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of July 1, 2022 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 for the period July 1, 2013 to June 30, 2018.

Mortality rates were based on the Generational PUB-2010 with Projected Scale MP-2018.

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 3.54%. 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

Washington County, Florida Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

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.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 3.54% for the HIS Plan as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.54%) or 1-percentage point higher (4.54%) than the current rate:

	HIS Net Pension Liability		
	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Governmental Employer's proportionate share of the net pension liability	\$ 3,119,514	\$ 2,726,652	\$ 2,401,567

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued System Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2022. The auditor's report dated January 13, 2023 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, 2022 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.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The County 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.

Washington County, Florida Notes to Financial Statements

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Plan Description (continued)

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.

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.

Funding Policy

A qualifying trust or agency fund has not been authorized by the County. The County negotiates the premium rates with BCBSFL. The required contribution is based on pay-as-you-go financing requirements. Upon a retiree or beneficiary reaching age 65 years of age, they are required to contribute 100% of their current premium costs. Prior to a retiree or beneficiary reaching age 65 years of age, the County pays a portion of the premium and the beneficiary is required to pay the remainder. The County contributes the remainder to cover the costs of providing the benefits to the retirees.

Membership

At September 30, 2022, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	233
Retirees in pay status	6
<u>Total membership</u>	<u>239</u>
<u>Participating employers</u>	<u>1</u>

Washington County, Florida
Notes to Financial Statements

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Net OPEB Liability

The County's net OPEB liability is reported herein as of September 30, 2022 for the County's fiscal year and reporting period of October 1, 2021 to September 30, 2022. The values shown for this fiscal year and reporting period are based on a measurement date of September 30, 2022 and the corresponding measurement period of October 1, 2021 to September 30, 2022. The measurement of the total OPEB liability is based on a valuation date of October 1, 2022. The following shows the changes in the County's net OPEB liability:

	Total OPEB (a)	Plan Fiduciary (b)	Net OPEB (a)+(b)
Balance at September 30, 2021	\$ 359,964	\$ -	\$ 359,964
Service cost	39,192	-	39,192
Interest cost	7,590	-	7,590
Difference between expected and actual experience	60,356	-	60,356
Changes in assumptions	(36,219)	-	(36,219)
Benefit payments	(26,813)	-	(26,813)
Net changes	44,106	-	44,106
Balance as of fiscal year ended September 30, 2022	\$ 404,070	\$ -	\$ 404,070

Sensitivity of the net OPEB liability to changes in the discount rate - The following represents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage-point higher than the current discount rate:

	1% Decrease (3.40%)	Current Discount Rate (4.40%)	1% Increase (5.40%)
Net OPEB Liability	\$ 429,499	\$ 404,070	\$ 379,716

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following represents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1-percentage-point higher than the current healthcare trend rates:

Washington County, Florida
Notes to Financial Statements

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Net OPEB Liability (continued)

	1% Decrease (2.94%)	Medical Trend Rate (3.94%)	1% Increase (4.94%)
Net OPEB Liability	\$ 361,698	\$ 404,070	\$ 455,000

For the year ended September 30, 2022, the County recognized OPEB expense of \$13,183.

At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	52,482	62,217
Changes of assumptions	24,918	34,097
Total	\$ 77,400	\$ 96,314

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the years ended September 30,

2023	\$ (6,786)
2024	(6,786)
2025	(6,789)
2026	(6,015)
2027	4,013
Thereafter	3,449
Total	\$ (18,914)

Actuarial Methods and Assumptions - The valuation report dated April 19, 2023 for the fiscal year end date of September 30, 2022 was prepared using GAAP and practices, and relied on unaudited census data and medical claims data reported by the County. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects

Washington County, Florida
Notes to Financial Statements

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Net OPEB Liability (continued)

of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2022 actuarial valuation, the entry age normal actuarial cost method was used to determine the Plan's funding liabilities and assets. The actuarial assumption included the following actuarial assumptions:

Inflation Rate	2.50%
Salary Increase Rate(s)	Varies by Service
Discount Rate	4.40%
Rate of Growth in Real Income/GDP per capita	1.40%
Excess Trend due to Technology and Other Factors	1.00%
Health Share of GDP Resistance Point	20%
Year of Limiting Cost Growth to GDP Growth	2075

The discount rate represents the 20-year general obligation bond index rate at September 30, 2022. Mortality rates were based on the PUB-2010 Mortality Table (without income adjustments), with full generational improvements in mortality using Scale MP-2021.

Note 5: COMMITMENTS AND CONTINGENCIES

Grants - Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such reviews may result in requests for reimbursement due to disallowed expenditures. The County is not aware of any potentially disallowed grant expenditures.

Construction Commitments - The County had open contract commitments for road construction projects as of September 30, 2022, as follows:

Contract amounts	\$ 14,982,914
Amount expended through September 30, 2022	5,038,073
Remaining commitment on contract	\$ 9,944,841

Washington County, Florida

Notes to Financial Statements

Note 6: RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are mitigated in several ways including participation in a public entity risk pool. The County maintains workers' compensation coverage, health insurance, automobile liability, property, and general liability coverage with Public Risk Management. The County pays yearly premiums to this pool which covers all losses incurred subject to policy and contract limitations and coverage.

Note 7: LITIGATION

The County is involved in several litigations and claims arising in the ordinary course of operations. In the opinion of management, the range of potential recoveries or liabilities would not materially affect the financial position of the County at September 30, 2022. Accordingly, no accruals for loss contingency have been made in the accompanying financial statements.

Note 8: RESTATEMENT OF BEGINNING BALANCES

As discussed in Note 1, the implementation of GASB Statement No. 87 required the County to restate the beginning fund balance for the general fund and the beginning net position for governmental activities. In addition, the County had a prior period adjustment for beginning net position to adjust capital assets to agree to subsidiary ledgers and to reclassify amounts in the fiduciary funds from liabilities to net position as they are not due and payable. A reconciliation of the prior period adjustment is as follows:

Government-Wide

Beginning net position	\$ 49,986,580
Adjustment for capital assets	414,426
Adjustment for implementation of GASB 87	5,689
Beginning net position, as restated	\$ 50,406,695

General Fund

Beginning fund balance	\$ 10,388,660
Adjustment for implementation of GASB 87	5,689
Beginning fund balance, as restated	\$ 10,394,349

Fiduciary Fund

Beginning net position	\$ -
Adjustment for reclassification of liabilities	67,825
Beginning net position, as restated	\$ 67,825

Washington County, Florida
Required Pension Supplementary Information

Schedule of Employer's Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan
Last Nine Fiscal Years (1)

As of and for the year ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.036530611%	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)	\$ 13,592,323	\$ 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*	\$ 9,893,543	\$ 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	137.39%	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	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

(1) This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

*County's covered payroll during the fiscal year is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined as of June 30.

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

Washington County, Florida
Required Pension Supplementary Information

Schedule of Employer's Contributions
Florida Retirement System Pension Plan
Last Nine Fiscal Years (1)

As of and for the year ended September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions**	\$ 1,558,827	\$ 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	(1,558,827)	(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*	\$ 10,368,210	\$ 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	15.03%	16.29%	14.30%	14.47%	13.58%	12.92%	11.72%	11.51%	10.28%

(1) This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

*County's covered payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined for the year ended September 30.

**The amount of contractually required contributions is equal to the amount that would be recognized as additions from the employer's contributions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the employer's fiscal year.

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

Washington County, Florida
Required Pension Supplementary Information

Schedule of Employer's Proportionate Share of the Net Pension Liability
Health Insurance Subsidy Program
Last Nine Fiscal Years (1)

As of and for the year ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.025743539%	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)	\$ 2,726,652	\$ 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*	\$ 9,893,543	\$ 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	27.56%	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	4.81%	3.00%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

(1) This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

*County's covered payroll during the fiscal year is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined as of June 30.

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

Washington County, Florida
Required Pension Supplementary Information

Schedule of Employer's Contributions
Health Insurance Subsidy Program
Last Nine Fiscal Years (1)

As of and for the year ended September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions**	\$ 155,771	\$ 152,909	\$ 147,947	\$ 141,686	\$ 131,274	\$ 125,880	\$ 122,810	\$ 89,045	\$ 81,063
Contributions in relation to the contractually required contribution	(155,771)	(152,909)	(147,947)	(141,686)	(131,274)	(125,880)	(122,810)	(89,045)	(81,063)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll*	\$ 10,368,210	\$ 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	1.50%	1.76%	1.60%	1.61%	1.59%	1.58%	1.57%	1.18%	1.10%

(1) This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

**County's covered payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined for the year ended September 30.

**The amount of contractually required contributions is equal to the amount that would be recognized as additions from the employer's contributions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the employer's fiscal year.

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

Washington County, Florida
Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios
Last Five Fiscal Years*

<i>As of and for the year ended September 30,</i>	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 39,192	\$ 36,711	\$ 32,409	\$ 26,655	\$ 26,894
Interest	7,590	7,787	11,143	14,444	13,497
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	60,356	-	(108,882)	-	1,998
Changes of Assumptions	(36,219)	3,943	13,911	28,303	(8,137)
Benefit Payments	(26,813)	(23,178)	(38,176)	(44,493)	(39,002)
Net Change in Total OPEB Liability	44,106	25,263	(89,595)	24,909	(4,750)
Total OPEB Liability - Beginning	359,964	334,701	424,296	399,387	404,137
Total OPEB Liability - Ending	\$ 404,070	\$ 359,964	\$ 334,701	\$ 424,296	\$ 399,387
Plan Fiduciary Net Position					
Contributions - employer	\$ 26,813	\$ 23,178	\$ 38,176	\$ 44,493	\$ 39,002
Benefit payments	(26,813)	(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)	\$ 404,070	\$ 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%	0.00%
Covered-employee payroll	\$ 10,368,210	\$ 8,667,835	\$ 9,254,293	\$ 8,784,277	\$ 8,251,801
Net OPEB liability as a percentage of covered-employee payroll	3.90%	4.15%	3.62%	4.83%	4.84%
Contributions as a percentage of covered-employee payroll	0.26%	0.27%	0.41%	0.51%	0.47%

* This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

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

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

Note 1: OTHER POSTEMPLOYMENT BENEFITS PLAN

The defined benefit OPEB plan does not have any assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension OPEB Plan.

The following actuarial assumptions changed in 2022:

- The claims assumption was updated to include the most recent plan experience.
- The discount rate was updated to 4.40% (the latest 20-year Municipal GO AA Index as of September 30, 2022).
- The healthcare cost trend assumption was updated based on the latest Getzen model released by the Society of Actuaries (SOA) in November 2021.
- The mortality improvement scale assumption was updated to MP-2021 to reflect more recently published data by the SOA.
- The salary scale and decrement assumptions were updated to be consistent with those used for General and Special Risk employees in the Florida Retirement System Pension Plan Actuarial Valuation Report as of July 1, 2022.

Note 2: FLORIDA RETIREMENT SYSTEMS (FRS)

The following actuarial assumptions changed in 2022:

- Actuarial valuation date updated from June 30, 2021 to June 30, 2022.
- The long-term expected rate of return was decreased from 6.80% to 6.70%.

Note 3: HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

The following actuarial assumptions changed in 2022:

- The demographic assumptions for Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838.
- The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.
- The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%.

Washington County, Florida
Combining Balance Sheet –
Nonmajor Governmental Funds

Special Revenue Funds				
<i>September 30, 2022</i>	Public Library	Small Counties Grant	Buckhorn Road	
Assets				
Cash and cash equivalents	\$ 38,989	\$ 30,574	\$ -	
Accounts receivable, net	261	-	-	
Due from other funds	13,405	3,678	-	
Due from other governments	-	46,333	1,295,496	
Total assets	\$ 52,655	\$ 80,585	\$ 1,295,496	
Liabilities				
Accounts payable and accrued expenses	\$ 28,981	\$ 7,523	\$ 25,511	
Due to other funds	69,308	53,844	1,269,985	
Due to other governments	-	-	-	
Unearned revenue	-	-	-	
Total liabilities	98,289	61,367	1,295,496	
Fund balances (deficit)				
Restricted	-	-	-	
Committed	-	-	-	
Assigned	(45,634)	19,218	-	
Unassigned	-	-	-	
Total fund balances (deficit)	(45,634)	19,218	-	
Total liabilities and fund balances (deficit)	\$ 52,655	\$ 80,585	\$ 1,295,496	

Fines & Forfeiture		Thirty Dollar Surcharge		CARES Act		Civil Fee		Local Housing Assistance Trust (SHIP)	
\$	163,372	\$	222,667	\$	-	\$	9,699	\$	1,250,284
	-		5,931		-		-		-
	1,282		-		-		-		-
	44,448		-		-		-		-
\$	209,102	\$	228,598	\$	-	\$	9,699	\$	1,250,284
\$	24,063	\$	5,640	\$	-	\$	9,699	\$	40,905
	119,892		-		-		-		40,659
	40,506		-		-		-		-
	-		-		-		-		1,110,668
	184,461		5,640		-		9,699		1,192,232
	24,641		222,958		-		-		58,052
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	24,641		222,958		-		-		58,052
\$	209,102	\$	228,598	\$	-	\$	9,699	\$	1,250,284

Washington County, Florida
Combining Balance Sheet (Continued) –
Nonmajor Governmental Funds

Special Revenue Funds

<i>September 30, 2022</i>	Emergency Medical Service	Municipal Service Business Unit	Fire Operation
Assets			
Cash and cash equivalents	\$ 28,919	\$ 185,603	\$ 142,634
Accounts receivable, net	205,834	6,426	-
Due from other funds	-	1,166	516,747
Due from other governments	-	-	-
Total assets	\$ 234,753	\$ 193,195	\$ 659,381
Liabilities			
Accounts payable and accrued expenses	\$ 33,772	\$ 3,811	\$ 70,882
Due to other funds	-	120	-
Due to other governments	39,927	-	-
Unearned revenue	-	-	-
Total liabilities	73,699	3,931	70,882
Fund balances (deficit)			
Restricted	-	-	-
Committed	-	189,264	588,499
Assigned	161,054	-	-
Unassigned	-	-	-
Total fund balances (deficit)	161,054	189,264	588,499
Total liabilities and fund balances (deficit)	\$ 234,753	\$ 193,195	\$ 659,381

Radio Communication		Primary Care Challenge Grant		Law Enforcement Trust Fund III		Greenhead		Special Projects Impact	
\$	95,816	\$	-	\$	45,904	\$	-	\$	68,918
	2,169		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
\$	97,985	\$	-	\$	45,904	\$	-	\$	68,918
\$	-	\$	-	\$	-	\$	14,275	\$	-
	-		-		-		114,300		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		128,575		-
	97,985		-		45,904		(128,575)		68,918
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	97,985		-		45,904		(128,575)		68,918
\$	97,985	\$	-	\$	45,904	\$	-	\$	68,918

Washington County, Florida
Combining Balance Sheet (Continued) –
Nonmajor Governmental Funds

Special Revenue Funds

<i>September 30, 2022</i>	Law Enforcement Trust Fund I	Culpepper Landing	Arthropod Control
Assets			
Cash and cash equivalents	\$ 421	\$ -	\$ 107,645
Accounts receivable, net	-	-	-
Due from other funds	-	-	1,749
Due from other governments	-	134,122	9,506
Total assets	\$ 421	\$ 134,122	\$ 118,900
Liabilities			
Accounts payable and accrued expenses	\$ -	\$ 4,800	\$ 1,074
Due to other funds	-	125,922	-
Due to other governments	-	-	-
Unearned revenue	-	-	8,278
Total liabilities	-	130,722	9,352
Fund balances (deficit)			
Restricted	421	3,400	-
Committed	-	-	109,548
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	421	3,400	109,548
Total liabilities and fund balances (deficit)	\$ 421	\$ 134,122	\$ 118,900

Choose Life		Alford		Crystal Lake		E911		Police	
Tag		Road		Road				Education	
\$	1,867	\$	-	\$	-	\$	70,882	\$	18,122
	-		-		-		-		333
	-		-		-		12,456		-
	-		-		26,020		43,645		-
\$	1,867	\$	-	\$	26,020	\$	126,983	\$	18,455
\$	-	\$	-	\$	-	\$	3,048	\$	-
	-		-		26,020		700		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		26,020		3,748		-
	-		-		-		-		-
	-		-		-		-		18,455
	1,867		-		-		123,235		-
	-		-		-		-		-
	1,867		-		-		123,235		18,455
\$	1,867	\$	-	\$	26,020	\$	126,983	\$	18,455

Washington County, Florida
Combining Balance Sheet (Continued) –
Nonmajor Governmental Funds

Special Revenue Funds				
<i>September 30, 2022</i>	Brickyard Road Resurface	Hunter Park	Tourist Development Tax	
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 51,354	
Accounts receivable, net	-	264	-	
Due from other funds	-	-	14,850	
Due from other governments	1,148,708	-	9,064	
Total assets	\$ 1,148,708	\$ 264	\$ 75,268	
Liabilities				
Accounts payable and accrued expenses	\$ 127,101	\$ -	\$ 1,093	
Due to other funds	1,021,607	264	1,551	
Due to other governments	-	-	-	
Unearned revenue	-	-	-	
Total liabilities	1,148,708	264	2,644	
Fund balances (deficit)				
Restricted	-	-	72,624	
Committed	-	-	-	
Assigned	-	-	-	
Unassigned	-	-	-	
Total fund balances (deficit)	-	-	72,624	
Total liabilities and fund balances (deficit)	\$ 1,148,708	\$ 264	\$ 75,268	

