

Washington County, Florida

FINANCIAL STATEMENTS

September 30, 2023

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

Deidra Pettis

CLERK OF THE CIRCUIT COURT

Lora Bell



	Page
REPORT	
Independent Auditor's Report	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	
Management's Discussion and Analysis	5
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	14
Fund Financial Statements	
Balance Sheet – Governmental Funds	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget and Actual.....	19
Statement of Revenues, Expenditures, and Changes in Fund Balance – Transportation Trust Fund – Budget and Actual	20
Statement of Revenues, Expenditures, and Changes in Fund Balance – Hurricane Michael – Budget and Actual	21
Statement of Revenues, Expenditures, and Changes in Fund Balance – American Rescue Act – Budget and Actual	22
Statement of Fiduciary Net Position – Fiduciary Funds	23
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	24
Notes to Financial Statements	25
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer's Proportionate Share of Net Pension Liability – Florida Retirement Systems Pension Plan	65
Schedule of Employer's Contributions – Florida Retirement Systems Pension Plan	66
Schedule of Employer's Proportionate Share of Net Pension Liability – Health Insurance Subsidy Program	67



	Page
Schedule of Employer's Contributions – Health Insurance Subsidy Program	68
Schedule of Changes in Total OPEB Liability and Related Ratios	69
Notes to Required Supplemental Information	70
COMBINING FINANCIAL STATEMENTS	
Combining Balance Sheet – Nonmajor Governmental Funds	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	78
Combining Statement of Fiduciary Net Position – Custodial Funds.....	85
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	87
COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	89
Independent Auditor's 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	91
Schedule of Expenditures of Federal Awards and State Financial Assistance	94
Notes to Schedule of Expenditures of Federal Award Programs and State Financial Assistance	97
Schedule of Findings and Questioned Costs	99
Summary Schedule of Prior Audit Findings	104
Corrective Action Plan	105
Independent Auditor's Management Letter	106
Independent Accountant's Report on Examination of Compliance With Specified Florida Statute Sections	109
Management's Response	110



FINANCIAL STATEMENTS

Clerk of the Circuit Court

Sheriff

Property Appraiser

Supervisor of Elections

Tax Collector

INDEPENDENT AUDITOR'S 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, 2023, 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, 2023 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 or the Sunny Hills Units 12-15 Dependent District, which is 100% of the assets, liabilities, net position, revenues, and expenses of the component units as of September 30, 2023. 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 and the Sunny Hills Units 12-15 Dependent District, 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 Auditor's 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.

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, and for 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.

Auditor's 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 auditor's 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 total 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 65 through 69, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (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, and 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 June 28, 2024, 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 28, 2024

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 2022-2023 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 \$97,774,532.
- The County's total net position increased by \$27,865,665 which represents a 39.86% increase from the 2021-2022 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balances of \$11,160,660, a decrease of \$6,260,236.
- Unassigned fund balance for all governmental funds total \$1,094,827 as of September 30, 2023 compared to total governmental fund balances of \$11,160,660 at the same date.
- Unassigned Governmental Fund Balance of \$1,094,827 is different from the Unrestricted Net Position amount on the Statement of Net Position (deficit) of (\$12,925,734) 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 \$4,672,715. This is primarily due to expenditures being less than the budgeted expenditures by \$1,235,711 and \$4,000,000 of proceeds from the issuance of debt during the year.
- Long-term liabilities increased by \$7,712,200. This increase was primarily due to an increase in the pension liability as noted on Page 48 of the Financial Report and a new line of credit with a \$4,000,000 balance at year-end.

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 2023 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 are 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.

Washington County, Florida Management's Discussion and Analysis

- **Governmental Funds** - These are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the County's near-term financing requirements. This short term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation of governmental funds to governmental activities.
- **Fiduciary (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, 2023 and September 30, 2022.

	Governmental Activities September 30, 2023	Governmental Activities September 30, 2022
Current and Other Assets	\$ 24,539,469	\$ 28,221,673
Capital Assets	111,890,443	71,078,844
Total Assets	136,429,912	99,300,517
Deferred Outflows, Pensions and OPEB	5,638,249	4,758,238
Current Liabilities	11,922,817	10,402,034
Long Term Liabilities	29,494,419	21,782,219
Total Liabilities	41,417,236	32,184,253
Deferred Inflows	2,876,393	1,965,635
Net Position		
Net Investment in Capital Assets	104,340,673	66,944,161
Restricted	6,359,593	7,069,976
Unrestricted (deficit)	(12,925,734)	(4,105,270)
Total Net Position	\$ 97,774,532	\$ 69,908,867

At September 30, 2023 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 \$104,340,673. 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 \$6,359,593. 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, 2023	Governmental Activities September 30, 2022
Revenues:		
Program Revenues:		
Charges for Service	\$ 6,476,596	\$ 5,757,993
Operating Grants and Contributions	5,652,438	4,877,817
Capital Grants and Contributions	35,495,009	28,679,867
General Revenues:		
Property Taxes	10,452,283	9,281,679
Local Option Taxes	4,558,258	4,460,063
Sales Tax and Other Taxes	901,724	989,264
Intergovernmental and Shared	4,414,905	4,281,785
Investment Earnings	46,309	23,490
Gain (Loss) on Sale of Capital Assets	1,321,065	-
Miscellaneous	793,391	2,704,536
Total Revenues	70,111,978	61,056,494
Expenses:		
Program Activities:		
General Government	9,536,732	9,308,692
Public Safety	14,978,635	11,408,430
Physical Environment	468,541	406,142
Transportation	11,982,868	14,850,790
Economic Development	2,208,123	3,581,036
Human Services	706,858	723,147
Culture and Recreation	977,991	911,468
Court Related	1,260,282	221,146
Interest on Long-Term Debt	126,283	143,471
Total Expenses	42,246,313	41,554,322
Change in Net Position	27,865,665	19,502,172
Net Position, Beginning	69,908,867	50,406,695
Net Position, Ending	\$ 97,774,532	\$ 69,908,867

Governmental activities increased the County's net position by \$27,865,665 or approximately 39.86%. Total revenues increased by \$9,055,484 from the prior year with a major factor being an increase in capital grants and contributions. Total expenses increased by \$691,991 from the prior year largely due to road improvement costs and public safety.

Washington County, Florida Management's Discussion and Analysis

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 \$14,079,064 while the total fund balance was \$16,468,190. 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. The unassigned fund balance represents 79.31% of the total general fund expenditures, while total fund balance represents 92.77% of the same amount. The unassigned total governmental fund balance decreased by \$5,489,444 during 2022-2023 fiscal year due primarily to losses within the Hurricane Michael fund due to ongoing discussions with FEMA on expenditure reimbursements.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2022-2023 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, 2023 amounted to \$111,890,443 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, 2023, the County had long-term liabilities totaling \$29,494,419. Of this amount, inter-local agreement payables outstanding were \$139,000, notes payable were \$2,899,121, and capital leases were \$650,649. Also, there is \$875,516 to address compensated absences obligations, \$20,521,106 for pension liability (GASB 68), \$409,027 for OPEB liabilities, and the remaining amount of \$4,000,000 for a line of credit.

ECONOMIC FACTORS-WASHINGTON COUNTY, FLORIDA

The unemployment rate for the County was 2.5% at September 2023. The rate was 2.9% at September 2022.

Population is estimated at 25,318 as of September 2023 and 25,414 as of September 2022.

The taxable value for personal and real property in the County is \$1,100,227,042 for fiscal year ending September 30, 2023 and \$1,098,723,807 for the fiscal year ending September 30, 2022.

The general ad valorem tax mileage rate was 8.5 for the fiscal year ending September 30, 2023 and 8.5 for the fiscal year ending September 30, 2022.