Emergency Management Enhancement	EMPG Grant	Criminal Education	Cost of Incarceration	Crime Prevention
\$ 24,942	\$ -	\$ 24,427	\$ 28,239	\$ 57,411
-	-	477	26	638
3,497	-	-	-	-
-	-	-	-	-
\$ 28,439	\$ -	\$ 24,904	\$ 28,265	\$ 58,049
\$ 6,064	\$ -	\$ -	\$ -	\$ -
8,197	-	-	-	-
-	-	-	-	-
-	-	-	-	-
14,261	-	-	-	-
14,178	-	24,904	28,265	58,049
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
14,178	-	24,904	28,265	58,049
\$ 28,439	\$ -	\$ 24,904	\$ 28,265	\$ 58,049

Washington County, Florida
Combining Balance Sheet (Continued) –
Nonmajor Governmental Funds

Special Revenue Funds				
<i>September 30, 2022</i>	Article V Technology	Sixty-Five Dollar Surcharge	EMPA Grant	
Assets				
Cash and cash equivalents	\$ 60,786	\$ 306,605	\$ -	
Accounts receivable, net	3,244	1,440	-	
Due from other funds	-	-	-	
Due from other governments	-	-	46,044	
Total assets	\$ 64,030	\$ 308,045	\$ 46,044	
Liabilities				
Accounts payable and accrued expenses	\$ -	\$ 928	\$ 2,924	
Due to other funds	-	-	43,120	
Due to other governments	-	-	-	
Unearned revenue	-	-	-	
Total liabilities	-	928	46,044	
Fund balances (deficit)				
Restricted	64,030	307,117	-	
Committed	-	-	-	
Assigned	-	-	-	
Unassigned	-	-	-	
Total fund balances (deficit)	64,030	307,117	-	
Total liabilities and fund balances (deficit)	\$ 64,030	\$ 308,045	\$ 46,044	

Probation		Sunday Road		Fire Impact Fees		Boat Ramp		Water Management Grant	
\$	165,101	\$	-	\$	4,333	\$	608	\$	23,704
	2,749		-		-		499		-
	1,166		-		-		-		-
	-		81,090		-		-		-
\$	169,016	\$	81,090	\$	4,333	\$	1,107	\$	23,704
\$	1,087	\$	-	\$	-	\$	-	\$	-
	941		81,090		-		-		61,551
	-		-		-		-		-
	-		-		-		-		-
	2,028		81,090		-		-		61,551
	166,988		-		-		-		(37,847)
	-		-		-		1,107		-
	-		-		4,333		-		-
	-		-		-		-		-
	166,988		-		4,333		1,107		(37,847)
\$	169,016	\$	81,090	\$	4,333	\$	1,107	\$	23,704

Washington County, Florida
Combining Balance Sheet (Continued) –
Nonmajor Governmental Funds

Special Revenue Funds

<i>September 30, 2022</i>	Building Department	Inmate Welfare	EMS Impact Fees
Assets			
Cash and cash equivalents	\$ 279,933	\$ 301,592	\$ 18,768
Accounts receivable, net	1,792	-	-
Due from other funds	24,839	-	-
Due from other governments	-	-	-
Total assets	\$ 306,564	\$ 301,592	\$ 18,768
Liabilities			
Accounts payable and accrued expenses	\$ 13,794	\$ 13,580	\$ -
Due to other funds	3,312	-	-
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total liabilities	17,106	13,580	-
Fund balances (deficit)			
Restricted	-	288,012	18,768
Committed	289,458	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	289,458	288,012	18,768
Total liabilities and fund balances (deficit)	\$ 306,564	\$ 301,592	\$ 18,768

Orange Hill & South Blvd		Hurricane Sally		Davidson Road		Public Records Modernization Trust
\$	-	\$	441,118	\$	-	\$ 64,527
	-		-		34,179	-
	-		-		-	-
	-		-		-	-
\$	-	\$	441,118	\$	34,179	\$ 64,527
\$	-	\$	-	\$	6,801	\$ -
	-		231,702		27,378	7,944
	-		-		-	-
	-		-		-	-
	-		231,702		34,179	7,944
	-		209,416		-	56,583
	-		-		-	-
	-		-		-	-
	-		-		-	-
	-		209,416		-	56,583
\$	-	\$	441,118	\$	34,179	\$ 64,527

Washington County, Florida
Combining Balance Sheet (Continued) –
Nonmajor Governmental Funds

	Special Revenue Funds			
<i>September 30, 2022</i>	Law Enforcement Trust Fund II	Highway 79 Corridor	Old Bonifay Road	
Assets				
Cash and cash equivalents	\$ 84,810	\$ -	\$ -	
Accounts receivable, net	-	-	-	
Due from other funds	-	-	-	
Due from other governments	-	-	-	
Total assets	\$ 84,810	\$ -	\$ -	
Liabilities				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	
Due to other funds	-	-	-	
Due to other governments	-	-	-	
Unearned revenue	-	-	-	
Total liabilities	-	-	-	
Fund balances (deficit)				
Restricted	84,810	-	-	
Committed	-	-	-	
Assigned	-	-	-	
Unassigned	-	-	-	
Total fund balances (deficit)	84,810	-	-	
Total liabilities and fund balances (deficit)	\$ 84,810	\$ -	\$ -	

				Debt Service Fund		
COVID 19		FFCRA COVID 19	Tropical Storm Fred	Series 2009 A & B Debt Service	Total Nonmajor Governmental Funds	
\$	-	\$	-	\$	-	\$ 4,420,574
	-		-		-	266,262
	-		-		-	594,835
	-		-		-	2,884,476
\$	-	\$	-	\$	-	\$ 8,166,147
\$	-	\$	-	\$	-	\$ 447,356
	-		127,515		-	3,436,922
	-		-		-	80,433
	-		-		-	1,118,946
	-		127,515		-	5,083,657
	-		-		-	1,749,601
	-		-		-	1,196,331
	-		-		-	264,073
	-		(127,515)		-	(127,515)
	-		(127,515)		-	3,082,490
\$	-	\$	-	\$	-	\$ 8,166,147

Washington County, Florida
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances—
Nonmajor Governmental Funds

Special Revenue Funds

<i>For the year ended September 30, 2022</i>	Public Library	Small Counties Grant	Buckhorn Road
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	234,737	93,750	2,419,729
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	143,951	27,656	-
Total revenues	378,688	121,406	2,419,729
Expenditures			
Current			
General government	-	-	-
Public health and safety	-	-	-
Physical environment	-	162,567	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	693,860	-	-
Court related	-	-	-
Capital outlay	53,649	-	2,419,729
Debt service			
Principal	4,500	-	-
Interest and other charges	-	-	-
Total expenditures	752,009	162,567	2,419,729
Excess (deficiency) of revenues over (under) expenditures	(373,321)	(41,161)	-
Other financing sources (uses)			
Transfers in	336,731	3,497	-
Transfers out	-	-	-
Reversion to State of Florida	-	-	-
Net other financing sources (uses)	336,731	3,497	-
Net change in fund balances	(36,590)	(37,664)	-
Fund balances (deficit) - beginning of year	(9,044)	56,882	-
Fund balances (deficit) - end of year	\$ (45,634)	\$ 19,218	\$ -

Fines & Forfeiture		Thirty Dollar Surcharge	CARES Act	Civil Fee	Local Housing Assistance Trust (SHIP)
\$	-	\$	-	\$	-
	-		-		-
	622,273		-		1,596,695
	320,292	79,415	-	64,540	-
	187,650		-		-
	99		-		4,506
	1,295	30	-		-
	1,131,609	79,445	-	64,540	1,601,201
	974,824		-		-
	-		19,711	21,779	-
	-		-		-
	-		-		-
	-		-		1,556,035
	-		-		-
	-		-		-
	-	106,108	-		-
	-	10,080	-		-
	-		-		-
	-		-		-
	974,824	116,188	19,711	21,779	1,556,035
	156,785	(36,743)	(19,711)	42,761	45,166
	-		-		-
	(119,893)		-	(42,761)	(40,659)
	(40,506)		-		-
	(160,399)	-	-	(42,761)	(40,659)
	(3,614)	(36,743)	(19,711)		4,507
	28,255	259,701	19,711		53,545
\$	24,641	\$	222,958	\$	-
				\$	58,052

Washington County, Florida
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued) –
Nonmajor Governmental Funds

Special Revenue Funds

<i>For the year ended September 30, 2022</i>	Emergency Medical Service	Municipal Service Business Unit	Fire Operation
Revenues			
Taxes	\$ -	\$ 558,230	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	39,490
Charges for services	1,237,943	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	-	300	-
Total revenues	1,237,943	558,530	39,490
Expenditures			
Current			
General government	-	-	-
Public health and safety	1,991,690	-	391,882
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	683,157	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	-	-	-
Capital outlay	931	-	48,111
Debt service			
Principal	4,063	-	24,964
Interest and other charges	109	-	3,028
Total expenditures	1,996,793	683,157	467,985
Excess (deficiency) of revenues over (under) expenditures	(758,850)	(124,627)	(428,495)
Other financing sources (uses)			
Transfers in	703,006	1,166	499,177
Transfers out	-	-	-
Reversion to State of Florida	-	-	-
Net other financing sources (uses)	703,006	1,166	499,177
Net change in fund balances	(55,844)	(123,461)	70,682
Fund balances (deficit)- beginning of year	216,898	312,725	517,817
Fund balances - end of year	\$ 161,054	\$ 189,264	\$ 588,499

Radio Communication		Primary Care Challenge Grant	Law Enforcement Trust Fund III	Greenhead	Special Projects Impact
\$	-	\$	-	\$	-
	-		-	-	685
	-	13,926	-	-	-
29,257	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
29,257		13,926	-	-	685
	-	-	-	-	-
12,632	-	13,926	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,879	-	-	-	128,575	-
-	-	-	-	-	-
-	-	-	-	-	-
29,511		13,926	-	128,575	-
(254)		-	-	(128,575)	685
50,000		-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50,000		-	-	-	-
49,746		-	-	(128,575)	685
48,239		-	45,904	-	68,233
\$	97,985	\$	-	\$	45,904
				\$	(128,575)
				\$	68,918

Washington County, Florida
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued) –
Nonmajor Governmental Funds

Special Revenue Funds

<i>For the year ended September 30, 2022</i>	Law Enforcement Trust Fund I	Culpepper Landing	Arthropod Control
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	120,368	51,130
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	-	-	-
Total revenues	-	120,368	51,130
Expenditures			
Current			
General government	-	-	-
Public health and safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	58,905
Culture and recreation	-	-	-
Court related	-	-	-
Capital outlay	-	230,595	2,206
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	-	230,595	61,111
Excess (deficiency) of revenues over (under) expenditures	-	(110,227)	(9,981)
Other financing sources (uses)			
Transfers in	-	113,627	1,749
Transfers out	-	-	-
Reversion to State of Florida	-	-	-
Net other financing sources (uses)	-	113,627	1,749
Net change in fund balances	-	3,400	(8,232)
Fund balances (deficit)- beginning of year	421	-	117,780
Fund balances - end of year	\$ 421	\$ 3,400	\$ 109,548

Choose Life		Alford		Crystal Lake		E911		Police	
Tag		Road		Road				Education	
\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-
	-	1,231,279		26,020		426,470			-
	-		-		-	177,175		4,446	
	-		-		-		-		-
	-		-		-		-		-
	-		-		-	5,700			-
	-	1,231,279		26,020		609,345		4,446	
	-		-		-		-		-
	-		-		-	371,617			-
	-		-		-		-		-
	-	1,256,358			-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-	26,020		250,943			-
	-		-		-		-		-
	-		-		-		-		-
	-	1,256,358		26,020		622,560			-
	-	(25,079)			-	(13,215)		4,446	
	-	25,079			-	12,331			-
	-		-		-		-		-
	-		-		-		-		-
	-	25,079			-	12,331			-
	-		-		-	(884)		4,446	
1,867			-		-	124,119		14,009	
\$	1,867	\$	-	\$	-	\$	123,235	\$	18,455

Washington County, Florida
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued) –
Nonmajor Governmental Funds

	Special Revenue Funds		
	Brickyard Road Resurface	Hunter Park	Tourist Development Tax
<i>For the year ended September 30, 2022</i>			
Revenues			
Taxes	\$ -	\$ -	\$ 117,715
Licenses and permits	-	-	-
Intergovernmental	1,996,420	264	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	-	-	40
Total revenues	1,996,420	264	117,755
Expenditures			
Current			
General government	-	-	-
Public health and safety	-	-	-
Physical environment	-	-	-
Transportation	1,996,420	-	-
Economic environment	-	-	136,019
Human services	-	-	-
Culture and recreation	-	264	-
Court related	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	1,996,420	264	136,019
Excess (deficiency) of revenues over (under) expenditures	-	-	(18,264)
Other financing sources (uses)			
Transfers in	-	-	1,166
Transfers out	-	-	-
Reversion to State of Florida	-	-	-
Net other financing sources (uses)	-	-	1,166
Net change in fund balances	-	-	(17,098)
Fund balances (deficit) - beginning of year	-	-	89,722
Fund balances (deficit)- end of year	\$ -	\$ -	\$ 72,624

Emergency Management Enhancement	EMPG Grant	Criminal Education	Cost of Incarceration	Crime Prevention
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	26,625	-	-	-
-	-	6,435	1,765	7,571
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	26,625	6,435	1,765	7,571
-	-	-	-	-
72,581	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	26,625	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,331	-	-	-	-
-	-	-	-	-
-	-	-	-	-
80,912	26,625	-	-	-
(80,912)	-	6,435	1,765	7,571
65,172	-	-	-	-
-	-	-	-	-
-	-	-	-	-
65,172	-	-	-	-
(15,740)	-	6,435	1,765	7,571
29,918	-	18,469	26,500	50,478
\$ 14,178	\$ -	\$ 24,904	\$ 28,265	\$ 58,049

Washington County, Florida
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued) –
Nonmajor Governmental Funds

Special Revenue Funds			
<i>For the year ended September 30, 2022</i>	Article V Technology	Sixty-Five Dollar Surcharge	EMPA Grant
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	127,806
Charges for services	47,562	16,706	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	-	-	-
Total revenues	47,562	16,706	127,806
Expenditures			
Current			
General government	-	-	127,805
Public health and safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	17,102	4,176	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	17,102	4,176	127,805
Excess (deficiency) of revenues over (under) expenditures	30,460	12,530	1
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Transfer to State of Florida			
Net other financing sources (uses)	-	-	-
Net change in fund balances	30,460	12,530	1
Fund balances (deficit) - beginning of year	33,570	294,587	(1)
Fund balances (deficit) - end of year	\$ 64,030	\$ 307,117	\$ -

Probation		Sunday Road	Fire Impact Fees	Boat Ramp	Water Management Grant
\$	-	\$	-	\$	-
	-		550	-	-
	-	127,640	-	-	23,704
51,196		-	-	-	-
-		-	-	-	-
-		-	-	-	-
-		-	-	7,532	-
51,196		127,640	550	7,532	23,704
-		-	-	-	-
-		-	-	-	-
-		-	-	-	-
-		-	-	-	61,551
-		-	-	-	-
-		-	-	-	-
61,018		-	-	-	-
-		127,640	-	-	-
-		-	-	-	-
-		-	-	-	-
61,018		127,640	-	-	61,551
(9,822)		-	550	7,532	(37,847)
1,166		-	-	-	-
-		-	-	(89,004)	-
1,166		-	-	(89,004)	-
(8,656)		-	550	(81,472)	(37,847)
175,644		-	3,783	82,579	-
\$	166,988	\$	-	\$	1,107
			4,333		(37,847)

Washington County, Florida
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued) –
Nonmajor Governmental Funds

Special Revenue Funds

<i>For the year ended September 30, 2022</i>	Building Department	Inmate Welfare	EMS Impact Fees
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	337,251	-	5,596
Intergovernmental	-	-	-
Charges for services	-	193,190	-
Fines and forfeitures	-	-	-
Investment earnings	-	389	-
Miscellaneous revenues	3,376	1,838	-
Total revenues	340,627	195,417	5,596
Expenditures			
Current			
General government	-	-	-
Public health and safety	290,884	104,685	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	-	-	-
Capital outlay	299	46,948	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	291,183	151,633	-
Excess (deficiency) of revenues over (under) expenditures	49,444	43,784	5,596
Other financing sources (uses)			
Transfers in	4,080	-	-
Transfers out	-	(9,169)	-
Reversion to State of Florida	-	-	-
Net other financing sources (uses)	4,080	(9,169)	-
Net change in fund balances	53,524	34,615	5,596
Fund balances (deficit) - beginning of year	235,934	253,397	13,172
Fund balances (deficit) - ending of year	\$ 289,458	\$ 288,012	\$ 18,768