The budgeted expenditures for the fiscal year ending September 30, 2023 represents an increase of 5.51% over the September 30, 2022 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 Units 12-15 Dependent District	Highway 79 Corridor Authority
<i>September 30, 2023</i>			
Assets			
Current assets			
Cash and cash equivalents	\$ 13,534,106	\$ 1,924	\$ 86,378
Accounts receivable, net	2,123,558	-	870
Leases receivable	93,151	-	-
Due from other governments	6,551,861	-	-
Inventory	129,283	-	-
Assessments receivable	-	10,913	-
Prepaid expenses	-	3,730	-
Notes receivable	95,796	-	-
Total current assets	22,527,755	16,567	87,248
Noncurrent assets			
Notes receivable	2,011,714	-	-
Capital assets, net			
Nondepreciable capital assets	9,530,696	1,770,313	29,258
Depreciable capital assets, net	102,359,747	-	2,487,972
Total noncurrent assets	113,902,157	1,770,313	2,517,230
Total assets	136,429,912	1,786,880	2,604,478
Deferred Outflows of Resources			
Other post-employment benefits	62,440	-	-
Pension	5,575,809	-	-
Total deferred outflows of resources	5,638,249	-	-

-Continued-

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

Washington County, Florida
Statement of Net Position (Continued)

	Primary	Component Unit	
	Governmental Activities	Sunny Hills Units 12-15 Dependent District	Highway 79 Corridor Authority
<i>September 30, 2023</i>			
Liabilities			
Accounts payable and accrued expenses	5,442,709	2,599	11,119
Due to other governments	54,656	-	-
Unearned revenue	6,425,452	-	37,000
Long-term liabilities			
Portion due or payable within one year			
Notes payable	513,100	-	-
Leases payable	209,111	-	-
Interlocal agreement payable	5,000	-	-
Compensated absences	87,552	-	-
Portion due or payable after one year			
Notes payable	2,386,021	-	-
Leases payable	441,538	-	-
Interlocal agreement payable	134,000	-	-
Line of credit	4,000,000	-	-
Compensated absences	787,964	-	-
Net pension liability	20,521,106	-	-
Total OPEB liability	409,027	-	-
Total liabilities	41,417,236	2,599	48,119
Deferred Inflows of Resources			
Unavailable revenue on settlement allocations	1,371,430	-	-
Related to leases	84,562	-	-
Other post-employment benefits	79,791	-	-
Pension	1,340,610	-	-
Total deferred inflows of resources	2,876,393	-	-
Net Position			
Net investment in capital assets	104,340,673	1,770,313	2,517,230
Restricted	6,359,593	-	-
Unrestricted (deficit)	(12,925,734)	13,968	39,129
Total net position	\$ 97,774,532	\$ 1,784,281	\$ 2,556,359

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

Washington County, Florida Statement of Activities

For the year ended September 30, 2023

For the year ended September 30, 2023		Program Revenues	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental activities			
General government	\$ 9,536,732	\$ 1,824,614	\$ 3,232,853
Public safety	14,978,635	4,447,317	343,528
Physical environment	468,541	-	165,364
Transportation	11,982,868	-	-
Economic environment	2,208,123	-	1,601,323
Human services	706,858	-	51,998
Culture and recreation	977,991	-	257,372
Court related	1,260,282	204,665	-
Interest on long-term debt	126,283	-	-
Total primary government	\$ 42,246,313	\$ 6,476,596	\$ 5,652,438
Component Unit			
Sunny Hills Dependent District	\$ 26,356	\$ -	\$ 38,727
Highway 79 Corridor Authority	\$ 236,186	\$ -	\$ -

General Revenues

Taxes
 Property taxes
 Local option taxes
 Sales tax and other taxes
 Intergovernmental and shared revenue
 Investment earnings
 Gain (loss) on sale of capital assets
 Miscellaneous

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position				
	Primary Government		Component Units	
Capital Grants and Contributions	Governmental Activities	Sunny Hills Units 12-15 Dependent District	Highway 79 Corridor Authority	
\$ -	\$ (4,479,265)	\$ -	\$ -	
-	(10,187,790)	-	-	
-	(303,177)	-	-	
35,495,009	23,512,141	-	-	
-	(606,800)	-	-	
-	(654,860)	-	-	
-	(720,619)	-	-	
-	(1,055,617)	-	-	
-	(126,283)	-	-	
<u>\$ 35,495,009</u>	<u>5,377,730</u>	<u>-</u>	<u>-</u>	
<u>\$ -</u>	<u>-</u>	<u>12,371</u>	<u>-</u>	
<u>\$ 120,000</u>	<u>-</u>	<u>-</u>	<u>(116,186)</u>	
	10,452,283	-	-	
	4,558,258	-	-	
	901,724	-	-	
	4,414,905	-	-	
	46,309	-	-	
	1,321,065	-	-	
	793,391	-	-	
	22,487,935	-	-	
	27,865,665	12,371	(116,186)	
	69,908,867	1,771,910	2,672,545	
	\$ 97,774,532	\$ 1,784,281	\$ 2,556,359	

Washington County, Florida
Balance Sheet –
Governmental Funds

<i>September 30, 2023</i>	General	Transportation Trust	Hurricane Michael
Assets			
Cash and cash equivalents	\$ 1,096,443	\$ 2,274,005	\$ 1,457,489
Accounts receivable, net	1,700,474	-	-
Leases receivable	93,151	-	-
Due from other funds	12,813,239	12,633	-
Due from other governments	908,739	872,593	1,372,861
Inventory	-	129,283	-
Note receivable	2,107,510	-	-
Total assets	\$ 18,719,556	\$ 3,288,514	\$ 2,830,350
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable and accrued expenses	\$ 582,810	\$ 144,606	\$ 3,751,995
Due to other funds	101,314	-	9,823,817
Due to other governmental units	-	-	-
Unearned revenue	111,250	-	2,055,903
Total liabilities	795,374	144,606	15,631,715
Deferred inflows of resources			
Unavailable revenue on settlement allocations	1,371,430	-	-
Deferred inflows related to leases	84,562	-	-
Total deferred inflows of resources	1,455,992	-	-
Fund balances			
Nonspendable	2,107,510	129,283	-
Restricted	281,616	3,014,625	-
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	14,079,064	-	(12,801,365)
Total fund balances (deficit)	16,468,190	3,143,908	(12,801,365)
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,719,556	\$ 3,288,514	\$ 2,830,350

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

	American Rescue Act		Nonmajor Governmental Funds		Total Governmental Funds
\$	3,003,533	\$	5,702,636	\$	13,534,106
	-		423,084		2,123,558
	-		-		93,151
	-		96,856		12,922,728
	-		3,397,668		6,551,861
	-		-		129,283
	-		-		2,107,510
<u>\$</u>	<u>3,003,533</u>	<u>\$</u>	<u>9,620,244</u>	<u>\$</u>	<u>37,462,197</u>

\$	-	\$	963,298	\$	5,442,709
	-		2,997,597		12,922,728
	-		54,656		54,656
	3,003,533		1,254,766		6,425,452
	<u>3,003,533</u>		<u>5,270,317</u>		<u>24,845,545</u>
	-		-		1,371,430
	-		-		84,562
	-		-		1,455,992
	-		-		2,236,793
	-		3,063,352		6,359,593
	-		1,059,512		1,059,512
	-		409,935		409,935
	-		(182,872)		1,094,827
	-		<u>4,349,927</u>		<u>11,160,660</u>
<u>\$</u>	<u>3,003,533</u>	<u>\$</u>	<u>9,620,244</u>	<u>\$</u>	<u>37,462,197</u>

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

September 30, 2023

Total fund balances - governmental funds \$ 11,160,660

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Governmental capital assets, net 111,890,443

Other post-employment benefit ("OPEB") related deferred outflows, deferred inflows and total 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	\$ 62,440	
Deferred inflows related to post-employment benefits	(79,791)	
Deferred outflows related to pension liabilities	5,575,809	
Deferred inflows related to pension liabilities	(1,340,610)	
Net pension liabilities	(20,521,106)	
Other post-employment benefit obligation	(409,027)	(16,712,285)

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

Lease obligations	\$ (650,649)	
Interlocal agreement payable	(139,000)	
Notes payable	(2,899,121)	
Line of credit	(4,000,000)	
Compensated absences	(875,516)	(8,564,286)