	Orange Hill & South Blvd		Hurricane Sally		Davidson Road		Public Records Modernization Trust
\$	-	\$	-	\$	-	\$	-
	-		-		-		-
	11,528		615,277		34,179		-
	-		-		-		61,892
	-		-		-		-
	-		-		-		55
	-		-		-		-
	11,528		615,277		34,179		61,947
	11,528		-		-		5,906
	-		-		-		-
	-		32,596		-		-
	-		-		34,179		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		67,007
	-		-		-		-
	-		-		-		-
	11,528		32,596		34,179		72,913
	-		582,681		-		(10,966)
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		582,681		-		(10,966)
	-		(373,265)		-		67,549
\$	-	\$	209,416	\$	-	\$	56,583

Washington County, Florida
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued) –
Nonmajor Governmental Funds

Special Revenue Funds

<i>For the year ended September 30, 2022</i>	Law Enforcement Trust Fund II	Highway 79 Corridor	Old Bonifay Road
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	551,866	1,941
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	-	62,500	-
Total revenues	-	614,366	1,941
Expenditures			
Current			
General government	-	-	-
Public health and safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	583,041	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	-	583,041	-
Excess (deficiency) of revenues over (under) expenditures	-	31,325	1,941
Other financing sources (uses)			
Transfers in	-	10,285	-
Transfers out	-	-	-
Reversion to State of Florida	-	-	-
Net other financing sources (uses)	-	10,285	-
Net change in fund balances	-	41,610	1,941
Fund balances (deficit) - beginning of year	84,810	(41,610)	(1,941)
Fund balances (deficit) - end of year	\$ 84,810	\$ -	\$ -

			Debt Service Fund		Total
COVID 19	FFCRA COVID 19	Tropical Storm Fred	Series 2009 A & B Debt Service	Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$	675,945
-	-	-	-		344,082
-	-	-	-		10,393,117
-	-	-	-		2,299,385
-	-	-	-		187,650
-	-	-	-		5,049
-	-	-	-		254,218
-	-	-	-		14,159,446
-	-	-	-		1,120,063
-	-	-	-		3,291,387
-	-	-	-		195,163
-	-	-	-		3,348,508
-	-	-	-		2,984,877
-	-	-	-		58,905
-	-	-	-		694,124
-	-	-	-		188,404
-	-	-	-		3,437,943
-	-	-	399,800		433,327
-	-	-	96,563		99,700
-	-	-	496,363		15,852,401
-	-	-	(496,363)		(1,692,955)
-	16,137	-	496,363		2,340,732
(331,431)	-	-	-		(632,917)
-	-	-	-		(40,506)
(331,431)	16,137	-	496,363		1,667,309
(331,431)	16,137	-	-		(25,646)
331,431	(16,137)	(127,515)	-		3,108,136
\$ -	\$ -	\$ (127,515)	\$ -	\$	3,082,490

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

<i>September 30, 2022</i>	<i>Clerk of the Circuit Court</i>	
	General Trust	Child Support
Assets		
Cash and cash equivalents	\$ 130,319	\$ 6,916
Due from other governments	-	-
Total assets	\$ 130,319	\$ 6,916
Liabilities		
Due to other funds	\$ 130,319	\$ 5,637
Due to other governments	-	1,279
Total liabilities	130,319	6,916
Net Position		
Restricted	-	-
Total liabilities and net position	\$ 130,319	\$ 6,916

Jury and Witness		Tax Deeds		Cash Bonds		Registry of Court	
\$	1,654	\$	385,755	\$	86,533	\$	168,251
	-		70		-		2,812
\$	1,654	\$	385,825	\$	86,533	\$	171,063
\$	-	\$	385,825	\$	86,500	\$	171,063
	1,654		-		33		-
	1,654		385,825		86,533		171,063
	-		-		-		-
\$	1,654	\$	385,825	\$	86,533	\$	171,063

Washington County, Florida
Combining Statement of Fiduciary Net Position (Continued) –
Custodial Funds

<i>September 30, 2022</i>	<i>Sheriff</i>		
	Dependency Mediation	Forfeiture Fund	Inmate Welfare Trust
Assets			
Cash and cash equivalents	\$ 1,325	\$ 63,962	\$ 8,757
Due from other governments	-	-	-
Total assets	\$ 1,325	\$ 63,962	\$ 8,757
Liabilities			
Due to other funds	\$ 1,325	\$ -	\$ -
Due to other governments	-	-	-
Total liabilities	1,325	-	-
Net Position			
Restricted	-	63,962	8,757
Total liabilities and net position	\$ 1,325	\$ 63,962	\$ 8,757

\$	190,078	\$	-	\$	33,255	\$	1,076,805
	-		122		90		3,094
\$	190,078	\$	122	\$	33,345	\$	1,079,899
\$	-	\$	-	\$	-	\$	780,669
	190,078		122		33,345		226,511
	190,078		122		33,345		1,007,180
	-		-		-		72,719
\$	190,078	\$	122	\$	33,345	\$	1,079,899

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

<i>September 30, 2022</i>	<i>Clerk of the Circuit Court</i>		
	General Trust	Child Support	Jury and Witness
Additions			
Clerk of circuit and county courts collections	\$ 7,157,511	\$ 107,140	\$ 4,290
Tax collections and fees for other governments	-	-	-
Collections for others	-	-	-
Total additions	7,157,511	107,140	4,290
Deductions			
Current			
Payments of clerk of circuit and county courts collections to other governments	7,157,511	107,140	4,290
Payments of tax and other fees to other governments	-	-	-
Payments to others	-	-	-
Total deductions	7,157,511	107,140	4,290
Net increase (decrease) in fiduciary net position	-	-	-
Net position, beginning of year, as originally stated	-	-	-
Prior period adjustment	-	-	-
Net position, beginning of year, as restated	-	-	-
Net position, end of year	\$ -	\$ -	\$ -

Tax Deeds		Cash Bonds		Registry of Court		Dependency Mediation	
\$	601,638	\$	150,707	\$	3,205,111	\$	4,060
	-		-		-		-
	-		-		-		-
	601,638		150,707		3,205,111		4,060
	601,638		150,707		3,205,111		4,060
	-		-		-		-
	-		-		-		-
	601,638		150,707		3,205,111		4,060
	-		-		-		-
	-		-		-		-
	-		-		-		-
	-		-		-		-
\$	-	\$	-	\$	-	\$	-

Washington County, Florida
Combining Statement of Changes in Fiduciary Net Position (Continued) –
Custodial Funds

<i>September 30, 2022</i>	<i>Sheriff</i>	
	Forfeiture Fund	Inmate Welfare Trust
Additions		
Clerk of circuit and county courts collections	\$ -	\$ -
Tax collections and fees for other governments	-	-
Collections for others	11,351	242,242
Total additions	11,351	242,242
Deductions		
Current		
Payments of clerk of circuit and county courts collections to other governments	-	-
Payments of tax and fees to other governments	-	-
Payments to others	4,753	243,946
Total deductions	4,753	243,946
Net increase (decrease) in fiduciary net position	6,598	(1,704)
Net position, beginning of year, as originally stated	-	-
Prior period adjustment	57,364	10,461
Net position, beginning of year, as restated	57,364	10,461
Net position, end of year	\$ 63,962	\$ 8,757

<i>Tax Collector</i>			
Escrow	Tag	Tax	Total
\$ -	\$ -	\$ -	\$ 11,234,517
227,747	5,157,892	24,576,416	29,962,055
-	-	-	253,593
227,747	5,157,892	24,576,416	41,450,165
-	-	-	11,234,517
227,747	5,157,892	24,576,416	29,962,055
-	-	-	248,699
227,747	5,157,892	24,576,416	41,445,271
-	-	-	4,894
-	-	-	-
-	-	-	67,825
-	-	-	67,825
\$ -	\$ -	\$ -	\$ 72,719

**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, 2022, 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 June 29, 2023.

Report on 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 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 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 were not 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.

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 County'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 item BCC2022-001 to be a material weakness.

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 SOE2022-001, PA2003-003, SOE2003-003, and TC2003-003 to be significant deficiencies.

Report on Compliance and Other Matters

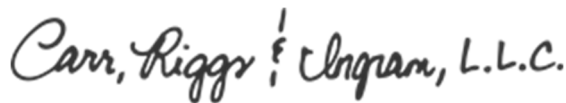
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Washington County's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on Washington County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. 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.



CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 29, 2023

**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

Opinion on Each Major Federal Program and State Project

We have audited Washington County, Florida's (the "County") compliance with the types of compliance requirements identified as subject to audit described in the *OMB Compliance Supplement* and the requirements described in the *State of Florida's 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, 2022. 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.

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 State projects for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program and State Project

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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *Rules of the Florida Auditor General for Local Government Entity Audits* (Chapter 10.550). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and State projects. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify

all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

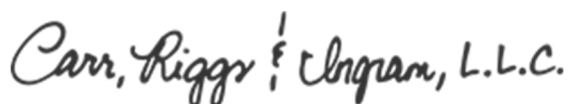
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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 Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive, slightly stylized font.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 29, 2023

Washington County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2022

Federal Agency Pass through entity	Assistance Listing / CSFA Number	Contract/Grant Number	Payments to Subrecipients	Total Expenditures
Federal Program				
United States Department of Treasury				
Passed through Florida Executive Office of Governor				
COVID 19 - Coronavirus State and Local Fiscal Recovery	21.027	N/A	\$ -	\$ 908,953
United States Department of Homeland Security				
Passed through Department of Community Affairs and Florida Division of Emergency Management				
Emergency Management Performance Grants (EMPG)	97.042	G-0038	-	26,625
Emergency Management Performance Grants (EMPG)	97.042	G-0217	-	13,926
Total EMPG Programs			-	40,551
Hazard Mitigation Grant	97.039	H0766	-	2,641,511
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
FEMA HGMP-DR-4177-14-R	97.036	Z0843	-	14,937,732
COVID - FEMA Emergency Protective Measures	97.036	Z2595	-	461,457
Total FEMA Programs			-	15,399,189
Total United States Department of Homeland Security			-	18,081,251
United States Department of Justice				
Support for Adam Walsh Act Implementation Grant Program	16.750	2020-AW-BX-0044	-	24,577
Passed through Executive Office of the Governor				
		VOCA-2021- WASHINGTONCOUNTYSHERIFF		
Crime Victim Assistance (VOCA)	16.575	-00753	-	45,185
Edward Byrne Memorial Justice Assistance Grants	16.738	2021-JAGC-WASH-2-Y5-183	-	29,476
Edward Byrne Memorial Justice Assistance Grants	16.738	15PBJA-21-GG-00241-MUMU	-	36,543
Total United States Department of Justice			-	135,781
United States Department of Transportation				
Passed through Florida Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction				
State and Community Highway Safety	20.600	RS-2022-00275	-	40,156

*See independent auditors' report and
notes to schedule of expenditures of federal awards and state financial assistance*

Washington County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance (Continued)
For the Year Ended September 30, 2022

Federal Agency Pass through entity Federal Program	Assistance Listing / CSFA Number	Contract/Grant Number	Payments to Subrecipients	Total Expenditures
United States Department of Health and Human Services				
Passed through Florida Department of Revenue				
Child Support Enforcement Program Title IV Part D (CSE)	93.563	CST67	-	254,235
Election Assistance Commission				
Passed through Florida Department of State				
HAVA Election Security Grants	90.404	1E066	-	72,237
United States Department of Agriculture				
Cooperative Forestry Assistance Program - Fire Services				
Services	10.664	N/A	-	39,490
Total Expenditures of Federal Awards			\$ -	\$ 19,532,103

Florida Department of Transportation				
Local Transportation Projects	55.039	449312-1-54-01	\$ -	\$ 34,179
Small County Road Assistance Program (SCRAP) - Orange Hill & South Blvd	55.016	445019-1-34-01	-	11,528
Small County Road Assistance Program (SCRAP) - Brickyard Road	55.016	438135-4-58-01	-	788,004
Total Small County Road Assistance Program (SCRAP)			-	799,532
Small County Outreach Program (SCOP) - Brickyard Road	55.009	438135-4-58-01	-	681,318
Small County Outreach Program (SCOP) - Old Bonifay Highway	55.009	442434-1-34-01	-	1,941
Small County Outreach Program (SCOP) - Crystal Lake Road	55.009	447328-3-54-01	-	26,020
Small County Outreach Program (SCOP) - Sunday Road	55.009	446574-1-54-01	-	127,640
Small County Outreach Program (SCOP) - Alford Road	55.009	440660-2-58-01	-	1,231,279
Small County Outreach Program (SCOP) - Buckhorn Road	55.009	440629-1-34-01	-	2,419,729
Total Florida Department of Transportation			-	5,321,638

Executive Office of the Governor				
Emergency Management Preparedness Assistance (EMPA)	31.063	A0171	-	89,773
Emergency Management Preparedness Assistance (EMPA)	31.063	A0264	-	38,033
Total Executive Office of the Governor			-	127,806

*See independent auditors' report and
notes to schedule of expenditures of federal awards and state financial assistance*

Washington County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance (Continued)
For the Year Ended September 30, 2022

State Financial Assistance State Program	Assistance Listing / CSFA Number	Contract/Grant Number	Payments to Subrecipients	Total Expenditures
Florida Department of Economic Opportunity				
Division of Housing and Community Development	40.038	DL003	-	156,776
Regional Community Development and Infrastructure	40.042	D0164	-	67,517
Economic Development Tax Credit	40.043	G0006	-	551,866
Total Florida Department of Economic Opportunity			-	776,159
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	326,429
Hurricane Housing Recovery Program (HHRP)	40.902	N/A	-	1,270,266
Total Florida Housing Finance Corporation			-	1,596,695
Florida Department of Environmental Protection				
Small County Consolidated Grants	37.012	SC-933	-	93,750
Florida Department of State and Secretary of State				
State Aid to Libraries	45.030	20-ST-90	-	234,737
Florida Department of Law Enforcement				
Law Enforcement Assistance for Fiscally Constrained Counties	71.067	7G043	-	90,479
Florida Fish and Wildlife Conservation Commission				
Florida Boating Improvement Program	77.006	17210	-	120,368
Florida Department of Management Services				
Wireless 911 Emergency Telephone System Rural County Grant	72.001	20-04-35	-	249,973
Wireless 911 Emergency Telephone System Rural County Grant	72.001	20-09-08	-	50,819
Wireless 911 Emergency Telephone System Rural County Grant	72.001	21-02-38	-	80,826
Wireless 911 Emergency Telephone System Rural County Grant	72.001	21-02-37	-	19,188
Wireless 911 Emergency Telephone System Rural County Grant	72.001	21-10-18	-	22,148
Wireless 911 Emergency Telephone System Rural County Grant	72.001	21-10-17	-	3,517
Total Florida Department of Management Services			-	426,471
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	26499	-	38,025
Total Expenditures of State Financial Assistance			\$ -	\$ 8,826,128

*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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (Schedule) includes the federal and state grant spending of Washington County, Florida (the "County") and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in 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 represent the financial position of the County.

Note 2: INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended September 30, 2022, the County did not elect to use this rate.

Note 3: LOANS AND LOAN GUARANTEES

The County did not have any loans or loan guarantee programs required to be reported on the Schedule for the fiscal year ended September 30, 2022.

Note 4: FEDERAL AND STATE PASS-THROUGH FUNDS

The County is also a sub-recipient of federal and state funds that have been subjected to testing and are reported as expenditures and listed as federal or state pass-through funds. Federal awards and state financial assistance other than those indicated as "pass-through" are considered direct.

NOTE 5: SUBRECIPIENTS

During the year ended September 30, 2022, the County had no subrecipients.

Note 6: NONCASH ASSISTANCE

The County did not receive any noncash assistance or federally funded insurance during the fiscal year ended September 30, 2022.

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

Note 7: CONTINGENCIES

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowance, if any, would have a material effect on the financial position of the County.

Washington County, Florida

Schedule of Findings and Questioned Costs

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

1. Type of auditors’ report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified?	Yes
c. Noncompliance material to the financial statements noted?	No

Federal Awards:

1. Type of auditors’ report issued on compliance for major programs	Unmodified
2. Internal control over major programs:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified?	None noted
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:

AL Number	Federal Program
21.027	COVID 19 – Coronavirus
97.036	State and Local Fiscal Recovery Disaster Grants –
97.039	Public Assistance (Presidentially Declared Disasters) Hazard Mitigation Grant

5. Dollar threshold used to distinguish between type A and type B programs:	\$750,000
6. Auditee qualified as low-risk auditee under 2 CFR 200.520?	No

Washington County, Florida
Schedule of Findings and Questioned Costs (Continued)

SECTION I – SUMMARY OF AUDITORS’ RESULTS (Continued)

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
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> 55.009 <u>State Project</u> Small County Outreach Program (SCOP)	
5. Dollar threshold used to distinguish between type A and type B projects:	\$750,000

SECTION II – FINANCIAL STATEMENT FINDINGS

ACCRUAL ACCOUNTING, FINDING BCC2022-001

CRITERIA: Generally accepted accounting standards (GAAP) for governmental entities requires that governmental funds prepare financial statements using the current financial resources measurement focus and the modified accrual basis of accounting. Accounting for all funds necessitates significant adjustments to the County’s books of record in order to prepare financial statements in conformity with GAAP.

CONDITION: Material adjustments were required to grant receivables, deferrals, and payables.

CAUSE: Management did not adequately review asset and liability balances for some accounts at year-end.

EFFECT: Revenue and expenditures were not recorded when earned or incurred. Adversely affects the County’s ability to prepare financial statements free of misstatements and in accordance with GAAP.

RECOMMENDATION: We recommend interim and year-end financial statements be prepared using the modified accrual basis of accounting.

Washington County, Florida
Schedule of Findings and Questioned Costs (Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

VIEW OF RESPONSIBLE OFFICIALS: Management agrees with the finding. The County is currently addressing this recommendation and will work to implement additional controls to ensure accounting is in accordance with GAAP.

TIMELY REMITTANCE OF EXCESS FEES TO THE BOARD AND FILING OF CONSTITUTIONAL OFFICER'S REPORT, SOE 2022-001

CRITERIA: Internal control activities and procedures should include timely remittance of excess fees and filing of the annual report of excess fees.

CONDITION: Existing control activities and procedures did not result in timely remittance of fees or filing of the constitutional officer's report.

CAUSE: Timely accounting recordkeeping did not allow the SOE to perform this control activity.

EFFECT: Excess fees were not remitted timely and the annual report of excess fees was not filed timely.

RECOMMENDATION: We recommend that accounting records be updated regularly to allow for timely filing of the annual report of excess fees and remittance of excess fees.

VIEW OF RESPONSIBLE OFFICIALS: Management agrees with the finding.

Washington County, Florida
Schedule of Findings and Questioned Costs (Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

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 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.

VIEW OF RESPONSIBLE OFFICIALS: Management agrees with the finding.

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.

Washington County, Florida

Schedule of Findings and Questioned Costs (Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

VIEW OF RESPONSIBLE OFFICIALS: Management agrees with the finding.

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 the 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.

VIEW OF RESPONSIBLE OFFICIALS: Management agrees with the finding.

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

Item 2022-001 – Suspension and Debarment

Education Stabilization Fund: COVID-19 Coronavirus State and Local Fiscal Recovery – ALN # 21.027
U.S. Department of Treasury
Federal Award Year - 2021

Criteria – 2 CFR 200.303 requires the non-Federal entity to “(a) establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal statutes, regulations, and the terms and conditions of the Federal award.” Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All nonprocurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

Washington County, Florida
Schedule of Findings and Questioned Costs (Continued)

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

Condition – Adequate controls were not in place to provide for proper review of covered transactions for suspension and debarment. Covered transactions, over \$25,000 paid with grant funding were not reviewed for suspension and debarment.

Cause – The County lacked sufficient controls to ensure evidence of compliance with suspension and debarment.

Questioned Costs – Not determinable

Effect – Failure to properly verify that a potential vendor has not been suspended or debarred could result in unallowable expenditures and disallowed costs.

Recommendation – We recommend that controls should be put into place to better monitor and document the compliance of vendors for suspension and debarment.

Management's Response – Management agrees with the finding. The County will implement additional controls to ensure there is evidence of review of covered transactions over \$25,000 for suspension and debarment prior to payment. Deputy Clerk, Finance will be responsible for the corrective action and anticipates completion of corrective action will be taken before September 30, 2023.

Washington County, Florida Summary Schedule of Prior Audit Findings

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

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.

STATUS: This finding was resolved.

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.

STATUS: This finding was resolved.

Washington County, Florida
Summary Schedule of Prior Audit Findings (Continued)

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.

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.

STATUS: This finding was resolved.

Washington County, Florida
Summary Schedule of Prior Audit Findings (Continued)

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.

STATUS: This finding was resolved.

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.

STATUS: This finding was resolved.

Washington County, Florida
Summary Schedule of Prior Audit Findings (Continued)

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.

STATUS: This finding was resolved.

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.

STATUS: This finding was resolved.

Washington County, Florida
Summary Schedule of Prior Audit Findings (Continued)

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.

STATUS: This finding was resolved.

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 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.

STATUS: This finding still exists. See finding PA2003-003 in Section II of the Schedule of Findings and Questioned Costs.

Washington County, Florida
Summary Schedule of Prior Audit Findings (Continued)

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 finding still exists. See finding SOE2003-003 in Section II of the Schedule of Findings and Questioned Costs.

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 the 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 finding still exists. See finding TC2003-003 in Section II of the Schedule of Findings and Questioned Costs.

Washington County, Florida
Summary Schedule of Prior Audit Findings (Continued)

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.

STATUS: This finding was resolved.

Washington County, Florida
Summary Schedule of Prior Audit Findings (Continued)

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.

STATUS: This finding was resolved.

**Washington County, Florida
Corrective Action Plan
For the Year Ended September 30, 2022**



**WASHINGTON COUNTY
BOARD OF COUNTY COMMISSIONERS**

1331 SOUTH BOULEVARD, CHIPLEY FL 32428
850-638-6200

Single Audit Findings

Item 2022-001 – Suspension & Debarment

Contact person: Johnnie Pettis, Deputy Clerk

Finding – Adequate controls were not in place to provide for proper review of covered transactions for suspension and debarment. Covered transactions, over \$25,000 paid with grant funding were not reviewed for suspension and debarment.

Management Response – The County will implement additional controls to ensure there is evidence of review of covered transactions over \$25,000 for suspension and debarment prior to payment. Johnnie Pettis, Deputy Clerk will be responsible for the corrective action and anticipates completion of corrective action will be taken before September 30, 2023.

Effective date of completion: within the fiscal ending September 30, 2023

Respectfully submitted,

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

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, 2022, and have issued our report thereon dated June 29, 2023.

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 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 June 29, 2023, 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." Corrective actions have been taken to address finding BCC 1997-001.

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 address in the management letter any findings and recommendations to improve financial management. In connection with our audit, we have no recommendations.

Special District Component Units

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Sunny Hills Units 12-15 Dependent District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year was 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year was 3.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$18,025.
- e. No construction projects with a total cost of at least \$65,000 were approved by the district that is scheduled to begin on or after October 1 of the fiscal year.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes. The district did not amend their budget, this is not applicable.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Highway 79 Corridor Authority reported:

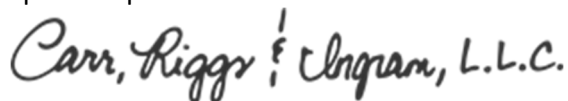
- a. The total number of district employees compensated in the last pay period of the district's fiscal year was 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year was 4.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$128,896.
- e. No construction projects with a total cost of at least \$65,000 were approved by the district that is scheduled to begin on or after October 1 of the fiscal year.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes. The district did not amend their budget, this is not applicable.

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.

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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish above the ampersand.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 29, 2023



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Enterprise, AL 36330

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334.347.0088
334.347.7650 (fax)
CRlcpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF COMPLIANCE WITH SPECIFIED FLORIDA STATUTE SECTIONS

Honorable Members of the
Board of County Commissioners
Washington County, Florida

We have examined Washington County, Florida's (the "County") compliance with the following Florida Statute sections during the fiscal year ended September 30, 2022.

Section 365.172(10)	<i>Emergency communications number E911 system fund</i>
Section 365.173(2)(d)	<i>Emergency communications number E911 system fund</i>
Section 218.415	<i>Investment guidelines</i>

Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County'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 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 fiscal year ended September 30, 2022.

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.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

June 29, 2023

Washington County, Florida
Management's Response



WASHINGTON COUNTY
BOARD OF COUNTY COMMISSIONERS

1331 SOUTH BOULEVARD, CHIPLEY FL 32428
850-638-6200

Jeff Massey
County Administrator

ALAN BUSH
District One

DAVID PETTIS, JR.
District Two

TRAY HAWKINS
District Three

WESLEY GRIFFIN
District Four

DAVID A. CORBIN
District Five

Fugua & Milton
Attorney

To whom it may concern:

I am in receipt of the audit report for the Walton County, Florida Board of County Commissioners, for the fiscal year September 30, 2022, and offer my response to the audit findings noted in the independent Auditors' Report on Internal Control Over Financial Reporting and the Schedule of Findings and Questioned Costs. Accordingly, the following comments are provided.

Item 2022-001 – Suspension & Debarment

The County will implement additional controls to ensure there is evidence of review of covered transactions over \$25,000 for suspension and debarment prior to payment. Deputy Clerk will be responsible for the corrective action and anticipates completion of corrective action will be taken before September 30, 2023.

Item BCC2022-001 – Accrual Accounting

Management agrees with the finding. The County is currently addressing this recommendation and will add additional controls to ensure that accounting methods are in accordance with GAAP.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Lora C. Bell", is written over a faint, larger signature.

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

**Washington County, Florida
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
Website: www.qpublic.net/fl/washington

June 6, 2023

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, 2022. 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.

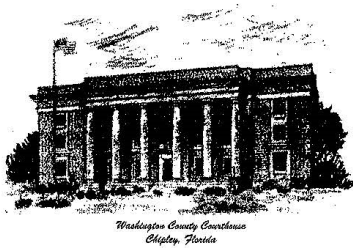
If I can be of further assistance please contact me at 850-638-6205.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gil Carter".

Gil Carter, CFA
Washington County Property Appraiser

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: Management Response

We are in receipt of the audit report for the Washington County, Florida Supervisor of Elections for the fiscal year ending September 2022. I have reviewed the letter regarding compliance and internal control schedule of findings and questioned costs and the management letter:

Segregation of Duties: 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.

Timeliness of Reporting: We utilized the assistance of a third party CPA during the current year to assist us with the finalization of our accounting records for the year. This led to some delays in reporting our annual financial statement amounts. We will continue to strive to expedite this review and reporting.

Sincerely,

Wendy Mayo
Assistant SOE

for Carol F. Rudd, MFCEP
Supervisor of Elections
Washington County, Florida

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

June 6, 2023

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, 2022. 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.

Respectfully,

Ken Naker, CFC
Tax Collector

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

FINANCIAL STATEMENTS

September 30, 2022



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INDEPENDENT AUDITORS' REPORT

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

Opinions

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 fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, as listed in the table of contents.

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 for the Clerk as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund, Fine and Forfeiture Fund, and Public Records Modernization Trust Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

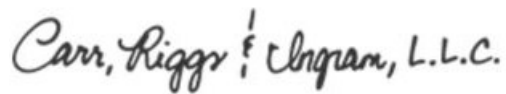
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The combining and individual fund statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 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 June 29, 2023, 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 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 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive, slightly slanted script.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 29, 2023

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

<i>September 30, 2022</i>	General	Fine and Forfeiture	Public Records Modernization Trust	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 25,169	\$ 163,372	\$ 64,527	\$ 253,068
Due from other governments	-	44,448	-	44,448
Due from other funds	9,639	1,282	-	10,921
Total assets	\$ 34,808	\$ 209,102	\$ 64,527	\$ 308,437
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued expenses	\$ 27,165	\$ 24,063	\$ -	\$ 51,228
Due to Board of County Commissioners	4,666	119,892	-	124,558
Due to other governments	-	40,506	-	40,506
Due to other funds	2,977	-	7,944	10,921
Total liabilities	34,808	184,461	7,944	227,213
Fund balances				
Restricted	-	24,641	56,583	81,224
Total liabilities and fund balances	\$ 34,808	\$ 209,102	\$ 64,527	\$ 308,437

The accompanying notes are an integral part of these financial statements.

Washington County, Florida
Clerk of the Circuit Court

Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds

<i>For the year ended September 30, 2022</i>	General	Fine and Forfeiture	Public Records Modernization Trust	Total Governmental Funds
Revenues				
Charges for services	\$ 158,839	\$ 320,292	\$ 61,892	\$ 541,023
Fines and forfeitures	-	187,650	-	187,650
Intergovernmental	-	614,189	-	614,189
Investment earnings	570	99	55	724
Miscellaneous	256	1,294	-	1,550
Total revenues	159,665	1,123,524	61,947	1,345,136
Expenditures				
General government	686,478	974,824	5,906	1,667,208
Capital outlay	9,524	-	67,007	76,531
Total expenditures	696,002	974,824	72,913	1,743,739
Excess of revenues over (under) expenditures	(536,337)	148,700	(10,966)	(398,603)
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	541,003	-	-	541,003
Proceeds from Pandemic Recovery Plan	-	8,084	-	8,084
Reversions:				
Board of County Commissioners	(4,666)	(119,892)	-	(124,558)
Clerk of Courts Trust Fund	-	(40,506)	-	(40,506)
Net other financing sources (uses)	536,337	(152,314)	-	384,023
Net change in fund balances	-	(3,614)	(10,966)	(14,580)
Fund balances, beginning of year	-	28,255	67,549	95,804
Fund balances, end of year	\$ -	\$ 24,641	\$ 56,583	\$ 81,224

The accompanying notes are an integral part of these financial statements.

Washington County, Florida
Clerk of the Circuit Court

Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
General Fund

<i>For the year ended September 30, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 155,000	\$ 158,839	\$ 158,839	\$ -
Investment earnings	-	570	570	-
Miscellaneous	-	256	256	-
Total revenues	155,000	159,665	159,665	-
Expenditures				
General government	649,376	686,478	686,478	-
Capital outlay	-	9,524	9,524	-
Total expenditures	649,376	696,002	696,002	-
Excess of revenues over (under) expenditures	(494,376)	(536,337)	(536,337)	-
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	494,376	541,003	541,003	-
Reversion to Board of County Commissioners	-	(4,666)	(4,666)	-
Net other financing sources (uses)	494,376	536,337	536,337	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

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

<i>For the year ended September 30, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 284,284	\$ 320,292	\$ 320,292	\$ -
Fines and forfeitures	206,810	187,650	187,650	-
Intergovernmental	442,593	614,189	614,189	-
Investment earnings	-	99	99	-
Miscellaneous	-	1,294	1,294	-
Total revenues	933,687	1,123,524	1,123,524	-
Expenditures				
General government	933,687	974,824	974,824	-
Excess of revenues over (under) expenditures	-	148,700	148,700	-
Other Financing Sources (Uses)				
Proceeds from Pandemic Recovery Plan	-	8,084	8,084	-
Reversions				
Board of County Commissioners	-	(119,892)	(119,892)	-
Clerk of Courts Trust Fund	-	(36,892)	(40,506)	(3,614)
Net other financing sources (uses)	-	(148,700)	(152,314)	(3,614)
Net change in fund balance	-	-	(3,614)	(3,614)
Fund balance, beginning of year	-	-	28,255	28,255
Fund balance, end of year	\$ -	\$ -	\$ 24,641	\$ 24,641

The accompanying notes are an integral part of these financial statements.

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**

<i>For the year ended September 30, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ -	\$ 61,892	\$ 61,892	\$ -
Investment earnings	-	55	55	-
Total revenues	-	61,947	61,947	-
Expenditures				
General government	-	-	5,906	(5,906)
Capital outlay	-	61,947	67,007	(5,060)
Total expenditures	-	61,947	72,913	(10,966)
Excess of revenues over (under) expenditures	-	-	(10,966)	(10,966)
Net change in fund balance	-	-	(10,966)	(10,966)
Fund balance, beginning of year	-	-	67,549	67,549
Fund balance, end of year	\$ -	\$ -	\$ 56,583	\$ 56,583

The accompanying notes are an integral part of these financial statements.

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

<i>September 30, 2022</i>	Custodial Funds
Assets	
Cash and cash equivalents	\$ 780,753
Due from other funds	2,882
Total assets	\$ 783,635
Liabilities	
Due to other funds	\$ 2,966
Due to individuals	780,669
Total liabilities	783,635
Total net position	\$ -

The accompanying notes are an integral part of these financial statements.

Washington County, Florida
Clerk of the Circuit Court

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

<i>For the year ended September 30, 2022</i>	Custodial Funds
Additions	
Clerk of circuit and county courts revenue	\$ 11,230,457
Deductions	
Payments of clerk of circuit and county courts distributions to other governments	11,230,457
Net increase (decrease) in fiduciary net position	-
Net position, beginning of year	-
Net position, end of year	\$ -

The accompanying notes are an integral part of these financial statements.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Washington County, Florida Clerk of the Circuit Court (the “Clerk”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Clerk are described below.

Reporting Entity

The Clerk is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes Chapter 7.67. The Clerk's financial statements do not purport to reflect the financial position or the results of operations of Washington County, Florida (the “County”) taken as a whole. 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. Pursuant to *GASB Codifications of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*, the Clerk's financial statements are combined with those of the Board and other elected officials into the reporting entity of the County.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The portion of the Clerk's revenue that is a budget appropriation from the Board, rather than a charge for services, is reported as another financing source. At year-end, excess revenue and other financial sources over expenditures are remitted to the Board and reported as reversion to the Board of County Commissioners.

Fiduciary fund (custodial fund) statements are prepared using the *economic resource measurement* focus and the *accrual basis of accounting*.

Fund Financial Statements

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 financial 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, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

The Clerk reports the following major governmental funds:

General Fund – The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Clerk that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

Fine and Forfeiture Fund – A special revenue fund established pursuant to Chapter 2004-265 Laws of Florida to account for court related revenues and expenditures, which are required to be reported separately from the Clerk's General Fund activities.

Public Records Modernization Trust Fund – A special revenue fund that accounts for an additional service charge for each recorded instrument. These funds are to be used exclusively for improvements to the official records system.

The Clerk also reported the following fund types:

Fiduciary Fund – Custodial funds (a fiduciary fund) account for assets held in a trust capacity or as an agent for individuals, other governmental units, and/or other funds.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes, Chapter 218.35 and 218.36 details the preparation, adoption and administration of the Clerk's annual budget. The Clerk establishes an annual balanced budget for their 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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

reflect all amendments approved by the Board. The budget is prepared on a basis consistent with GAAP. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Clerk.