Net position of governmental activities \$ 97,774,532

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, 2023</i>	General Fund	Transportation Trust	Hurricane Michael
Revenues			
Taxes	\$ 13,288,247	\$ 1,980,967	\$ -
Licenses and permits	2,041,184	12,120	-
Intergovernmental	3,828,994	1,115,970	32,982,395
Charges for services	1,299,802	-	-
Fines and forfeitures	1,513	-	-
Investment earnings	12,498	19,518	866
Miscellaneous revenue	447,528	10,240	-
Total revenues	20,919,766	3,138,815	32,983,261
Expenditures			
General government	8,208,680	-	-
Public health and safety	6,928,342	-	-
Physical environment	182,914	-	-
Transportation	-	3,976,105	2,567,281
Economic environment	390,202	-	-
Human services	614,968	-	-
Culture and recreation	159,996	-	-
Court related	37,175	-	-
Capital outlay	1,229,633	2,509,222	40,562,084
Debt service			
Principal	-	119,878	-
Interest and other charges	-	33,626	-
Total expenditures	17,751,910	6,638,831	43,129,365
Excess (deficiency) of revenues over (under) expenditures	3,167,856	(3,500,016)	(10,146,104)
Other Financing Sources (Uses)			
Proceeds from issuance of debt	4,000,000	-	-
Proceeds from sale of capital assets	-	1,445,732	-
Transfers in	415,648	-	-
Transfers out	(2,910,789)	-	-
Net other financing sources (uses)	1,504,859	1,445,732	-
Net changes in fund balances	4,672,715	(2,054,284)	(10,146,104)
Fund balances (deficit) - beginning of the year	11,795,475	5,198,192	(2,655,261)
Fund balances (deficit) - end of the year	\$ 16,468,190	\$ 3,143,908	\$ (12,801,365)

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

American Rescue Act	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 643,051	\$ 15,912,265
-	453,446	2,506,750
1,018,643	6,621,200	45,567,202
-	2,514,424	3,814,226
-	154,107	155,620
-	13,427	46,309
409,077	191,468	1,058,313
1,427,720	10,591,123	69,060,685
-	1,163,961	9,372,641
1,197,720	3,778,930	11,904,992
-	284,330	467,244
-	1,768,024	8,311,410
-	1,554,833	1,945,035
-	60,342	675,310
-	721,844	881,840
-	209,035	246,210
-	1,946,060	46,246,999
-	470,035	589,913
-	91,433	125,059
1,197,720	12,048,827	80,766,653
230,000	(1,457,704)	(11,705,968)
-	-	4,000,000
-	-	1,445,732
-	2,910,789	3,326,437
(230,000)	(185,648)	(3,326,437)
(230,000)	2,725,141	5,445,732
-	1,267,437	(6,260,236)
-	3,082,490	17,420,896
\$ -	\$ 4,349,927	\$ 11,160,660

Washington County, Florida

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

<i>For the year ended September 30,</i>	<i>2023</i>
Net change in fund balances - total governmental funds	\$ (6,260,236)
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.	45,489,409
Depreciation expense on governmental capital assets included in the governmental activities in the statement of net position.	(4,553,143)
In the statement of activities, the gain or loss on the disposal of capital assets is reported. Whereas in the governmental funds, total proceeds from disposals are reported. Thus, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets.	(124,667)
Issuance of long-term debt is an other financing source in the governmental funds, but increases long-term liabilities in the statement of net position.	(4,000,000)
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.	589,913
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	(3,394)
Pension expenses	(3,177,192)
Compensated absences	(95,025)
Change in net position of governmental activities	\$ 27,865,665

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

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 12,805,975	\$ 12,805,975	\$ 13,288,247	\$ 482,272
Licenses and permits	1,408,500	1,976,917	2,041,184	64,267
Intergovernmental	3,075,580	3,372,712	3,828,994	456,282
Charges for services	1,599,996	1,861,355	1,299,802	(561,553)
Fines and forfeitures	3,000	3,000	1,513	(1,487)
Investment earnings	-	4,260	12,498	8,238
Miscellaneous revenue	1,671,644	1,714,268	447,528	(1,266,740)
Total revenues	20,564,695	21,738,487	20,919,766	(818,721)
Expenditures				
Current				
General government	8,998,608	8,597,625	8,208,680	388,945
Public safety	7,144,277	7,660,076	6,928,342	731,734
Physical environment	212,047	177,881	182,914	(5,033)
Economic environment	689,427	700,076	390,202	309,874
Human services	712,973	614,917	614,968	(51)
Culture and recreation	161,037	161,437	159,996	1,441
Court related	46,770	46,370	37,175	9,195
Capital outlay	14,549	977,239	1,229,633	(252,394)
Debt service	52,000	52,000	-	52,000
Total expenditures	18,031,688	18,987,621	17,751,910	1,235,711
Excess (deficiency) of revenues over (under) expenditures	2,533,007	2,750,866	3,167,856	416,990
Other Financing Sources (Uses)				
Proceeds from issuance of debt	-	-	4,000,000	4,000,000
Transfers in	30,000	144,193	415,648	271,455
Transfers out	(2,477,620)	(2,958,440)	(2,910,789)	47,651
Net other financing sources (uses)	(2,447,620)	(2,814,247)	1,504,859	4,319,106
Net change in fund balance	85,387	(63,381)	4,672,715	4,736,096
Fund balances - beginning of the year	11,795,475	11,795,475	11,795,475	-
Fund balances - end of the year	\$ 11,880,862	\$ 11,732,094	\$ 16,468,190	\$ 4,736,096

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 Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>For the year ended September 30, 2023</i>				
Revenues				
Taxes	\$ 1,840,181	\$ 1,840,181	\$ 1,980,967	\$ 140,786
Licenses and permits	10,000	10,000	12,120	2,120
Intergovernmental	1,000,323	1,000,323	1,115,970	115,647
Investment earnings	-	-	19,518	19,518
Miscellaneous revenue	7,000	7,000	10,240	3,240
Total revenues	2,857,504	2,857,504	3,138,815	281,311
Expenditures				
Current				
Transportation	3,821,863	4,064,434	3,976,105	88,329
Capital outlay	1,010,025	2,490,074	2,509,222	(19,148)
Debt service				
Principal	119,878	119,878	119,878	-
Interest	33,626	33,626	33,626	-
Total expenditures	4,985,392	6,708,012	6,638,831	69,181
Excess (deficiency) of revenues over (under) expenditures	(2,127,888)	(3,850,508)	(3,500,016)	350,492
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	300,000	1,334,628	1,445,732	111,104
Net change in fund balance	(1,827,888)	(2,515,880)	(2,054,284)	461,596
Fund balances - beginning of the year	5,198,192	5,198,192	5,198,192	-
Fund balances - end of the year	\$ 3,370,304	\$ 2,682,312	\$ 3,143,908	\$ 461,596

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, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 50,000,000	\$ 50,000,000	\$ 32,982,395	\$ (17,017,605)
Investment earnings	-	929	866	(63)
Total revenues	50,000,000	50,000,929	32,983,261	(17,017,668)
Expenditures				
Current				
Transportation	33,474,672	33,475,601	2,567,281	30,908,320
Capital outlay	16,525,328	16,525,328	40,562,084	(24,036,756)
Total expenditures	50,000,000	50,000,929	43,129,365	6,871,564
Excess (deficiency) of revenues over (under) expenditures	-	-	(10,146,104)	(10,146,104)
Net change in fund balance	-	-	(10,146,104)	(10,146,104)
Fund balances (deficit) - beginning of the year	-	-	(2,655,261)	(2,655,261)
Fund balances (deficit) - end of the year	\$ -	\$ -	\$ (12,801,365)	\$ (12,801,365)

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, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 2,473,916	\$ 2,473,916	\$ 1,018,643	\$ (1,455,273)
Miscellaneous revenue	-	-	409,077	409,077
Total revenues	2,473,916	2,473,916	1,427,720	(1,046,196)
Expenditures				
Current				
Public health and safety	4,000,000	3,770,000	1,197,720	2,572,280
Excess (deficiency) of revenues over (under) expenditures	(1,526,084)	(1,296,084)	230,000	1,526,084
Other Financing Sources (Uses)				
Transfers out	-	(230,000)	(230,000)	-
Net change in fund balance	(1,526,084)	(1,526,084)	-	1,526,084
Fund balances - beginning of the year	1,526,084	1,526,084	-	(1,526,084)
Fund balances - end of the year	\$ -	\$ -	\$ -	\$ -

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

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

<i>September 30, 2023</i>	Custodial Funds
Assets	
Cash and cash equivalents	\$ 1,504,790
Due from other governments	13,549
Total assets	\$ 1,518,339
Liabilities	
Due to other funds	\$ 1,141,349
Due to other governments	282,385
Total liabilities	1,423,734
Net Position	
Restricted	94,605
Total liabilities and net position	\$ 1,518,339

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

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

<i>For the year ended September 30, 2023</i>	Custodial Funds
Additions	
Clerk of circuit and county courts collections	\$ 7,021,596
Tax collections and fees	
for other governments	27,072,659
Collections for others	222,333
Total additions	34,316,588
Deductions	
Payments of clerk of circuit and county courts collections	7,021,596
Payments of tax and fees	
to other governments	27,072,659
Payments to others	200,447
Total deductions	34,294,702
Net increase in fiduciary net position	21,886
Net position, beginning of year	72,719
Net position, end of year	\$ 94,605

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 25,000 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.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Units (continued)

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, but the district now elects their own board. Sunny Hills is presented as a discretely presented component unit because of its nature and significance with the County in accordance with GASB 39. 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. The Authority is included as a discretely presented component unit of the County due to the financial benefit the County provides to the Authority.