The Clerk, functioning in the capacity as the Clerk of the Circuit and County Courts and as Clerk of the Board, prepares a budget in three parts:

- A. The budget relating to the state court system (Circuit and County), is filed with the Florida Clerk of the Court Operations Corporation; and
- B. The budget relating to the requirements of the Clerk as the Clerk of the Board, County Auditor, and Custodian or Treasurer of all County funds and other County-related duties;

During fiscal year 2022, there were general fund supplemental budget appropriations of \$46,626 or 7.18% of the original budget due to various operating costs. The Fine and Forfeiture budget increased by \$41,137 or 4.41% of the original budget due to various operating costs during fiscal year 2022. The Public Records Modernization Trust Fund budget increased by \$61,947 from an original budget of \$0 due to capital outlays during fiscal year 2022.

Excess of Expenditures over Appropriations

For the year ended September 30, 2022, expenditures exceeded appropriations within the general government and capital outlay function of the Public Records Modernization Trust Fund by \$5,906 and \$5,060, respectively. The excess expenditures were a result of the Clerk having unanticipated projects during the year that were funded from prior year reserves.

Excess Revenue and Expenditures

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." In accordance with the statute for fiscal year 2022 the Clerk remitted \$124,558 of excess revenues over expenditures to the Board.

Pursuant to Section 28.37(2), Florida Statutes, the Clerk shall retain all fees, service charges, court costs, and fines collected to fund the Clerk's court operations. Excess revenue over expenditures at September 30th of each year will be sent to the Clerk of Courts Trust Fund. Additionally, if revenues received in any given month exceed 1/12 of the projected revenues for the year, then that excess is to be remitted to the Clerk of Courts Trust Fund as well. For the year ended September 30, 2022, excess court revenues exceeded 1/12 of revenue projections in the amount of \$40,506 and all of these funds were remitted back to the Clerk of Courts Trust Fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits

Compensated Absences

It is the Clerk's policy to allow employees to accumulate a maximum of 720 hours of paid time off (PTO) at the end of the calendar year. Any PTO hours exceeding 720 will be forfeited by that employee. Any PTO hours exceeding 400 will be eligible to receive reimbursement of accrued PTO over the 400 hours, up to 40 hours annually. Upon separation, employees will receive a percentage of their unused accrued PTO depending on length of employment. The Clerk's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Retirement Plan

The Clerk and all qualified County employees participate 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 in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Annual Comprehensive Financial Report. Assets, liabilities and cash inflows/outflows related to the Clerk are combined with all the County's participates and reported in the County's government-wide financial statements.

Other Postemployment Benefits (OPEB)

The County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the County's 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 an OPEB liability on the Statement of Net Position of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Assets, Liabilities and Net Position or Equity

Cash and Cash equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (continued)

Receivables

All accounts receivable and amounts due from other governments is deemed collectible. The Clerk does not record an allowance for uncollectibles.

Interfund Activities

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” within the fund financial statements. Long-term borrowings between funds are classified as “advances to other funds” or “advances from other funds” in the fund financial statements. These amounts are eliminated in the governmental activities column of the County’s statement of net position, except for any residual balance outstanding between the governmental activities at the end of the fiscal year, which are reported in the County’s government-wide financial statements as internal balances.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore, no amount has been reported.

Capital Assets

Capital assets are recorded as expenditures at the time acquired and if donated, acquisition value at the date of the donation. Title in all capital assets owned by the Clerk is retained by the County and the Clerk’s capital assets are reported on the County-wide financial statements. The Clerk maintains custodial responsibility for the capital assets used by his office.

The Clerk maintains a \$5,000 threshold for capitalization of machinery and equipment and a \$25,000 threshold for land, buildings and improvements. Additionally, the Clerk maintains an inventory of all tangible personal property with a donated value or cost of \$5,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Administrative Code Sections 69I-73.002 and 69I-73.006. Depreciation is determined using the straight-line method over the asset’s estimated useful life.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (continued)

Categories and Classification of Fund Equity

Fund balance flow assumptions – The Clerk funds outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Clerk's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Clerk itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Clerk's highest level of decision-making authority. The Clerk is the highest level of decision-making authority. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Clerk for specific purposes but do not meet the criteria to be classified as committed. The Clerk can authorize the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 29, 2023, and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases* (GASB 87). 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 lessor 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. All leases with a term greater than 12 months are recognized as a lease liability and an intangible right-of-use lease asset by the lessee. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. The Clerk adopted GASB 87 for the year ended September 30, 2022, and GASB 87 did not have a significant impact on the financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB 89). 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. GASB 89 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. The Clerk adopted GASB 89 for the year ended September 30, 2022, and GASB 89 did not have a significant impact on the financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). 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,

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

- 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 No. 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 No. 73 and No. 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement No. 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.

The Clerk adopted GASB 92 for the year ended September 30, 2022, and GASB 92 did not have a significant impact on the financial statements.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* (GASB 93). The objectives of GASB 93 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 London Interbank Offered Rate (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;

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

and providing exceptions to the lease modifications guidance in Statement No. 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, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Clerk adopted GASB 93 for the year ended September 30, 2022, and GASB 93 did not have a significant impact on the financial statements.

In June 2020, the GASB issued 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* (GASB 97). 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 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 GASB 97 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. The Clerk adopted GASB 97 for the year ended September 30, 2022, and GASB 97 did not have a significant impact on the financial statements.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report* (GASB 98). GASB 98 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 GAAP 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 GASB 98 are effective for fiscal years ending after December 15, 2021, with early application permitted. The Clerk adopted GASB 98 for the year ended September 30, 2022, and GASB 98 did not have a significant impact on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

The GASB has issued statements that will become effective in future years. These statements are as follows:

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). 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 March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). 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* (GASB 96). 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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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 April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to the determination of the PPP term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53 to refer to resource flows statements.

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 extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. GASB 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash, Cash Equivalents, and Investments

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Cash, Cash Equivalents, and Investments (continued)

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

Interfund Activity

Interfund Balances - Receivables (due from other funds) and payables (due to other funds) resulting from various interfund transactions are as follows:

	Due		Net
	To	From	
General Fund	\$ 9,639	\$ (2,977)	\$ 6,662
Fine & Forfeiture Fund	1,282	-	1,282
Public Records Modernization Trust Fund	-	(7,944)	(7,944)
Total	\$ 10,921	\$ (10,921)	\$ -

Due from Other Governments

Due from other governments at September 30, 2022 consisted of the following:

Source	Amount
State of Florida	\$ 44,448

Note 3: RETIREMENT PLAN

The Clerk and all full-time employees are participants in the Florida Retirement System (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. Accordingly, the actuarial information and related disclosures attributable to the Clerk's employees are not determinable.

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 percentage of payroll employer contribution rates, established by State law, is determined using the entry-age actuarial funding

Note 3: RETIREMENT PLAN (Continued)

method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 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, 2012, 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. 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.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 11.91%, DROP Program – 18.60%, senior management – 31.57% and elected officials – 57.00%. The rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

For the year ended September 30, 2022, total payroll for the Clerk's employees covered by the System was \$928,116 and total payroll was \$1,078,575. The Clerk's contributions to the plan for the years ended September 30, 2022, 2021, and 2020 were \$179,781, \$163,434, and \$148,425, respectively. These contributions were paid by the due date.

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 or at the Division's website at dms.myflorida.com.

Note 4: CONTINGENCIES

The Clerk is involved in several litigations and claims arising in the ordinary course of operations. Legal counsel for the Clerk believes a favorable outcome is likely. No accruals or loss contingency has been made in the financial statements.

The Clerk receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Clerk with the terms of the grants/contracts. In the opinion of the Clerk's management, such allowances, if any, would not be significant in relation to the financial statements of the Clerk.

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

Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

Capital Assets

Title in all capital assets owned by the County is retained by the Board and the below noted capital asset information and activity is reported on the county-wide financial statements.

Summary of changes in capital assets during the year ended September 30, 2022:

	Balance 10/1/21	Increases	Decreases	Balance 9/30/22
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 149,403	\$ 76,531	\$ -	\$ 225,934
Less accumulated depreciation	(141,341)	(8,062)	-	(149,403)
Total governmental activities				
Capital assets, net	\$ 8,062	\$ 68,469	\$ -	\$ 76,531

Depreciation expense was charged to the function of government as follows:

<i>Governmental Activities</i>	
General government	\$ 8,062

Compensated Absences

Accrued compensated absences that will not be liquidated with expendable available financial resources of the Clerk is the obligation of the County and reported in the county-wide financial statements.

Summary of changes in compensated absences for the year ended September 30, 2022:

	Balance 10/1/21	Additions	Reductions	Balance 9/30/22	Due in One Year
Compensated absences	\$ 70,332	\$ 88,459	\$ (74,499)	\$ 84,292	\$ 8,429

Fiduciary Funds

General Trust – To account for collections held in trust including; taxes, fines and forfeitures and other miscellaneous sources.

Child Support – To account for collection of court ordered child support and alimony.

Juror and Witness – To account for advances received from the State and County for payment of jurors and witnesses.

Tax Deeds – To account for collections related to the sale of tax deeds.

Cash Bonds – To account for cash bonds collected for the release of prisoners.

Registry of Court – To account for collections held in trust as ordered by the courts.

Dependency Mediation – To account for collections of court-ordered mediation.

Walton County, Florida
Clerk of the Circuit Court
Combining Statement of Fiduciary Net Position –
Custodial Funds

<i>September 30, 2022</i>	General Trust	Child Support	Jury and Witness	Tax Deeds
Assets				
Cash and cash equivalents	\$ 130,319	\$ 6,916	\$ 1,654	\$ 385,755
Due from other governments	-	-	-	70
Total assets	\$ 130,319	\$ 6,916	\$ 1,654	\$ 385,825
Liabilities				
Due to other governments	\$ -	\$ 1,279	\$ 1,654	\$ -
Due to individuals	130,319	5,637	-	385,825
Total liabilities	130,319	6,916	1,654	385,825
Total net position	\$ -	\$ -	\$ -	\$ -

Cash Bonds		Registry of Court		Dependency Mediation		Total
\$	86,533	\$	168,251	\$	1,325	\$ 780,753
	-		2,812		-	2,882
\$	86,533	\$	171,063	\$	1,325	\$ 783,635
\$	33	\$	-	\$	-	\$ 2,966
	86,500		171,063		1,325	780,669
	86,533		171,063		1,325	783,635
\$	-	\$	-	\$	-	\$ -

Walton County, Florida
Clerk of the Circuit Court
Combining Statement of Changes in Fiduciary Net Position –
Custodial Funds

<i>For the year ended September 30, 2022</i>	General Trust	Child Support	Jury and Witness	Tax Deeds
Additions				
Clerk of circuit and county courts revenue	\$ 7,157,511	\$ 107,140	\$ 4,290	\$ 601,638
Deductions				
Payments of clerk of circuit and county courts distributions to other governments	7,157,511	107,140	4,290	601,638
Net increase (decrease) in fiduciary net position	-	-	-	-
Net position, beginning of year	-	-	-	-
Net position, end of year	\$ -	\$ -	\$ -	\$ -

Cash Bonds		Registry of Court		Dependency Mediation		Total
\$	150,707	\$	3,205,111	\$	4,060	\$ 11,230,457
150,707		3,205,111		4,060		11,230,457
-		-		-		-
-		-		-		-
\$	-	\$	-	\$	-	\$ -

**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, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated June 29, 2023.

Report on 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 special purpose 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.

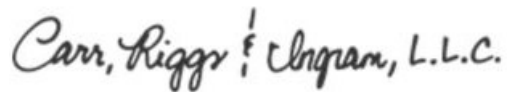
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Report on 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 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 29, 2023

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SPECIFIED FLORIDA STATUTE SECTIONS

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

We have examined the Washington County, Florida's Clerk of the Circuit Court's (the "Clerk") compliance with the following Florida Statute sections during the fiscal year ended September 30, 2022:

Sections 28.35 and 38.36
Section 61.181
Section 218.415

*Performance Standards and Budget
Alimony and Child Support Payments
Local Government Investment Policy*

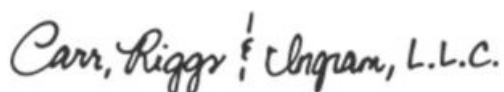
The Clerk's management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion of the Clerk's compliance based on our examination.

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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the Clerk complied, in all material respects, with the requirements of the aforementioned sections of the Florida Statutes, for the year ended September 30, 2022.

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.

Enterprise, Alabama
June 29, 2023

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Washington County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 29, 2023.

Auditor's Responsibility

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; 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Reports 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 29, 2023, 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.

Financial Management

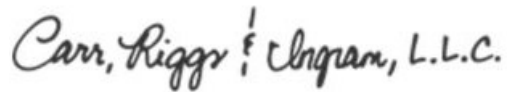
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 note 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, the Clerk, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish above the ampersand.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 29, 2023



Washington County, Florida Sheriff

FINANCIAL STATEMENTS

September 30, 2022





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INDEPENDENT AUDITORS' REPORT

Honorable Kevin Crews
Sheriff
Washington County, Florida

Opinions

We have audited the accompanying financial statements of each major fund, the civil fee fund (a non-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, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the civil fee fund and the fiduciary fund type of the Sheriff as of September 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for a reasonable period of time.

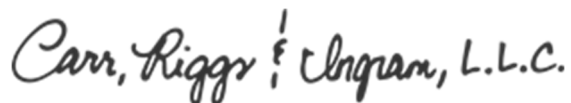
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The combining fiduciary fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 fiduciary fund 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 June 29, 2023, 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive, slightly stylized font.

CARR, RIGGS & INGRAMS, L.L.C.

Enterprise, Alabama
June 29, 2023

Washington County, Florida
Sheriff
Balance Sheet – Governmental Funds

<i>September 30, 2022</i>	General	Emergency Medical Services	Inmate Welfare	Nonmajor Civil Fee	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 53,606	\$ 28,919	\$ -	\$ 9,699	\$ 92,224
Restricted cash and cash equivalents	166,533	-	301,592	-	468,125
Due from other governmental units	491,419	-	-	-	491,419
Accounts receivable, net	5,966	205,834	-	-	211,800
Due from Board of County Commission	44,194	-	-	-	44,194
Total assets	\$ 761,718	\$ 234,753	\$ 301,592	\$ 9,699	\$ 1,307,762
Liabilities and Fund Balances					
Liabilities					
Accounts payable and accrued expenses	\$ 516,289	\$ 33,772	\$ 13,580	9,699	\$ 573,340
Due to other governmental units	-	39,927	-	-	39,927
Due to Board of County Commissioners	124,764	-	-	-	124,764
Total liabilities	641,053	73,699	13,580	9,699	738,031
Fund balance					
Unrestricted	-	161,054	-	-	161,054
Restricted for Public safety - law enforcement	120,665	-	288,012	-	408,677
Total fund balances	120,665	161,054	288,012	-	569,731
Total liabilities and fund balances	\$ 761,718	\$ 234,753	\$ 301,592	\$ 9,699	\$ 1,307,762

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**

<i>For the year ended September 30, 2022</i>	General	Emergency Medical Services	Inmate Welfare	Nonmajor Civil Fee	Total Governmental Funds
Revenues					
Intergovernmental	\$ 321,875	\$ -	\$ -	\$ -	\$ 321,875
Charges for services	483,267	1,237,942	193,189	64,540	1,978,938
Grants	450,085	-	-	-	450,085
Investment earnings	-	-	389	-	389
Miscellaneous revenues	64,555	-	1,838	-	66,393
Total revenues	1,319,782	1,237,942	195,416	64,540	2,817,680
Expenditures					
Current					
Public safety and health	6,175,262	2,041,232	104,685	12,610	8,333,789
Capital outlay	390,391	931	46,948	-	438,270
Debt service					
Principal	-	4,063	-	-	4,063
Interest	-	109	-	-	109
Total expenditures	6,565,653	2,046,335	151,633	12,610	8,776,231
Excess (deficiency) of revenues over (under) expenditures	(5,245,871)	(808,393)	43,783	51,930	(5,958,551)
Other financing sources (uses)					
Transfers in	9,169	26,228	-	-	35,397
Transfers out	(26,228)	-	(9,169)	-	(35,397)
Appropriations from the Board of County Commissioners	5,299,071	726,320	-	-	6,025,391
Reversion to the Board of County Commissioners	(42,047)	-	-	(51,930)	(93,977)
Net other financing sources (uses)	5,239,965	752,548	(9,169)	(51,930)	5,931,414
Net change in fund balances	(5,906)	(55,845)	34,614	-	(27,137)
Fund balances, beginning of year	126,571	216,899	253,398	-	596,868
Fund balances, end of year	\$ 120,665	\$ 161,054	\$ 288,012	\$ -	\$ 569,731

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, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 321,875	\$ 321,875	\$ 321,875	\$ -
Charges for services	301,043	521,756	483,267	(38,489)
Grants	224,790	405,137	450,085	44,948
Miscellaneous revenues	-	62,272	64,555	2,283
Total revenues	847,708	1,311,040	1,319,782	8,742
Expenditures				
Public safety and health	5,802,742	6,219,720	6,175,262	44,458
Capital outlay	-	390,391	390,391	-
Total expenditures	5,802,742	6,610,111	6,565,653	44,458
Excess (deficiency) of revenues over (under) expenditures	(4,955,034)	(5,299,071)	(5,245,871)	53,200
Other financing sources (uses)				
Transfers in	-	-	9,169	9,169
Transfers out	-	-	(26,228)	(26,228)
Appropriations from the Board of County Commissioners	4,955,034	5,299,071	5,299,071	-
Reversion to the Board of County Commissioners	-	-	(42,047)	(42,047)
Total other financing sources	4,955,034	5,299,071	5,239,965	(59,106)
Net change in fund balance	-	-	(5,906)	(5,906)
Fund balance, beginning of the year	126,571	126,571	126,571	-
Fund balance, end of year	\$ 126,571	\$ 126,571	\$ 120,665	\$ (5,906)

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, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 1,078,394	\$ 1,264,485	\$ 1,237,942	\$ (26,543)
Expenditures				
Public safety and health	1,771,400	1,980,805	2,041,232	(60,427)
Capital outlay	10,000	10,000	931	9,069
Debt service				
Principal	-	-	4,063	(4,063)
Interest	-	-	109	(109)
Total expenditures	1,781,400	1,990,805	2,046,335	(55,530)
Excess (deficiency) of revenues over (under) expenditures	(703,006)	(726,320)	(808,393)	(82,073)
Other financing sources (uses)				
Transfers in	-	-	26,228	26,228
Appropriations from the Board of County Commissioners	703,006	726,320	726,320	-
Total other financing sources	703,006	726,320	752,548	26,228
Net change in fund balance	-	-	(55,845)	(55,845)
Fund balance, beginning of the year	216,899	216,899	216,899	-
Fund balance, end of year	\$ 216,899	\$ 216,899	\$ 161,054	\$ (55,845)

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, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 165,200	\$ 165,200	\$ 193,189	\$ 27,989
Investment earnings	-	-	389	389
Miscellaneous revenues	-	-	1,838	1,838
Total revenues	165,200	165,200	195,416	30,216
Expenditures				
Public safety and health	106,000	106,000	104,685	1,315
Capital outlay	50,000	50,000	46,948	3,052
Total expenditures	156,000	156,000	151,633	4,367
Excess (deficiency) of revenues over (under) expenditures	9,200	9,200	43,783	34,583
Other financing sources (uses)				
Transfers out	(9,200)	(9,200)	(9,169)	31
Total other financing sources	(9,200)	(9,200)	(9,169)	31
Net change in fund balance	-	-	34,614	34,614
Fund balance, beginning of the year	253,398	253,398	253,398	-
Fund balance, end of year	\$ 253,398	\$ 253,398	\$ 288,012	\$ 34,614

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, 2022</i>	Custodial Funds
Assets	
Cash	\$ 72,719
Net Position	
Restricted	\$ 72,719

Washington County, Florida
Sheriff

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

For the year ended September 30, 2022

Custodial Funds

Additions

Collections for others	\$ 253,593

Deductions

Payments to others	248,699

Net increase (decrease) in fiduciary net position	4,894

Net position, beginning of year, as originally stated	-

Net position, restatement (see Note 7)	67,825

Net position, end of year	\$ 72,719

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 financial statements of the Washington County, Florida Sheriff (the "Sheriff") have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Sheriff are described below.

Reporting Entity

The Sheriff is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes Chapter 7.67. Although the Sheriff's office is operationally autonomous from the Board of County Commissioners (the "County"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600, the Sheriff's financial statements are combined with those of the County and other elected officials into the reporting entity of the County.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. The operations of the Sheriff are funded by the County and other taxing authorities in the County. The appropriations from the County are recorded as other financing sources.

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

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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.

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, in conformity with the Rules, the Sheriff has not presented reconciliations to the government-wide financial statements or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s county-wide financial statements.

The fund financial statements provide information about the Sheriff’s funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Sheriff reports the following 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 has one additional non-major special revenue fund (“Civil Fees”). Special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

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.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes Chapters 30.49 and 129.03 detail 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 and submits it to the County for approval. By June 1 of each year, the Sheriff shall certify to the County a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year. The County has until September 30 to approve and/or modify the Sheriff's proposed budget during hearings held pursuant to Florida Statutes 129. Once approved, any subsequent amendments must be approved by the County.

Supplemental Budget Appropriations

During fiscal year 2022, the EMS fund had supplemental budget appropriations of \$209,405 or 11.76% of the original budget, and the general fund had supplemental budget appropriations of \$807,369 or 13.91% of the original budget. These appropriations were for various operating costs.

Excess of Expenditures over Appropriations

For the year ended September 30, 2022, expenditures exceeded appropriations within the public safety and debt service function of the EMS fund by \$60,427 and \$4,172, respectively. The excess expenditures were funded by prior year reserves.

Excess Revenues over Expenditures

Pursuant to Section 30.50(6), Florida Statutes, any excess revenues over expenditures determined as of the date specified in Section 30.50(5), Florida Statutes, "...shall be refunded to the Board of County Commissioners...". Excess revenues over expenditures returned to the County as required by Florida Statutes are accrued and reported as other financing (uses). All special revenue funds excess revenue, except civil trust, remains with the Sheriff.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits

Compensated Absences

It is the Sheriff's policy to allow employees to accumulate vacation and sick leave depending on length of employment. Accumulated annual leave is limited to 96 hours for the first 10 years of employment, 144 hours from 10 years to 20 years of employment, and 192 hours thereafter. Accumulated annual leave is payable upon termination at the full value of the hours accumulated up to 240 hours, while sick leave is subject to various criteria. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Sheriff are the obligation of the County and are reported at the county-wide level.

Retirement Plan

The Sheriff and all qualified County employees participate 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 in accordance with the requirements of the *Retirement Plan (continued)* GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Sheriff are combined with all the County's participants and reported in the County's government-wide financial statements.

Other Postemployment Benefits (OPEB)

The County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the County's 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 an OPEB liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Assets, Liabilities, and Net Position or Equity

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 2 for allowance for doubtful accounts.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The Sheriff has custodial responsibility for capital assets used by his office and maintains a \$5,000 threshold for capitalization of equipment. Additionally, the Sheriff maintains an inventory of all tangible personal property with a value or cost of \$5,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69I-73.002 and 69I-73.006. Title in all capital assets held by the Sheriff is retained by the Board and the Sheriff's assets are reported in the county-wide financial statements. At the fund level, capital assets are recorded as expenditures at the time an asset is acquired. At the county-wide level, capital assets are capitalized at cost if purchased and if donated at acquisition value when received. Depreciation is determined using the straight-line method with estimated useful lives of 3 to 39 years for all tangible personal property.

Categories and Classification of Net Position and Fund Balance

Fund balance flow assumptions – The Sheriff funds outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Sheriff's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Sheriff can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Sheriff's highest level of decision-making authority. The County is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Sheriff for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance director to assign fund balance. The Sheriff may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

The Sheriff has evaluated subsequent events through the date of the financial statements were available to be issued, June 29, 2023, and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases* (GASB 87). 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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

underlying asset. Under this statement, a lessor 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. All leases with a term greater than 12 months are recognized as a lease liability and an intangible right-of-use lease asset by the lessee. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. The Sheriff adopted GASB 87 for the year ended September 30, 2022, and GASB 87 did not have a significant impact on the financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB 89). 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. GASB 89 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. The Sheriff adopted GASB 89 for the year ended September 30, 2022, and GASB 89 did not have a significant impact on the financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). 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,

Washington County, Florida
Sheriff
Notes to Financial Statements

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.

The Sheriff adopted GASB 92 for the year ended September 30, 2022, and GASB 92 did not have a significant impact on the financial statements.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* (GASB 93). The objectives of GASB 93 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 London Interbank Offered Rate (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 No. 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

Washington County, Florida
Sheriff
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. The Sheriff adopted GASB 93 for the year ended September 30, 2022, and GASB 93 did not have a significant impact on the financial statements.

In June 2020, the GASB issued 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* (GASB 97). 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 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 GASB 97 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. The Sheriff adopted GASB 97 for the year ended September 30, 2022, and GASB 97 did not have a significant impact on the financial statements.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report* (GASB 98). GASB 98 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 GAAP 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 GASB 98 are effective for fiscal years ending after December 15, 2021, with early application permitted. The Sheriff adopted GASB 98 for the year ended September 30, 2022, and GASB 98 did not have a significant impact on the financial statements.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

The GASB has issued statements that will become effective in future years. These statements are as follows:

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). 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 March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). 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* (GASB 96). 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

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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 April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to the determination of the PPP term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in *Statement No. 96, Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. GASB 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 2: DETAILED NOTED ON ALL FUNDS

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

The Tax Collector does not have a written investment policy but historically has placed surplus funds in interest bearing depository accounts with local banking institutions. At September 30, 2022, all deposits were fully insured by the Federal Deposit Insurance Corporation and the multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

Due From Other Governments

Due from other governments at September 30, 2022 consisted of the following:

	General Fund
Due from Other Governments	
State of Florida	\$ 147,372
Victims of Crime Act (VOCA)	22,626
Due from DEA	571
Due from DEO Tower Grant	221,151
US Marshall	15,105
JAG Grant	68,794
Adam Walsh Grant	15,800
Total	\$ 491,419

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 2: DETAILED NOTED ON ALL FUNDS (Continued)

Accounts Receivable

EMS accounts receivable total \$1,093,000 and are shown net of allowance for doubtful accounts and contractual adjustments totaling \$887,166. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings.

Due to Board of County Commissioners

The excess revenues over expenditures remitted to the County after year end was \$42,047 in accordance with Section 30.50(6) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues Expenditures and Changes in Fund Balance. The remaining balance due to the County was related to amounts received for housing inmates.

Note 3: RETIREMENT PLAN

The Sheriff and all full-time employees are participants in the Florida Retirement System (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. Accordingly, the actuarial information and related disclosures attributable to the Sheriff's employees are not determinable.

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 percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts.

Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for employees hired prior to July 1, 2011 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. For Special Risk Class members, normal retirement is age 55 with at least 6 years of Special Risk service, or 25 years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and military 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

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 3: RETIREMENT PLAN (Continued)

employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible 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. For Special Risk Class members, normal retirement is age 60 with at least 8 years of Special Risk service, or 30 years of Special Risk service, regardless of age, or age 57 with 30 years of Special Risk service and military service. 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.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 11.91%, DROP Program – 18.60%, senior management – 31.57% and elected officials – 57.00%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Sheriff's employees covered by the System was \$4,660,211 for the year ended September 30, 2022. The Sheriff's total payroll was \$2,497,995 for the same period. The Sheriff's contribution to the plan for the years ended September 30, 2022, 2021, and 2020 were \$1,116,285, \$929,685, and \$939,444, respectively, and were paid by the due date for the contributions.

The Sheriff 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 to the Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

Note 4: CONTINGENCIES

The Sheriff receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Sheriff with the terms of the grants/contracts. In the opinion of management, such allowances, if any, would not be significant in relation to the financial statements of the Sheriff.

Note 5: LITIGATION

The Sheriff is involved in various claims or potential claims arising in the normal course of business. It is the opinion of management that coverage provided by the Florida Sheriff's Self-Insurance Fund is adequate to eliminate any significant exposure resulting from those claims.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 6: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and long term debt are in the custody of and accounted for by the Sheriff and reported in the county-wide financial statements.

Capital Assets

Title in capital assets owned by the County is retained by the Board. The below noted capital asset information and activity is reported in the county-wide financial statements.

Capital asset activity for the fiscal year is as follows:

	Balance 9/30/21	Additions	Deletions	Balance 9/30/22
Governmental Activities				
Capital assets, not being depreciated				
Tower Grant CIP	\$ 64,375	\$ 160,476	\$ -	\$ 224,851
Capital assets, being depreciated				
Equipment	3,123,186	275,541	(63,959)	3,334,768
Less : accumulated depreciation	(2,002,405)	(356,922)	63,959	(2,295,368)
Total capital assets being depreciated, net	1,120,781	(81,381)	-	1,039,400
Total governmental activities capital assets, net	\$ 1,185,156	\$ 79,095	\$ -	\$ 1,264,251

Depreciation expense was charged to the function of government as follows:

<i>Governmental Activities</i>	
Public safety	356,922

Long-Term Debt

Long-term debt that will not be liquidated with expendable available financial resources of the Sheriff is the obligation of the County and reported in the county-wide financial statements. Long-term debt is associated with EMS ambulance vehicle. After Washington County Sheriff Office made two months' payments totaling \$4,172 in fiscal year 2022, the Board took over the remaining balance of \$21,391.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 6: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

Compensated Absences

Compensated absences' that will not be liquidated with expendable available financial resources of the Sheriff is the obligation of the County and reported at the county-wide level. The following is a summary of changes in compensated absences for 2022:

		Balance				Balance	Due in
		10/1/2021	Additions	Reductions		9/30/2022	One Year
Compensated absences	\$	346,931	\$ 220,879	\$ 180,767	\$	387,043	\$ 38,704

Note 7: PRIOR PERIOD ADJUSTMENTS

The implementation of GASB Statement No. 84 required that the Sheriff reclassify inmate trust custodial fund and forfeiture fund from a liability to restricted Net Position until required for use by these funds. These amounts were incorrectly reported as liabilities in the prior period. As such, the beginning fund balance of the fiduciary funds was increased by \$67,825.

FIDUCIARY FUND

Forfeiture Fund - To account for collections and disbursements of forfeitures.

Inmate Trust Fund - To account for cash received for and due to inmates

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

<i>September 30, 2022</i>	Forfeiture		Inmate Trust		Total
Assets					
Cash	\$	63,962	\$	8,757	\$ 72,719
Net Position					
Restricted	\$	63,962	\$	8,757	\$ 72,719

Washington County, Florida
Sheriff
Combining Statement of Changes in Fiduciary Net Position –
Custodial Funds

<i>For the year ended September 30, 2022</i>	Forfeiture	Inmate Trust	Total
Additions			
Collections for others	\$ 11,351	\$ 242,242	\$ 253,593
Deductions			
Payments to others	4,753	243,946	248,699
Net increase (decrease) in fiduciary net position	6,598	(1,704)	4,894
Net position, beginning of year, as originally stated	-	-	-
Net position, restatement	57,364	10,461	67,825
Net position, end of year	\$ 63,962	\$ 8,757	\$ 72,719

**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 funds, and the aggregate remaining fund information of the Washington County, Florida Sheriff, (the "Sheriff") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated June 29, 2023.

Reports on 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.

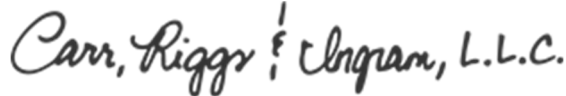
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies 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 significant deficiencies or material weaknesses.

Report on 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*.

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.



CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

June 29, 2023



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

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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Sheriff complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investments Policies* for the year ended September 30, 2022.

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, L.L.C.

Enterprise, Alabama
June 29, 2023



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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, 2022, and have issued our report thereon dated June 29, 2023.

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 June 29, 2023, 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 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.

Financial Management

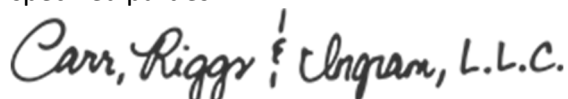
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no such recommendations.

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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish at the end.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 29, 2023

**Washington County, Florida
Property Appraiser**

FINANCIAL STATEMENTS

September 30, 2022





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INDEPENDENT AUDITORS' REPORT

Honorable Gil Carter
Property Appraiser
Washington County, Florida

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Property Appraiser, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

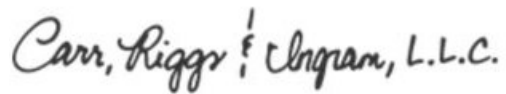
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2023 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, rules, regulations, contracts, 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 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive, slightly stylized font.

CARR, RIGGS & INGRAM, LLC

Enterprise, Alabama
June 6, 2023

Washington County, Florida
Property Appraiser
Balance Sheet – Governmental Funds

<i>September 30, 2022</i>	General Fund
Assets	
Cash and cash equivalents	\$ 39,343
Accounts receivable	1,525
Total assets	\$ 40,868
Liabilities and Fund Balance	
Liabilities	
Accounts payable and accrued expenses	\$ 12,587
Due to Board of County Commissioners	28,281
Total liabilities	40,868
Fund balance	-
Total liabilities and fund balance	\$ 40,868

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

For the year ended September 30, 2022

General Fund

Revenues

Miscellaneous	\$	700

Expenditures

Current

General government		640,797

Capital outlay		61,344

Total expenditures		702,141

Excess of revenues over (under) expenditures		(701,441)

Other Financing Sources (Uses)

Appropriations from Board of County Commissioners		728,244

Reversion to Board of County Commissioners		(26,803)

Net other financing sources (uses)		701,441

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

	Original	Final		Variance
<i>For the year ended September 30, 2022</i>	Budget	Budget	Actual	Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ -	\$ -	\$ 700	\$ 700
Expenditures				
Current				
General government	638,684	656,200	640,797	15,403
Capital outlay	64,344	64,344	61,344	3,000
Reserve for contingencies	7,700	7,700	-	7,700
Total expenditures	710,728	728,244	702,141	26,103
Excess of revenues over (under) expenditures	(710,728)	(728,244)	(701,441)	26,803
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	710,728	728,244	728,244	-
Reversion to Board of County Commissioners	-	-	(26,803)	(26,803)
Net other financing sources (uses)	710,728	728,244	701,441	(26,803)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

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 financial statements of the Washington County, Florida Property Appraiser (the “Property Appraiser”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Property Appraiser are described below.