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.

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 availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are

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)

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.

Fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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 Units 12-15 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:

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

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.

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.

Washington County, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

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, 2023, there were general fund, transportation trust fund supplemental budget appropriations of \$955,933 or 5.30% and \$1,722,620 or 34.55%, respectively.

The following items represent the major additional appropriations:

General Fund

Various operating costs	\$ 955,933
-------------------------	------------

Transportation Trust Fund

Various operating costs	\$ 242,571
Capital Outlay	1,480,049

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Excess of expenditures over appropriations

For the year ended September 30, 2023, expenditures exceeded appropriations within the physical environment, human services and capital outlay functions of the General Fund by \$5,033, \$51 and \$252,394, respectively. The expenditures exceeded appropriations within the capital outlay function of the Transportation Trust Fund by \$19,148. The expenditures exceeded appropriations within the capital outlay function of the Hurricane Michael Fund by \$24,036,756. For each of these funds, the excess expenditures were funded by unanticipated revenues.

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
Machinery and equipment	5 - 15

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 has two (2) items that qualify for reporting as deferred outflows of resources, the deferred outflows related to other postemployment benefits (OPEB) and the deferred outflows related to pensions, all reported in the government-wide statement of net position.

The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred outflows related to pensions and OPEB will be recognized as either pension or OPEB expense or a reduction in the pension or OPEB liability in future reporting years.

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 has four (4) items that qualify for reporting as deferred inflows of resources. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred inflows related to pensions and OPEB will be recognized as a reduction to pension or OPEB expense in future reporting years. The deferred inflows related to leases relate to a building lease in which the County is the lessor. Revenue will be recognized over the life of the lease. The deferred inflows related to settlement allocations relate to opioid settlements with the state of Florida that have been allocated to the County. This funding is maintained by a non-profit agency with authority over expenditure of the settlement over an eighteen year period.

Unearned Revenues

Unearned revenues represents amounts received, but not yet earned. Balances at September 30, 2023 represented unearned funding related to the American Rescue Plan Act, State Housing Initiatives Partnership Program and Disaster Relief grants.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Unavailable Revenues

Unavailable revenues are a liability that represents amounts not expected to be received within the period of availability. Balances at September 30, 2023 represented unavailable revenue due from the State of Florida for settlements with pharmaceutical companies.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 2023, the County's total lease receivable of \$93,151 was for the lease of a building.

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.

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)

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.

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 Statute 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (continued)

Property Taxes (continued)

2023 Property tax calendar:

Lien date	- January 1, 2022
Levy date	- November 1, 2022
Tax bills mailed	- November 1, 2022
Collection dates	- November 30, 2022: 4% discount - Through January 2, 2023: 3% discount - Through January 31, 2023: 2% discount - Through February 28, 2023: 1% discount
Delinquent date	- April 1, 2023
Tax sale	- 2022 delinquent property taxes - on or before June 1, 2023

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 28, 2024. See Note 8 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued Accounting Pronouncements

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

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 GASB 94 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.

GASB 94 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 GASB 94 are effective for fiscal years beginning after June 15, 2022. The implementation of GASB 94 did not result in any significant change in the Board's financial statements.

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 GASB 96 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 GASB 96 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. The implementation of GASB 96 did not result in any significant change in the Board's financial statements.

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 GASB 99 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 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 GASB 96, 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.

The requirements of GASB 99 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.

The implementation of GASB 99 did not result in any significant change in the Board's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

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

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections*. 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, GASB issued Statement No. 101, *Compensated Absences*. 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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

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 \$280,159 net receivables for Emergency Medical Services ("EMS"). This represents total receivables of \$1,658,837 net of allowance for doubtful accounts and contractual adjustments of \$1,378,678. 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 \$1,371,430 from litigation settlements with pharmaceutical companies. Remaining receivables totaling \$471,969 consist of franchise fees due from utility companies.

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Receivables (continued)

Due from Other Governments is comprised of various grant reimbursements, revenue sharing and taxes collected for the County by the State of Florida of \$6,551,861.

Note receivable of \$2,107,510 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 \$93,151 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 2023, the County recognized leased principal of \$46,124 and \$7,981 of lease interest revenue.

Interfund Balances

Due to/from other funds consists of the following:

Receivable Fund	Payable Fund	
General fund	Hurricane Michael	\$ 9,823,817
	Other Governmental Funds	2,989,422
Transportation Trust Fund	General Fund	12,633
Other Governmental Funds	General Fund	88,681
	Other Governmental Funds	8,175
Total		\$ 12,922,728

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	\$ 185,648	
(1) American Rescue Act	230,000	
		\$ 415,648
<i>Transfers to Nonmajor Governmental Funds from:</i>		
(2) General fund		2,910,789
Total interfund transfers		\$ 3,326,437

- (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, 2022	Increases	Decreases	September 30, 2023
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 5,587,048	\$ 553,570	\$ -	\$ 6,140,618
Construction-in-progress	1,578,933	1,811,145	-	3,390,078
 Total capital assets, not being depreciated	 7,165,981	 2,364,715	 -	 9,530,696
Capital assets, being depreciated				
Buildings	30,419,879	-	-	30,419,879
Improvements other than buildings	40,638,359	40,562,084	-	81,200,443
Infrastructure	1,988,560	-	-	1,988,560
Machinery and equipment	25,442,635	2,562,610	2,168,567	25,836,678
 Total capital assets, being depreciated	 98,489,433	 43,124,694	 2,168,567	 139,445,560
 Less total accumulated depreciation	 34,576,570	 4,553,143	 2,043,900	 37,085,813
 Total capital assets, being depreciated, net	 63,912,863	 38,571,551	 124,667	 102,359,747
 Governmental activities capital assets, net	 \$ 71,078,844	 \$ 40,936,266	 \$ 124,667	 \$ 111,890,443

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:

For the year ended September 30,	2023
Governmental activities	
General government	\$ 349,937
Public safety	1,345,741
Physical environment	10,957
Transportation	2,549,133
Economic environment	225,772
Human services	25,556
Culture and recreation	46,047
Total depreciation expense - governmental activities	\$ 4,553,143

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

	October 1,			September 30,
Sunny Hills	2022	Increases	Decreases	2023
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, 2022	Increases	Decreases	September 30, 2023
Capital assets, not being depreciated				
Construction in progress	\$ 29,258	\$ -	-	\$ 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	89,930	-	112,413
Total capital assets, being depreciated, net	2,577,902	(89,930)		2,487,972
Governmental activities capital assets, net	\$ 2,607,160	\$ (89,930)	\$ -	\$ 2,517,230

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	3,003,533
SHIP	1,246,488
FEMA grant	2,055,903
Total	\$ 6,425,452

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, 2023:

	Balance 10/01/22	Additions	Reductions	Balance 09/30/23	Due Within One Year
Governmental activities					
Notes, leases and other payables					
Interlocal agreement payable	\$ 144,000	\$ -	\$ 5,000	\$ 139,000	\$ 5,000
Line of credit	-	4,000,000	-	4,000,000	-
Notes payable	3,338,621	-	439,500	2,899,121	513,100
Leases payable	796,062	-	145,413	650,649	209,111
Total notes, leases and other payables	4,278,683	4,000,000	589,913	7,688,770	727,211
Other liabilities					
Total OPEB liability	404,070	4,957	-	409,027	-
Net pension liability	16,318,975	4,202,131	-	20,521,106	-
Compensated absences	780,491	896,364	801,339	875,516	87,552
Total other liabilities	17,503,536	5,103,452	801,339	21,805,649	87,552
Total governmental activities	\$ 21,782,219	\$ 9,103,452	\$ 1,391,252	\$ 29,494,419	\$ 814,763

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

The County also has a Revolving Credit Bond of up to \$6 million with First Federal Bank beginning March 23, 2023. The interest rate was 4.75% and it matures March 23, 2028. There was a \$4,000,000 balance due at September 30, 2023.

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, 2023 are as follows:

Fiscal Year Ending September 30,	Governmental Activities			
	Interlocal Agreement Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2024	\$ 5,000	\$ 6,429	\$ 513,100	\$ 91,139
2025	5,500	6,198	529,600	74,492
2026	5,500	5,943	547,100	57,354
2027	6,000	5,689	564,400	39,681
2028	6,000	5,411	410,198	21,469
2029-2033	34,000	22,594	334,723	17,198
2034-2038	39,500	14,269	-	-
2039-2042	37,500	4,417	-	-
Total	\$ 139,000	\$ 70,950	\$ 2,899,121	\$ 301,333

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.

\$ 139,000

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. The note is secured by pledged sales tax and non-ad valorem tax 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. The note is secured by pledged sales tax and non-ad valorem tax revenues.

2,246,121

Total notes payable

\$ 2,899,121

Debt service requirements for the year-ended September 30, 2023 for the Series 2015 and 2016 notes payable was \$522,216 and \$73,976, respectively. Pledged revenues were \$901,724.

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (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		
	Principal	Interest	Total
2024	\$ 209,111	\$ 26,265	\$ 235,376
2025	90,599	19,963	110,562
2026	350,939	2,884	353,823
Total	\$ 650,649	\$ 49,112	\$ 699,761

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 \$216,000 and net book value of \$540,000. \$ 527,742

\$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 \$56,429 and net book value of \$141,071. 95,964

\$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 \$100,000 and net book value of \$25,000. 26,943

Total leases payable	\$ 650,649
-----------------------------	-------------------

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Net Position

Restricted net position reported \$4,920,062 of net position restricted by enabling legislation.

Fund Balances

Fund balances are comprised of the following:

Nonspendable

General fund

Long-term note receivable	\$	2,107,510
---------------------------	----	-----------

Transportation trust fund

Inventory		129,283
-----------	--	---------

Total nonspendable fund balance	\$	2,236,793
---------------------------------	----	-----------

Restricted

General fund

Landfill closure	\$	58,594	
------------------	----	--------	--

Education and crime prevention		223,022	
--------------------------------	--	---------	--

	\$	281,616
--	----	---------

Transportation trust

Transportation		3,014,625
----------------	--	-----------

Nonmajor governmental funds

Court innovations	569,207	
-------------------	---------	--

Emergency communications	145,599	
--------------------------	---------	--

Law enforcement	426,910	
-----------------	---------	--

Local housing assistance	58,052	
--------------------------	--------	--

Probation	134,443	
-----------	---------	--

Emergency management	32,795	
----------------------	--------	--

Road improvements	1,317,194	
-------------------	-----------	--

Economic development	64,285	
----------------------	--------	--

Modernization of public records	108,709	
---------------------------------	---------	--

Crime prevention	121,930	
------------------	---------	--

Court-related technology	84,228	
--------------------------	--------	--

	3,063,352
--	-----------

Total restricted fund balance	\$	6,359,593
-------------------------------	----	-----------

Washington County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Fund Balances (continued)

Committed

Nonmajor governmental funds

Fire operations	\$ 595,463
Municipal service business unit	2,633
Mosquito control	101,204
Boater improvement	8,674
Building department	328,970
Police education	22,568
Total committed fund balance	<u>\$ 1,059,512</u>

Assigned

Nonmajor governmental funds

Emergency management	\$ 408,068
Choose Life Tags	1,867
Total assigned fund balance	<u>\$ 409,935</u>

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 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 six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime 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

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

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 or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of 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-13.57% DROP Program-21.13%, special risk employees-32.67%, senior management-34.52% and elected officials-58.68%. 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, 2023 and 2022 were \$1,946,425 and \$1,558,827 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, 2023 and 2022 were \$182,199 and \$155,771 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 \$11,288,691 the year ended September 30, 2023. The County's total payroll was \$11,485,189 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, 2023, the County reported a liability of \$16,122,338 for its proportionate share of the collective net pension liability for the Pension Plan. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. 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, 2023, the System's proportion of the Pension Plan was 0.040461%, which was an increase of 0.003930% from its proportion measured as of June 30, 2022.

Washington County, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

For the year ended September 30, 2023, the County recognized pension expense of \$1,390,669. At September 30, 2023, 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	\$ 1,513,748	\$ -
Changes of assumptions	1,050,988	-
Net difference between projected and actual investment earnings on pension plan investments	673,313	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	1,222,036	842,412
County contributions subsequent to the measurement date	531,507	-
Total	\$ 4,991,592	\$ 842,412

\$531,507 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, 2024.

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
2024	\$ 690,203
2025	690,203
2026	690,203
2027	690,203
2028	690,201
Thereafter	166,660
Total	\$ 3,617,673

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, 2023 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, 2023 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%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	4.1%	18.1%
Real Estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
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	\$ 27,540,236	\$ 16,122,338	\$ 6,569,900

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, 2023. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2023. The auditor's report dated January 12, 2024 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, 2023 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, 2023, the County reported a liability of \$4,398,768 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, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023, the System's proportion of the HIS Plan was 0.027698%, which was an increase of 0.001954% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the County recognized HIS Plan pension expense of \$1,518,469. At September 30, 2023, 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	\$ 64,395	\$ 10,324
Changes of assumptions	115,641	381,169
Net difference between projected and actual investment earnings on pension plan investments	2,271	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	344,471	106,705
County contributions subsequent to the measurement date	57,439	-
Total	\$ 584,217	\$ 498,198

Washington County, Florida Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

\$57,439 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, 2024. 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
2024	\$ 5,532
2025	5,532
2026	5,532
2027	5,531
2028	4,964
Thereafter	1,489
Total	\$ 28,580

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*	3.65%
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 3.65%. 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 3.65% 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 (2.65%) or 1-percentage point higher (4.65%) than the current rate:

	HIS Net Pension Liability		
	Current		
	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Governmental Employer's proportionate share of the net pension liability	\$ 5,018,308	\$ 4,398,768	\$ 3,885,211

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, 2023. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2023. The auditor's report dated January 12, 2024 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, 2023 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.

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, 2023, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	198
Retirees in pay status	<u>3</u>
Total membership	<u>201</u>
Participating employers	<u>1</u>

Washington County, Florida
Notes to Financial Statements

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

Total OPEB Liability

The County's total OPEB liability is reported herein as of September 30, 2023 for the County's fiscal year and reporting period of October 1, 2022 to September 30, 2023. 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, 2022 to September 30, 2023. 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 total OPEB liability:

	Total OPEB Liability (a)	Plan Fiduciary Net Pension (b)	Net OPEB Liability (a)+(b)
Balance at September 30, 2022	\$ 404,070	\$ -	\$ 404,070
Service cost	34,979	-	34,979
Interest cost	16,881	-	16,881
Changes in assumptions	(6,093)	-	(6,093)
Benefit payments	(40,810)	-	(40,810)
Net changes	4,957	-	4,957
Balance as of fiscal year ended September 30, 2023	\$ 409,027	\$ -	\$ 409,027

Sensitivity of the total OPEB liability to changes in the discount rate - The following represents the total OPEB liability of the County, as well as what the County's total 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 (3.63%)	Current Discount Rate (4.63%)	1% Increase (5.63%)
Total OPEB Liability	\$ 435,937	\$ 409,027	\$ 383,292

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following represents the total OPEB liability of the County, as well as what the County's total 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)

Total OPEB Liability (continued)

	1% Decrease (2.94%)	Medical Trend Rate (3.94%)	1% Increase (4.94%)
Total OPEB Liability	\$ 360,512	\$ 409,027	\$ 467,589

For the year ended September 30, 2023, the County recognized OPEB expense of \$3,394.