Reporting Entity

The Property Appraiser is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes chapter 7.67. 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. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600*, the Property Appraiser’s financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Washington County, Florida (the “County”).

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the Property Appraiser considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. 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.

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
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The operations of the Property Appraiser are funded by the Board of County Commissioners and other taxing authorities in the County. The appropriations from the Board are recorded as other financing sources. At year-end, excess revenue and other financial sources received over expenditures are remitted to the Board and other taxing authorities in proportion to the amounts received from each taxing authority.

Fund Financial Statements

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, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

In preparing these financial statements, the following is reported as a major governmental fund:

The *General Fund* accounts for all revenue and expenditures applicable to the general operations of the Property Appraiser that are not required either legally or by GAAP to be accounted for in another fund.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes Chapter 195.087 details the preparation, adoption and administration of the Property Appraiser's annual budget. On or before June 1 of each year, the Property Appraiser shall certify to the Department of Revenue (the "Department") a proposed budget. The Department has until August 15 to approve or modify the budget. The Board has until September 30 to approve a final budget during hearings held pursuant to Florida Statute 200.065. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Property Appraiser. Budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Department and Board.

Washington County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Excess Revenues over Expenditures

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures, determined as of the fiscal year end, "...shall be divided into parts for each governmental unit which was billed and which paid for the operation of the Property Appraiser's office in the same proportion as the governmental units were originally billed.

Employee Benefits

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.

Retirement Plan

The Property Appraiser and all qualified County employees participate 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 in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Property Appraiser are combined with all the County's participates and reported in the County's government-wide financial statements.

Other Postemployment Benefits (OPEB)

The Property Appraiser, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the County's 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 an OPEB liability on the Statement of Net Position 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 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance

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.

Investments

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.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

Capital Assets

Capital assets are recorded as expenditures at the time acquired and if donated, acquisition value at the date of donation. Title in all capital assets owned by the County is retained by the Board and the Property Appraiser capital assets are reported on the county-wide financial statements. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

The Property Appraiser maintains a \$5,000 threshold for capitalization of machinery and equipment and a \$25,000 threshold for land, buildings and improvements. Additionally, the Property Appraiser maintains an inventory of all tangible personal property with a donated value or cost of \$5,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69I-73.002 and 69I-73.006. Depreciation is determined using the straight-line method over the asset's estimated useful life.

Categories and Classification of Fund Equity

Fund balance flow assumptions – The Property Appraiser funds outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Property Appraiser's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance (continued)

Categories and Classification of Fund Equity (continued)

fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Property Appraiser itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Property Appraiser's highest level of decision-making authority. The Property Appraiser is the highest level of decision-making authority. Once adopted, the limitation imposed by the formal action remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Property Appraiser for specific purposes but do not meet the criteria to be classified as committed. The Property Appraiser can authorize the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 6, 2023, and determined there were no events that occurred that required disclosure.

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases* (GASB 87). 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 lessor 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. All leases with a term greater than 12 months are recognized as a lease liability and an intangible right-of-use lease asset by the lessee. 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* (GASB 89). 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. GASB 89 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. The Property Appraiser adopted GASB 89 for the year ended September 30, 2022, and GASB 89 did not have a significant impact on the financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). 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 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 No. 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 No. 73 and No. 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement No. 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.

The Property Appraiser adopted GASB 92 for the year ended September 30, 2022, and GASB 92 did not have a significant impact on the financial statements.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* (GASB 93). The objectives of GASB 93 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 London Interbank Offered Rate (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 No. 87 for lease contracts that are amended solely to replace an IBOR used

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

to determine variable payments.

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

In June 2020, the GASB issued 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* (GASB 97). 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 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 GASB 97 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 Statement No. 98, *The Annual Comprehensive Financial Report* (GASB 98). GASB 98 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 GAAP 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 GASB 98 are effective for fiscal years ending after December 15, 2021, with early application permitted.

The GASB has issued statements that will become effective in future years. These statements are as follows:

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

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 March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). 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* (GASB 96). 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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to the determination of the PPP term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53 to refer to resource flows statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. GASB 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

The Property Appraiser does not have a written investment policy but historically has placed surplus funds in interest bearing depository accounts with local banking institutions. At September 30, 2022, all deposits were fully insured by the Federal Deposit Insurance Corporation and the multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

Due to Board of County Commissioners

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, 2022, excess revenues over expenditures of \$26,803 are accrued and reported as Reversion to Board of County Commissioners on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

Note 3: RETIREMENT PLANS

The Property Appraiser and all full-time employees are participants in the Florida Retirement System (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. Accordingly, the actuarial information and related disclosures attributable to the Property Appraiser's employees are not determinable.

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 percentage of payroll employer contribution rates, established by State law, is determined using the entry-age actuarial funding

Note 3: RETIREMENT PLANS (Continued)

method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis as a level dollar amount.

The System provides for employees hired before July 1, 2011 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 these employees who retire at or after age 65 with eight 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.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 11.91%, DROP Program – 18.60%, senior management – 31.57%, and elected officials – 57.00%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

Total payroll for the Property Appraiser's employees covered by the System was \$413,042 for the year ended September 30, 2022. The Property Appraiser's total payroll was \$413,042 for the same period. The Property Appraiser's contributions to the plan for the years ended September 30, 2022, 2021, and 2020 were \$52,303, \$46,770, and \$39,077, respectively and were paid by the due date for the contribution.

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 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 or at the Division's website at dms.myflorida.com.

Note 4: CONTINGENT LIABILITIES

The Property Appraiser is currently involved in litigation arising in the normal course of operations. Those claims are challenging property valuations. Potential recoveries or liabilities in excess of insurance coverage, if any, are not determinable. No accruals for loss contingency have been made in the financial statements.

Washington County, Florida
Property Appraiser
Notes to Financial Statements

Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

Capital Assets

Title in all capital assets owned by the County is retained by the Board of County Commissioners and the below noted capital asset information and activity is reported in the county-wide financial statements.

Summary of capital asset activity for the year ended September 30, 2022:

	Balance 10/01/21	Increases	Decreases	Balance 9/30/22
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 165,577	\$ -	\$ -	\$ 165,577
Less: accumulated depreciation	134,609	8,446	-	143,055
Total governmental activities				
Capital assets, net	\$ 30,968	\$ (8,446)	\$ -	\$ 22,522

Depreciation expense of \$8,446 was charged to the general government function.

Long-Term Debt

Accrued compensated absences that will not be liquidated with expendable available financial resources of the Property Appraiser are the obligation of the County and are reported at the county-wide level.

Summary of changes in long-term debt for the year ended September 30, 2022:

	Balance 10/01/21	Increases	Reductions	Balance 9/30/22	Due in One Year
Compensated absences	\$ 19,906	\$ 11,598	\$ (10,205)	\$ 21,299	\$ 2,130

**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 Washington County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2022, 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 June 6, 2023.

Report on 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.

PA2003-003 Segregation of Duties (Repeat Finding)

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.

Views of Responsible Officials and Planned Corrective Actions – See management response on page 26.

Report on Compliance and Other Matters

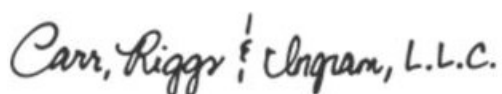
As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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 finding identified in our audit is located on page 26. 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.

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

Enterprise, Alabama
June 6, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH *LOCAL*
GOVERNMENT INVESTMENT POLICIES**

Honorable Gil Carter
Property Appraiser
Washington County, Florida

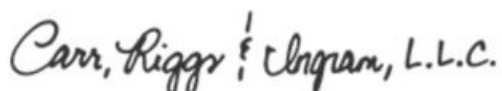
We have examined Washington County, Florida, Property Appraiser's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management of the Property Appraiser is responsible for the compliance with the specific 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagements.

In our opinion, the Property Appraiser complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022.

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

Enterprise, Alabama
June 6, 2023



Carr, Riggs & Ingram, LLC
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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, 2022, and have issued our report thereon dated June 6, 2023.

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 June 6, 2023, 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.

Financial Management

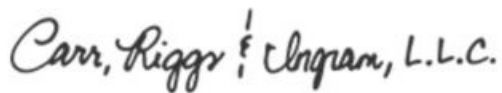
Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 note 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, the Property Appraiser and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM

Enterprise, Alabama
June 6, 2023

**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
Website: www.qpublic.net/fl/washington

June 6, 2023

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, 2022. 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, appearing to read "Gil Carter".

Gil Carter, CFA
Washington County Property Appraiser



Washington County, Florida Supervisor of Elections

Financial Statements

September 30, 2022





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INDEPENDENT AUDITORS' REPORT

Honorable Carol Finch Rudd
Supervisor of Elections
Washington County, Florida

Opinions

We have audited the accompanying financial statements of the 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, 2022, 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.

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 Supervisor of Elections as of September 30, 2022, the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

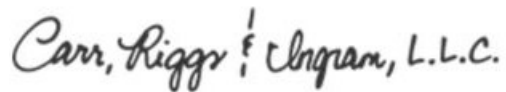
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, 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 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish at the end.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

June 23, 2023

Washington County, Florida
Supervisor of Elections
Balance Sheet – Governmental Funds

<i>September 30, 2022</i>		General Fund
Assets		
Cash	\$	21,346
Liabilities and Fund Balance		
Accounts payable and accrued expenses	\$	18,266
Due to BCC		3,080
Total liabilities		21,346
Fund balance		-
Total liabilities and fund balance	\$	21,346

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

For the year ended September 30, 2022

General Fund

Revenues

Intergovernmental	\$	72,237
Miscellaneous revenues		26,044

Total revenues		98,281

Expenditures

General government		598,096
Debt service		
Principal		37,467
Interest		3,114

Total expenditures		638,677

Excess (deficiency) of revenues over (under) expenditures		(540,396)

Other financing sources

Appropriations from Board of County Commissioners		540,396

Net change in fund balances		-

Fund balance, beginning of year		-

Fund balance, end of year	\$	-

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

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<i>For the year ended September 30, 2022</i>	Budget	Budget	Amounts	
Revenues				
Intergovernmental	\$ -	\$ -	\$ 72,237	\$ 72,237
Miscellaneous revenues	-	-	26,044	26,044
Total revenues	-	-	98,281	98,281
Expenditures				
General government	425,800	540,396	598,096	(57,700)
Debt Service				
Principal	-	-	37,467	(37,467)
Interest	-	-	3,114	(3,114)
Total expenditures	425,800	540,396	638,677	(98,281)
Deficiency of revenues under expenditures	(425,800)	(540,396)	(540,396)	-
Other financing sources (uses)				
Appropriation from Board of County Commissioners	425,800	540,396	540,396	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

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 financial statements of the Washington County, Florida Supervisor of Elections (the “Supervisor of Elections”), have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Supervisor of Elections are described below.

Reporting Entity

The Supervisor of Elections is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida, and serves the geographic boundary established in Florida Statutes chapter 7.67. 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. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600*, the Supervisor of Elections’ financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Washington County, Florida (the “County”).

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the Supervisor of Elections considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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.

The operations of the Supervisor of Elections are primarily funded by the Board of County Commissioners, and appropriations from the Board are reported as other financing source. At year-end, excess revenue and other financing sources over expenditures are remitted to the Board and reported as reversion to Board of County Commissioners.

Fund Financial Statements

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, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement, rather than duplicate, the notes included in the County’s countywide financial statements.

The Supervisor of Elections reports the following major governmental fund:

The *General Fund* accounts for all financial resources that are not required either legally, or by generally accepted accounting principles, to be accounted for in another fund.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes Chapter 129.201 and 129.03 details the preparation, adoption and administration of the Supervisor of Elections’ annual budget. By June 1 of each year, the Supervisor of Elections shall submit to the Board a tentative budget for carrying out the duties of his office for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Supervisor of Elections’ proposed budget during hearings held pursuant to Florida Statutes 129. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. Budgetary control is maintained at the major object expenditure level. Expenditures may not

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Supervisor of Elections.

Excess Revenues over Expenditures

Pursuant to Section 129.202(1)(f), Florida Statutes, "all unexpended balances at the end of each fiscal year shall be returned to the Board and deposited to the County fund or funds from which payment was originally made." Excess revenues over expenditures returned to the Board as required by Florida Statutes are accrued and reported as other financing (uses).

Employee Benefits

Compensated Absences

It is the Supervisor of Elections' policy to allow employees to accumulate up to 240 hours of annual leave and sick leave, a total of 120 hours, all of which is allowed for payment upon separation from employment. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources.

Retirement Plan

The Supervisor of Elections and all qualified County employees 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 in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Annual Comprehensive Financial Report. Assets, liabilities and cash inflows/outflows related to the Supervisor of Elections are combined with all the County's participates and reported in the County's government-wide financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits (continued)

Other Postemployment Benefits (OPEB)

The Supervisor of Elections, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in its 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 an OPEB liability on the Statement of Net Position of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

Capital Assets

Capital assets are recorded as expenditures at the time acquired and if donated, acquisition value at the date of donation. Title in all capital assets owned by the County is retained by the Board and the Supervisor of Elections' capital assets are reported on the county-wide financial statements. The Supervisor of Elections maintains custodial responsibility for the capital assets used by his office.

The Supervisor of Elections maintains a \$5,000 threshold for capitalization of machinery and equipment, and a \$25,000 threshold for land, buildings and improvements. Additionally, the Supervisor of Elections maintains an inventory of all tangible personal property with a donated value or cost of \$5,000 or more and a projected useful life of one year or more, as required by Florida Statute 274 and Florida Administrative Code Sections 69I-73.002 and 69I-73.006. Depreciation is determined using the straight-line method over the asset's estimated useful life.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity

Fund balance flow assumptions – The Supervisor of Elections funds outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Supervisor of Elections' policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Supervisor of Elections itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Supervisor of Elections' highest level of decision-making authority. The Supervisor of Elections is the highest level of decision-making authority. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Supervisor of Elections for specific purposes but do not meet the criteria to be classified as committed. The Supervisor of Elections can authorize the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 23, 2023, and determined there were no events that occurred that required disclosure.

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases* (GASB 87). 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 lessor 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. All leases with a term greater than 12 months are recognized as a lease liability and an intangible right-of-use lease asset by the lessee. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. The Supervisor of Elections' adoption of GASB Statement 87 for the year ended September 30, 2022 did not have a significant impact the financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB 89).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

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. GASB 89 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. The Supervisor of Elections adopted GASB 89 for the year ended September 30, 2022, and GASB 89 did not have a significant impact on the financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). 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 No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements No. 73 and No. 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement No. 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.

The Supervisor of Elections adopted GASB 92 for the year ended September 30, 2022, and GASB 92 did not have a significant impact on the financial statements.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates (GASB 93). The objectives of GASB 93 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 London Interbank Offered Rate (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 No. 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, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2020, the GASB issued 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* (GASB 97). 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 OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

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 GASB 97 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. The Supervisor of Elections adopted GASB Statement 97 for the year ended September 30, 2022, and it did not impact the financial statements.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report* (GASB 98). GASB 98 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 GAAP 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 GASB 98 are effective for fiscal years ending after December 15, 2021, with early application permitted.

The GASB has issued statements that will become effective in future years. These statements are as follows:

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). 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 Accounting Pronouncements (continued)

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). 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* (GASB 96). 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 Accounting Pronouncements (continued)

In April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing: (1) practice issues that have been identified during implementation and application of certain GASB Statements, and (2) accounting and financial reporting for financial guarantees.

The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to the determination of the PPP term and recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53 to refer to resource flows statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for: (1) each category of accounting change, and (2) error corrections. GASB 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash, Cash Equivalents and Investments

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Cash, Cash Equivalents and Investments (continued)

Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

The Supervisor of Elections does not have a written investment policy but historically has placed surplus funds in interest bearing depository accounts with local banking institutions. At September 30, 2022, all deposits were fully insured by the Federal Deposit Insurance Corporation and the multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

Due to Board of County Commissioners

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, 2022, excess revenues over expenditures of \$3,080 are accrued and reported as Reversion to Board of County Commissioners on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

Note 3: RETIREMENT PLAN

The Supervisor of Elections and all full-time employees are participants in the Florida Retirement System (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. Accordingly, the actuarial information and related disclosures attributable to the Supervisor of Elections' employees are not determinable.

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 percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption

Note 3: RETIREMENT PLAN (Continued)

changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for employees hired before July 1, 2011 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 July 1, 2011 or after, 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. 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.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 11.91%, DROP Program – 18.60%, senior management – 31.57% and elected officials – 57.00%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Supervisor of Elections' employees covered by the System was \$228,417 for the year ended September 30, 2022. The Supervisor of Elections' contributions to the plan for the years ended September 30, 2022, 2021, and 2020 were \$65,803, \$59,420, and \$56,692, respectively. These contributions were paid by the due date for the contribution.