At September 30, 2023, 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	\$ 43,610	\$ 46,662
Changes of assumptions	18,830	33,129
Total	\$ 62,440	\$ 79,791

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

For the years ended September 30,

2024	\$ (7,656)
2025	(7,659)
2026	(6,885)
2027	3,143
2028	2,579
Thereafter	(873)
Total	\$ (17,351)

Actuarial Methods and Assumptions - The valuation report dated December 12, 2023 for the fiscal year end date of September 30, 2023 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 of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Washington County, Florida Notes to Financial Statements

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

Total OPEB Liability (continued)

In the September 30, 2023 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	4.63%
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, 2023. 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 other than Hurricane Michael Funding from FEMA. There are currently ongoing discussions between FEMA and the County regarding resolution of this funding.

Construction Commitments - The County had open contract commitments for road construction projects as of September 30, 2023, as follows:

Contract amounts	\$ 17,729,546
Amount expended through September 30, 2023	12,723,450
Remaining commitment on contract	\$ 5,006,096

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.

Washington County, Florida Notes to Financial Statements

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, 2023. Accordingly, no accruals for loss contingency have been made in the accompanying financial statements.

Note 8: SUBSEQUENT EVENTS

The County entered into a new loan agreement for a revolving credit bond in November 2023 in order to refund the previous loan entered into during March 2023. The bond is not to exceed \$12,000,000 in principal amount and is to be used to finance certain capital projects of the County.

Washington County, Florida
Required Pension Supplementary Information

Schedule of Employer's Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan
Last Ten Fiscal Years

As of and for the year ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.040460774%	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)	\$ 16,122,338	\$ 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*	\$ 10,958,518	\$ 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	147.12%	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	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

*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 Auditor's Report*

Washington County, Florida
Required Pension Supplementary Information

Schedule of Employer's Contributions
Florida Retirement System Pension Plan
Last Ten Fiscal Years

As of and for the year ended September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions**	\$ 1,946,425	\$ 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	(1,946,425)	(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*	\$ 11,288,691	\$ 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	17.24%	15.03%	16.29%	14.30%	14.47%	13.58%	12.92%	11.72%	11.51%	10.28%

*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 Auditor's Report*

Washington County, Florida
Required Pension Supplementary Information

Schedule of Employer's Proportionate Share of the Net Pension Liability
Health Insurance Subsidy Program
Last Ten Fiscal Years

As of and for the year ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.027697724%	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)	\$ 4,398,768	\$ 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*	\$ 10,958,518	\$ 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	40.14%	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	4.12%	4.81%	3.00%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

*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 Auditor's Report*

Washington County, Florida
Required Pension Supplementary Information

Schedule of Employer's Contributions
Health Insurance Subsidy Program
Last Ten Fiscal Years

As of and for the year ended September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions**	\$ 182,199	\$ 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	(182,199)	(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*	\$ 11,288,691	\$ 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	1.61%	1.50%	1.76%	1.60%	1.61%	1.59%	1.58%	1.57%	1.18%	1.10%

*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 Auditor's Report*

Washington County, Florida
Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios
Last Six Fiscal Years*

<i>As of and for the year ended September 30,</i>	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 34,979	\$ 39,192	\$ 36,711	\$ 32,409	\$ 26,655	\$ 26,894
Interest	16,881	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	(6,093)	(36,219)	3,943	13,911	28,303	(8,137)
Benefit payments	(40,810)	(26,813)	(23,178)	(38,176)	(44,493)	(39,002)
Net change in total OPEB liability	4,957	44,106	25,263	(89,595)	24,909	(4,750)
Total OPEB liability - beginning	404,070	359,964	334,701	424,296	399,387	404,137
Total OPEB liability - ending (a)	\$ 409,027	\$ 404,070	\$ 359,964	\$ 334,701	\$ 424,296	\$ 399,387
Plan Fiduciary Net Position						
Contributions - employer	\$ 40,810	\$ 26,813	\$ 23,178	\$ 38,176	\$ 44,493	\$ 39,002
Benefit payments	(40,810)	(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)	-	-	-	-	-	-
Total OPEB liability - ending (a) - (b)	\$ 409,027	\$ 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%	0.00%
Covered-employee payroll	\$ 11,288,691	\$ 10,368,210	\$ 8,667,835	\$ 9,254,293	\$ 8,784,277	\$ 8,251,801
Total OPEB liability as a percentage of covered-employee payroll	3.62%	3.90%	4.15%	3.62%	4.83%	4.84%
Contributions as a percentage of covered-employee payroll	0.36%	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 Auditor's 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 2023:

- The discount rate was increased from 4.40% to 4.63%.

Note 2: FLORIDA RETIREMENT SYSTEMS (FRS)

The following actuarial assumptions changed in 2023:

- The valuation date changed from July 1, 2022 to July 1, 2023.

Note 3: HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

The following actuarial assumptions changed in 2023:

- The discount rate increased from 3.54% to 3.65%.

Washington County, Florida
Combining Balance Sheet –
Nonmajor Governmental Funds

Special Revenue Funds

<i>September 30, 2023</i>		Public Library		Small Counties Grant		Buckhorn Road
Assets						
Cash and cash equivalents	\$	1,683	\$	54,247	\$	-
Accounts receivable, net		22,921		-		-
Due from other funds		-		442		-
Due from other governments		-		38,388		33,833
Total assets	\$	24,604	\$	93,077	\$	33,833
Liabilities						
Accounts payable and accrued expenses	\$	29,314	\$	5,113	\$	25,511
Due to other funds		55,040		128,075		8,322
Due to other governments		-		-		-
Unearned revenue		-		-		-
Total liabilities		84,354		133,188		33,833
Fund balances (deficit)						
Restricted		-		-		-
Committed		-		-		-
Assigned		-		-		-
Unassigned		(59,750)		(40,111)		-
Total fund balances (deficit)		(59,750)		(40,111)		-
Total liabilities and fund balances (deficit)	\$	24,604	\$	93,077	\$	33,833

Fines & Forfeiture		Thirty Dollar Surcharge		Countywide Flooding		Civil Fee		Local Housing Assistance Trust (SHIP)
\$	114,665	\$	195,717	\$	-	\$	8,700	\$ 1,318,854
	-		5,732		61,614		-	-
	-		-		-		-	-
	132,607		-		-		-	-
\$	247,272	\$	201,449	\$	61,614	\$	8,700	\$ 1,318,854
\$	25,365	\$	4,742	\$	24,114	\$	8,700	\$ 14,314
	151,872		3,191		37,500		-	-
	-		-		-		-	-
	-		-		-		-	1,246,488
	177,237		7,933		61,614		8,700	1,260,802
	70,035		193,516		-		-	58,052
	-		-		-		-	-
	-		-		-		-	-
	-		-		-		-	-
	70,035		193,516		-		-	58,052
\$	247,272	\$	201,449	\$	61,614	\$	8,700	\$ 1,318,854

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

Special Revenue Funds

<i>September 30, 2023</i>	Emergency Medical Service	Municipal Service Business Unit	Fire Operation
Assets			
Cash and cash equivalents	\$ 110,111	\$ 872	\$ 638,185
Accounts receivable, net	302,493	6,199	-
Due from other funds	-	-	21,170
Due from other governments	-	-	-
Total assets	\$ 412,604	\$ 7,071	\$ 659,355
Liabilities			
Accounts payable and accrued expenses	\$ 28,665	\$ 4,438	\$ 63,892
Due to other funds	-	-	-
Due to other governments	39,927	-	-
Unearned revenue	-	-	-
Total liabilities	68,592	4,438	63,892
Fund balances (deficit)			
Restricted	-	-	-
Committed	-	2,633	595,463
Assigned	344,012	-	-
Unassigned	-	-	-
Total fund balances (deficit)	344,012	2,633	595,463
Total liabilities and fund balances (deficit)	\$ 412,604	\$ 7,071	\$ 659,355

Radio Communication		Agricultural Grant		Law Enforcement Trust Fund III		Greenhead		Special Projects Impact	
\$	93,545	\$	-	\$	45,904	\$	-	\$	123,716
	2,054		-		4,032		-		1,944
	50,000		-		-		-		-
	-		-		-		-		-
\$	145,599	\$	-	\$	49,936	\$	-	\$	125,660
\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	145,599		-		49,936		-		125,660
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	145,599		-		49,936		-		125,660
\$	145,599	\$	-	\$	49,936	\$	-	\$	125,660

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

Special Revenue Funds

<i>September 30, 2023</i>	Law Enforcement Trust Fund I	Culpepper Landing	Arthropod Control
Assets			
Cash and cash equivalents	\$ 421	\$ -	\$ 111,208
Accounts receivable, net	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Total assets	\$ 421	\$ -	\$ 111,208
Liabilities			
Accounts payable and accrued expenses	\$ -	\$ -	\$ 1,726
Due to other funds	-	-	-
Due to other governments	-	-	-
Unearned revenue	-	-	8,278
Total liabilities	-	-	10,004
Fund balances (deficit)			
Restricted	421	-	-
Committed	-	-	101,204
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	421	-	101,204
Total liabilities and fund balances (deficit)	\$ 421	\$ -	\$ 111,208

Choose Life		SAFER		Crystal Lake		E911		Police	
Tag		Grant		Road				Education	
\$	1,867	\$	-	\$	-	\$	80,225	\$	21,818
	-		-		-		-		750
	-		208		-		-		-
	-		30,452		40,060		41,564		-
\$	1,867	\$	30,660	\$	40,060	\$	121,789	\$	22,568
\$	-	\$	10,185	\$	-	\$	68,734	\$	-
	-		20,475		40,060		3		-
	-		-		-		-		-
	-		-		-		-		-
	-		30,660		40,060		68,737		-
	-		-		-		-		-
	-		-		-		-		22,568
	1,867		-		-		53,052		-
	-		-		-		-		-
	1,867		-		-		53,052		22,568
\$	1,867	\$	30,660	\$	40,060	\$	121,789	\$	22,568

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

	Special Revenue Funds			
<i>September 30, 2023</i>	Brickyard Road Resurface	Hunter Park	Tourist Development Tax	
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 62,222	
Accounts receivable, net	-	264	-	
Due from other funds	-	-	-	
Due from other governments	606,391	-	8,234	
Total assets	\$ 606,391	\$ 264	\$ 70,456	
Liabilities				
Accounts payable and accrued expenses	\$ -	\$ -	\$ 6,171	
Due to other funds	606,391	264	-	
Due to other governments	-	-	-	
Unearned revenue	-	-	-	
Total liabilities	606,391	264	6,171	
Fund balances (deficit)				
Restricted	-	-	64,285	
Committed	-	-	-	
Assigned	-	-	-	
Unassigned	-	-	-	
Total fund balances (deficit)	-	-	64,285	
Total liabilities and fund balances (deficit)	\$ 606,391	\$ 264	\$ 70,456	

Emergency Management Enhancement	EMPG Grant	Criminal Education	Cost of Incarceration	Crime Prevention
\$ 17,820	\$ -	\$ 24,572	\$ 30,422	\$ 65,555
-	-	468	314	599
-	-	-	-	-
-	-	-	-	-
\$ 17,820	\$ -	\$ 25,040	\$ 30,736	\$ 66,154
\$ 6,547	\$ -	\$ -	\$ -	\$ -
6,335	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,882	-	-	-	-
4,938	-	25,040	30,736	66,154
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,938	-	25,040	30,736	66,154
\$ 17,820	\$ -	\$ 25,040	\$ 30,736	\$ 66,154

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

Special Revenue Funds					
	Article V Technology		Sixty-Five Dollar Surcharge		EMPA Grant
<i>September 30, 2023</i>					
Assets					
Cash and cash equivalents	\$	81,044	\$	305,230	\$ -
Accounts receivable, net		3,463		1,416	-
Due from other funds		-		-	2,664
Due from other governments		-		-	34,259
Total assets	\$	84,507	\$	306,646	\$ 36,923
Liabilities					
Accounts payable and accrued expenses	\$	279	\$	990	\$ 2,924
Due to other funds		-		-	42,010
Due to other governments		-		-	-
Unearned revenue		-		-	-
Total liabilities		279		990	44,934
Fund balances (deficit)					
Restricted		84,228		305,656	-
Committed		-		-	-
Assigned		-		-	-
Unassigned		-		-	(8,011)
Total fund balances (deficit)		84,228		305,656	(8,011)
Total liabilities and fund balances (deficit)	\$	84,507	\$	306,646	\$ 36,923

Probation		Sunday Road		Fire Impact Fees		Boat Ramp		Water Management Grant	
\$	132,429	\$	-	\$	10,791	\$	8,083	\$	-
	3,231		-		213		591		-
	-		290		-		-		-
	-		1,534,057		-		-		-
\$	135,660	\$	1,534,347	\$	11,004	\$	8,674	\$	-
\$	1,217	\$	449,960	\$	-	\$	-	\$	-
	-		1,084,387		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	1,217		1,534,347		-		-		-
	134,443		-		-		-		-
	-		-		-		8,674		-
	-		-		11,004		-		-
	-		-		-		-		-
	134,443		-		11,004		8,674		-
\$	135,660	\$	1,534,347	\$	11,004	\$	8,674	\$	-

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

Special Revenue Funds

<i>September 30, 2023</i>	Building Department	Inmate Welfare	EMS Impact Fees
Assets			
Cash and cash equivalents	\$ 341,320	\$ 306,472	\$ 27,707
Accounts receivable, net	4,636	-	150
Due from other funds	-	-	-
Due from other governments	-	-	-
Total assets	\$ 345,956	\$ 306,472	\$ 27,857
Liabilities			
Accounts payable and accrued expenses	\$ 15,224	\$ -	\$ -
Due to other funds	1,762	-	-
Due to other governments	-	14,729	-
Unearned revenue	-	-	-
Total liabilities	16,986	14,729	-
Fund balances (deficit)			
Restricted	-	291,743	27,857
Committed	328,970	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	328,970	291,743	27,857
Total liabilities and fund balances (deficit)	\$ 345,956	\$ 306,472	\$ 27,857

Orange Hill & South Blvd		Hurricane Sally		Davidson Road		Public Records Modernization Trust
\$	-	\$	1,195,794	\$	-	\$ 86,627
	-		-		-	-
	-		-		-	22,082
	778,257		-		5,100	-
\$	778,257	\$	1,195,794	\$	5,100	\$ 108,709
\$	28,740	\$	800	\$	3,400	\$ -
	749,517		3,460		1,700	-
	-		-		-	-
	-		-		-	-
	778,257		4,260		5,100	-
	-		1,191,534		-	108,709
	-		-		-	-
	-		-		-	-
	-		-		-	-
	-		1,191,534		-	108,709
\$	778,257	\$	1,195,794	\$	5,100	\$ 108,709

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

Special Revenue Funds				
<i>September 30, 2023</i>		Law Enforcement Trust Fund II	Industrial Park Grant	South Blvd & Kirkland
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	\$	-	\$ 75,000	\$ -
Due to other funds		-	-	-
Due to other governments		-	-	-
Unearned revenue		-	-	-
Total liabilities		-	75,000	-
Fund balances (deficit)				
Restricted		84,810	-	-
Committed		-	-	-
Assigned		-	-	-
Unassigned		-	(75,000)	-
Total fund balances (deficit)		84,810	(75,000)	-
Total liabilities and fund balances (deficit)	\$	84,810	\$ -	\$ -

		<u>Debt Service Fund</u>		
Douglas Ferry Road	Tropical Storm Fred	Series 2009 A & B Debt Service	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ 5,702,636	
-	-	-	423,084	
-	-	-	96,856	
114,466	-	-	3,397,668	
\$ 114,466	\$ -	\$ -	\$ 9,620,244	
\$ 57,233	\$ -	\$ -	\$ 963,298	
57,233	-	-	2,997,597	
-	-	-	54,656	
-	-	-	1,254,766	
114,466	-	-	5,270,317	
-	-	-	3,063,352	
-	-	-	1,059,512	
-	-	-	409,935	
-	-	-	(182,872)	
-	-	-	4,349,927	
\$ 114,466	\$ -	\$ -	\$ 9,620,244	