The Supervisor of Elections 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 the: Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000, or at the Division's website at dms.myflorida.com.

Note 4: CONTINGENCIES

The Supervisor of Elections receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Supervisor of Elections with the terms of the grants/contracts. In the opinion of the Supervisor of Elections' management, such allowances, if any, would not be significant in relation to the financial statements of the Supervisor of Elections.

Washington County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

Capital Assets

Title in all capital assets owned by the County is retained by the Board of County Commissioners and the below noted capital asset information and activity is reported in the county-wide financial statements.

Summary of changes in capital assets during the year ended September 30, 2022:

	Balance				Balance
	10/1/2021	Increases	Decreases		9/30/2022
Governmental Activities					
Equipment	\$ 174,088	\$ -	\$ -	\$	174,088
Less accumulated depreciation for Equipment	(136,369)	(34,817)			(171,186)
Capital assets, net	\$ 37,719	\$ (34,817)	\$ -	\$	2,902

Depreciation expense was charged to the functions of the government as follows:

<i>Governmental Activities</i>		
General government	\$	34,817

Note 6: Long-Term Debt

Debt that will not be liquidated with expendable available financial resources of the Supervisor of Elections is the obligation of the County and reported in the county-wide financial statements.

Summary of long-term debt activity for the year ended September 30, 2022:

	Balance				Balance	Due Within
	09/30/2021	Additions	Reductions	9/30/2022		One Year
Note payable	\$ 37,467	\$ -	\$ (37,467)	\$ -	\$	-
Compensated absences	6,321	3,141	(3,186)	6,276		628
Total	\$ 43,788	\$ 3,141	\$ (40,653)	\$ 6,276	\$	628

**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 of Washington County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2022, 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 23, 2023.

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 identified deficiencies in internal control, described below as findings SOE 2022-001 and SOE2003-003 that we consider to be significant deficiencies.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Timely remittance of excess fees to the Board and filing of Constitutional Officer's Report, SOE 2022-001

CRITERIA: Internal control activities and procedures should include timely remittance of excess fees and filing of the annual report of excess fees.

CONDITION: Existing control activities and procedures did not result in timely remittance of fees or filing of the constitutional officer's report.

CAUSE: Timely accounting recordkeeping did not allow the SOE to perform this control activity.

EFFECT: Excess fees were not remitted timely and the annual report of excess fees was not filed timely.

RECOMMENDATION: We recommend that accounting records be updated regularly to allow for timely filing of the annual report of excess fees and remittance of excess fees.

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 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.

Report on Compliance and Other Matters

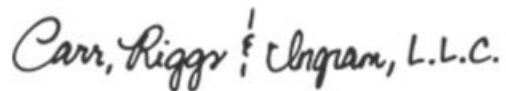
As part of obtaining reasonable assurance about whether the Supervisor of Election's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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.

A handwritten signature in dark ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish at the end.

CARR, RIGGS, & INGRAM, L.L.C.

Enterprise, Alabama
June 23, 2023



Carr, Riggs & Ingram, LLC
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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH 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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2022.

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, L.L.C

Enterprise, Alabama
June 23, 2023

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, 2022, and have issued our report thereon dated June 26, 2023.

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 23, 2023, 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 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*, has not been corrected. All other prior year findings have been corrected including SOE 2019-001.

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 Management

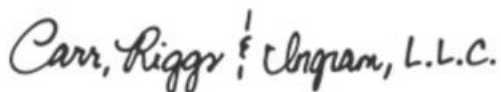
Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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

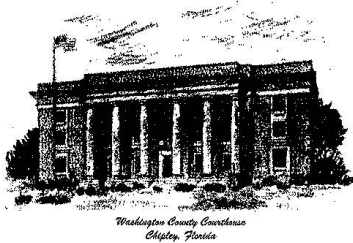
Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Washington County Supervisor of Elections and applicable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

A handwritten signature in dark ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish at the end.

CARR, RIGGS, & INGRAM, L.L.C.

Enterprise, Alabama
June 23, 2023

**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: Management Response

We are in receipt of the audit report for the Washington County, Florida Supervisor of Elections for the fiscal year ending September 2022. I have reviewed the letter regarding compliance and internal control schedule of findings and questioned costs and the management letter:

Segregation of Duties: 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.

Timeliness of Reporting: We utilized the assistance of a third party CPA during the current year to assist us with the finalization of our accounting records for the year. This led to some delays in reporting our annual financial statement amounts. We will continue to strive to expedite this review and reporting.

Sincerely,

Wendy Mayo
Assistant SOE

for Carol F. Rudd, MFCEP
Supervisor of Elections
Washington County, Florida

**Washington County, Florida
Tax Collector**

FINANCIAL STATEMENTS

September 30, 2022



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INDEPENDENT AUDITORS' REPORT

Honorable Ken Naker
Tax Collector
Washington County, Florida

Opinions

We have audited the accompanying financial statements of the major fund and aggregate remaining fund information of the Washington County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the fiduciary fund type of the Tax Collector as of September 30, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tax Collector, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

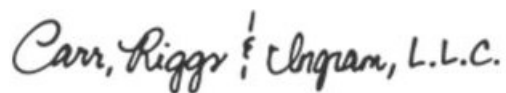
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's financial statements. The combining individual fund statements, as listed in the table of contents, are presented for purposes of additional analysis and

are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 individual 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 June 6, 2023, 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, rules, 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 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive, slightly stylized font.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 6, 2023

Washington County, Florida
Tax Collector
Balance Sheet – Governmental Fund

<i>September 30, 2022</i>	General Fund
Assets	
Cash and cash equivalents	\$ 34,200
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 7,987
Due to Board of County Commissioners	26,213
Total liabilities	34,200
Fund balance	-
Total liabilities and fund balance	\$ 34,200

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**

For the year ended September 30, 2022

General Fund

Revenues

Charges for services	\$	756,089

Expenditures

General government		823,621
Capital outlay		57,092

Total expenditures		880,713

Excess (deficiency) of revenues over (under) expenditures		(124,624)

Other Financing Sources (Uses)

Appropriations from Board of County Commissioners		150,837
Reversion to Board of County Commissioners		(26,213)

Net other financing sources (uses)		124,624

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
Tax Collector

**Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual –
General Fund**

<i>For the year ended September 30, 2022</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 818,332	\$ 792,120	\$ 756,089	\$ (36,031)
Expenditures				
General government	863,617	941,108	823,621	117,487
Capital outlay	1,849	1,849	57,092	(55,243)
Total expenditures	865,466	942,957	880,713	62,244
Excess (deficiency) of revenues over (under) expenditures	(47,134)	(150,837)	(124,624)	26,213
Other financing sources (uses)				
Appropriations from Board of County Commissioners	47,134	150,837	150,837	-
Reversion to Board of County Commissioners	-	-	(26,213)	(26,213)
Net other financing sources (uses)	47,134	150,837	124,624	(26,213)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

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, 2022</i>	Custodial Funds
Assets	
Cash	\$ 223,053
Accounts receivable	212
Total assets	223,265
Liabilities and Net Position	
Liabilities	
Due to other governments	223,265
Total net position	\$ -

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, 2022</i>	Custodial Funds
Additions	
Tax collections, auto tag fees, and other fees for other governments	\$ 24,576,416
Deductions	
Payments of tax, auto tag fees, and other fees to other governments	24,576,416
Net change in fiduciary net position	-
Net position, beginning of year	-
Net position, end of year	\$ -

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 financial statements of the Washington County, Florida Tax Collector (the “Tax Collector”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550 Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Tax Collector are described below.

Reporting Entity

The Tax Collector is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes chapter 7.67. Although the Tax Collector’s office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600, the Tax Collector’s financial statements are combined with those of the Board and the other elected constitutional officers of the county into the reporting entity of Washington County, Florida (the “County”).

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The governmental fund financial statements are prepared 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the Tax Collector considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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 and issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. The operations of the Tax Collector are funded by the Board of County Commissioners and other taxing authorities in the County. The appropriations from the Board are recorded as other financing sources.

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,

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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.

The operations of the Tax Collector are funded by charging for services and appropriations from the Board. The appropriations from the Board are recorded as other financing sources.

Fiduciary fund (custodial fund) statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*.

Fund Financial Statements

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 statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s county-wide financial statements.

The fund financial statements provide information about the Tax Collector’s funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others that cannot be used to support the government’s own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

The Tax Collector reported the following major governmental fund:

General Fund – Accounts for all financial resources that are not required either legally or by GAAP to be accounted for in another fund.

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

The Tax Collector also reported the following fiduciary fund type:

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

The Tax Collector has three custodial funds which have been combined into a single aggregate presentation as other governmental funds. Individual data for these non-major funds is provided in the combining statements of this report. Custodial funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes, Chapter 195.087 details the preparation, adoption, and administration of the Tax Collector's annual budget. On or before August 1 of each year, the Tax Collector submits an annual budget to the Department of Revenue (the "Department"). If the Department finds the budget inadequate or excessive, it shall return such budget to the Tax Collector, together with its ruling thereon. The Tax Collector shall revise the budget as required and resubmit it to the Department. After final approval by the Department, there shall be no reduction or increase by the Tax Collector or Board without the approval of the Department. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Tax Collector.

Excess Revenue over Expenditures

Pursuant to Section 218.36(2), Florida Statutes, whenever a tax collector has excess revenue over expenditures determined as of the fiscal year end, "....he or she shall distribute the excess to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of his or her office."

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits

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. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Tax Collector are the obligation of the County and are reported at the county-wide level.

Retirement Plan

The Tax Collector and all qualified County employees 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 in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Annual Comprehensive Financial Report. Assets, liabilities and cash inflows/outflows related to the Tax Collector are combined with all the County's participants and reported in the County's government-wide financial statements.

Other Postemployment Benefits (OPEB)

The Tax Collector, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in its 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 an OPEB liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

The Tax Collector's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

Capital Assets

Capital assets are recorded as expenditures at the time acquired and if donated, acquisition value at the date of donation. Title in all capital assets held by the Tax Collector is retained by the Board and the Tax Collector's capital assets are reported on the county-wide financial statements. The Tax Collector maintains custodial responsibility for the capital assets used by his office.

The Tax Collector maintains a \$5,000 threshold for capitalization of machinery and equipment, and a \$25,000 threshold for land, buildings and improvements. Additionally, the Tax Collector maintains an inventory of all tangible personal property with a donated value or cost of \$5,000 or more and a projected useful life of one year or more, as required by Florida Statute 274 and Florida Administrative Code Sections 69I-73.002 and 69I-73.006. Depreciation is determined using the straight-line method over the asset's estimated useful life.

Categories and Classification of Net Position and Fund Balance

Fund balance flow assumptions – The Tax Collector funds outlays for both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Tax Collector's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Tax Collector can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Categories and Classification of Net Position and Fund Balance (continued)

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Tax Collector's highest level of decision-making authority. The Tax Collector is the highest level of decision-making authority. Once adopted, the limitation imposed by the formal action remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Tax Collector for specific purposes but do not meet the criteria to be classified as committed. The Tax Collector can authorize the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 6, 2023, and determined there were no events that occurred that required disclosure.

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases* (GASB 87). 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 lessor 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. All leases with a term greater than 12 months are recognized as a lease liability and an intangible right-of-use lease asset by the lessee. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. The Tax Collector adopted GASB 87 for the year ended September 30, 2022, and GASB 87 did not have a significant impact on the financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB 89). 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. GASB 89 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. The Tax Collector adopted GASB 89 for the year ended September 30, 2022, and GASB 89 did not have a significant impact on the financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). 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,

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 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.

The Tax Collector adopted GASB 92 for the year ended September 30, 2022, and GASB 92 did not have a significant impact on the financial statements.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* (GASB 93). 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

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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. The Tax Collector adopted GASB 93 for the year ended September 30, 2022, and GASB 93 did not have a significant impact on the financial statements.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria* (GASB 97), 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. The Tax Collector adopted GASB 97 for the year ended September 30, 2022, and GASB 97 did not have a significant impact on the financial statements.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report* (GASB 98). GASB 98 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 GAAP 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.

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 requirements of GASB 98 are effective for fiscal years ending after December 15, 2021, with early application permitted. The Tax Collector adopted GASB 98 for the year ended September 30, 2022, and GASB 98 did not have a significant impact on the financial statements.

The GASB has issued statements that will become effective in future years. These statements are as follows:

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). 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 March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). 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* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

(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 April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to the determination of the PPP term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. GASB 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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 Tax Collector is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

The Tax Collector does not have a written investment policy but historically has placed surplus funds in interest bearing depository accounts with local banking institutions. At September 30, 2022, all deposits were fully insured by the Federal Deposit Insurance Corporation and the multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

Due to Board of County Commissioners

Excess revenues over expenditures of \$26,213 were returned to the Board by October 31, 2022 as required by Florida Statutes Section 218.36(2). This amount is reported as Reversion to Board of County Commissioners on the Statement of Fund Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 3: RETIREMENT PLAN

The Tax Collector and all full time employees are participants in the Florida Retirement System (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 System covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Tax Collector's employees are not determinable.

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 percentage of payroll employer contribution rates, established by State law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 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 credible 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. 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.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 11.91%, DROP Program – 18.60%, senior management – 31.57% and elected officials – 57.00%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Tax Collector's employees covered by the System was \$580,666 for the year ended September 30, 2022. The Tax Collector's total payroll was \$580,666 for the same period. The Tax Collector's contributions to the plan for the years ended September 30, 2022, 2021 and 2020 were \$107,294, \$99,780 and \$87,171, respectively, and were paid by the due date for the contributions.

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 3: RETIREMENT PLAN (Continued)

The Tax Collector 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, PO Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and compensated absences are in the custody of and accounted for by the Tax Collector and reported in the county-wide financial statements.

Capital Assets

Title in all capital assets owned by the County is retained by the Board. The below noted capital asset information and activity is reported on the county-wide financial statements.

Capital asset activity for the fiscal year is as follows:

	Balance 10/01/21	Increases	Decreases	Balance 9/30/22
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 93,032	\$ 57,092	\$ -	\$ 150,124
Less accumulated depreciation:				
Machinery and equipment	(85,460)	(2,672)	-	(88,132)
Total governmental activities capital assets, net	\$ 7,572	\$ 54,420	\$ -	\$ 61,992

Depreciation expense was charged to the general government functions of the government.

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

Compensated Absences

Compensated absences that will not be liquidated with expendable available financial resources of the Tax Collector is the obligation of the County and are reported at the county-wide level.

Summary of changes in compensated absences for the year ended September 30, 2022:

	Balance				Balance	Due in One
	10/1/2021	Additions	Reductions		9/30/2022	Year
Compensated absences	\$ 19,307	\$ 54,019	\$ 56,926	\$ 16,400	\$ 1,640	

Fiduciary Funds

Escrow – To account for the collection and disbursement of funds held in escrow.

Tag – To account for the collection of motor vehicle and driver's license registration receipts and subsequent remittance of licenses and permits.

Tax – To account for the collection and disbursement of local property taxes.

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

<i>September 30, 2022</i>	Escrow	Tag	Tax	Total
Assets				
Cash	\$ 190,078	\$ -	\$ 33,255	\$ 223,333
Accounts receivable	-	122	90	212
Total assets	190,078	122	33,345	223,545
Liabilities and Net Position				
Liabilities				
Due to other governments	190,078	122	33,345	223,545
Total net position	\$ -	\$ -	\$ -	\$ -

Washington County, Florida
Tax Collector
Combining Statement of Changes in Fiduciary Net Position –
Custodial Funds

<i>For the year ended September 30, 2022</i>	Escrow	Tag	Tax	Total
Additions				
Tax collections, auto tag fees, and fees for other governments	\$ 227,747	\$ 5,157,892	\$ 19,190,777	\$ 24,576,416
Deductions				
Payments of tax, auto tag fees, and fees to other governments	227,747	5,157,892	19,190,777	24,576,416
Net change in fiduciary net position	-	-	-	-
Net position, beginning of year	-	-	-	-
Net position, end of year	\$ -	\$ -	\$ -	\$ -

**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, 2022, 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 June 6, 2023.

Report on 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 were not 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 on the next page as finding TC2003-003 that we consider to be a significant deficiency.

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

TC2003-003 Segregation of Duties

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.

Views of Responsible Officials and Planned Corrective Actions: See management's response on page 34.

Compliance and Other Matters

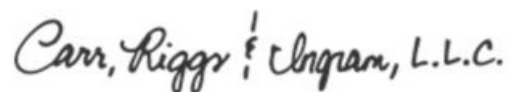
As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 finding identified in our audit is located on page 34. 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

June 6, 2023



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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, 2022. 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 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 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.

We are required to be independent and to meet other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, Tax Collector complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022.

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.
Enterprise, Alabama
June 6, 2023

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, 2022, and have issued our report thereon dated June 6, 2023.

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 June 6, 2023, 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 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* has not been corrected.

Financial Management

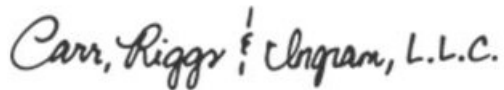
Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 Tax Collector and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 6, 2023

**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

June 6, 2023

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, 2022. 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.

Respectfully,

Ken Naker, CFC
Tax Collector