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, 2023</i>	Public Library	Small Counties Grant	Buckhorn Road
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	257,372	93,750	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	138,655	20,260	-
Total revenues	396,027	114,010	-
Expenditures			
Current			
General government	-	-	-
Public health and safety	-	-	-
Physical environment	-	173,339	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	696,744	-	-
Court related	-	-	-
Capital outlay	53,588	-	-
Debt service			
Principal	5,000	-	-
Interest and other charges	6,660	-	-
Total expenditures	761,992	173,339	-
Excess (deficiency) of revenues over (under) expenditures	(365,965)	(59,329)	-
Other Financing Sources (Uses)			
Transfers in	351,849	-	-
Transfers out	-	-	-
Net other financing sources (uses)	351,849	-	-
Net change in fund balances	(14,116)	(59,329)	-
Fund balances (deficit) - beginning of year	(45,634)	19,218	-
Fund balances (deficit) - end of year	\$ (59,750)	\$ (40,111)	\$ -

Fines & Forfeiture		Thirty Dollar Surcharge	Countywide Flooding	Civil Fee	Local Housing Assistance Trust (SHIP)
\$	-	\$	-	\$	-
	-		-		-
	703,420		71,614		564,180
	319,073	77,777	-	59,158	-
	154,107		-		-
	746		-		11,489
	1,060	25	-		4,000
	1,178,406	77,802	71,614	59,158	579,669
	1,018,819				
	-	-	-	-	-
	-	-	71,614	11,508	-
	-	-	-	-	-
	-	-	-	-	579,669
	-	-	-	-	-
	-	-	-	-	-
	-	107,244	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	1,018,819	107,244	71,614	11,508	579,669
	159,587	(29,442)	-	47,650	-
	-	-	-	-	-
	(114,193)	-	-	(47,650)	-
	(114,193)	-	-	(47,650)	-
	45,394	(29,442)	-	-	-
	24,641	222,958	-	-	58,052
\$	70,035	\$	193,516	\$	-
					\$
					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, 2023</i>	Emergency Medical Service	Municipal Service Business Unit	Fire Operation
Revenues			
Taxes	\$ -	\$ 531,353	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	78,253
Charges for services	1,480,582	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	-	300	3,720
Total revenues	1,480,582	531,653	81,973
Expenditures			
Current			
General government	-	-	-
Public health and safety	2,314,013	-	462,401
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	718,284	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	-	-	-
Capital outlay	17,412	-	134,836
Debt service			
Principal	-	-	25,935
Interest and other charges	-	-	2,057
Total expenditures	2,331,425	718,284	625,229
Excess (deficiency) of revenues over (under) expenditures	(850,843)	(186,631)	(543,256)
Other Financing Sources (Uses)			
Transfers in	1,048,437	-	550,220
Transfers out	(14,636)	-	-
Net other financing sources (uses)	1,033,801	-	550,220
Net change in fund balances	182,958	(186,631)	6,964
Fund balances (deficit)- beginning of year	161,054	189,264	588,499
Fund balances (deficit) - end of the year	\$ 344,012	\$ 2,633	\$ 595,463

Radio Communication	Agricultural Grant	Law Enforcement Trust Fund III	Greenhead	Special Projects Impact
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	56,742
-	19,200	-	-	-
28,177	-	4,032	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
28,177	19,200	4,032	-	56,742
-	-	-	-	-
30,563	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	9,200	-	-	-
-	-	-	-	-
-	10,000	-	2,855	-
-	-	-	-	-
-	-	-	-	-
30,563	19,200	-	2,855	-
(2,386)	-	4,032	(2,855)	56,742
50,000	-	-	131,430	-
-	-	-	-	-
50,000	-	-	131,430	-
47,614	-	4,032	128,575	56,742
97,985	-	45,904	(128,575)	68,918
\$ 145,599	\$ -	\$ 49,936	\$ -	\$ 125,660

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, 2023</i>	Law Enforcement Trust Fund I	Culpepper Landing	Arthropod Control
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	51,998
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	-	-	-
Total revenues	-	-	51,998
Expenditures			
Current			
General government	-	-	-
Public health and safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	60,342
Culture and recreation	-	3,400	-
Court related	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	-	3,400	60,342
Excess (deficiency) of revenues over (under) expenditures	-	(3,400)	(8,344)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	-	-	-
Net change in fund balances	-	(3,400)	(8,344)
Fund balances (deficit)- beginning of year	421	3,400	109,548
Fund balances (deficit) - end of the year	\$ 421	\$ -	\$ 101,204

Choose Life Tag		SAFER Grant	Crystal Lake Road	E911	Police Education
\$	-	\$	-	\$	-
	-	-	-	-	-
	-	30,452	14,040	97,459	-
	-	-	-	170,019	4,113
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	9,300	-
	-	30,452	14,040	276,778	4,113
	-	-	-	-	-
	-	30,452	-	356,961	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	14,040	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	30,452	14,040	356,961	-
	-	-	-	(80,183)	4,113
	-	-	-	10,000	-
	-	-	-	-	-
	-	-	-	10,000	-
	-	-	-	(70,183)	4,113
	1,867	-	-	123,235	18,455
\$	1,867	\$	-	\$	53,052
					\$
					22,568

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, 2023</i>	Brickyard Road Resurface	Hunter Park	Tourist Development Tax
Revenues			
Taxes	\$ -	\$ -	\$ 111,698
Licenses and permits	-	-	-
Intergovernmental	12,500	-	18,500
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	-	-	-
Total revenues	12,500	-	130,198
Expenditures			
Current			
General government	-	-	-
Public health and safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	138,537
Human services	-	-	-
Culture and recreation	12,500	-	-
Court related	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	12,500	-	138,537
Excess (deficiency) of revenues over (under) expenditures	-	-	(8,339)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	-	-	-
Net change in fund balances	-	-	(8,339)
Fund balances (deficit) - beginning of year	-	-	72,624
Fund balances (deficit)- end of year	\$ -	\$ -	\$ 64,285

Emergency Management Enhancement	EMPG Grant	Criminal Education	Cost of Incarceration	Crime Prevention
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	43,343	-	-	-
-	-	6,310	2,471	8,105
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
90,915	-	6,174	-	-
-	-	-	-	-
-	-	-	-	-
-	43,343	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
90,915	43,343	6,174	-	-
(90,915)	-	136	2,471	8,105
81,675	-	-	-	-
-	-	-	-	-
81,675	-	-	-	-
(9,240)	-	136	2,471	8,105
14,178	-	24,904	28,265	58,049
\$ 4,938	\$ -	\$ 25,040	\$ 30,736	\$ 66,154

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, 2023</i>	Article V Technology	Sixty-Five Dollar Surcharge	EMPA Grant
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	94,021
Charges for services	40,747	18,891	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	-	-	-
Total revenues	40,747	18,891	94,021
Expenditures			
Current			
General government	-	-	102,032
Public health and safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	20,549	20,352	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	20,549	20,352	102,032
Excess (deficiency) of revenues over (under) expenditures	20,198	(1,461)	(8,011)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	-	-	-
Net change in fund balances	20,198	(1,461)	(8,011)
Fund balances (deficit) - beginning of year	64,030	307,117	-
Fund balances (deficit) - end of year	\$ 84,228	\$ 305,656	\$ (8,011)

Probation		Sunday Road	Fire Impact Fees	Boat Ramp	Water Management Grant
\$	-	\$	-	\$	-
	-		6,671		-
	-	1,638,469	-	-	-
55,161		-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	7,567	-
55,161		1,638,469	6,671	7,567	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
60,890		-	-	-	-
26,816		1,638,469	-	-	-
	-	-	-	-	-
	-	-	-	-	-
87,706		1,638,469	-	-	-
(32,545)		-	6,671	7,567	-
	-	-	-	-	37,847
	-	-	-	-	-
	-	-	-	-	37,847
(32,545)		-	6,671	7,567	37,847
166,988		-	4,333	1,107	(37,847)
\$	134,443	\$	-	\$	11,004
					\$
					8,674
					\$
					-

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, 2023</i>	Building Department	Inmate Welfare	EMS Impact Fees
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	380,944	-	9,089
Intergovernmental	-	-	-
Charges for services	-	188,176	-
Fines and forfeitures	-	-	-
Investment earnings	-	698	-
Miscellaneous revenues	3,877	2,704	-
Total revenues	384,821	191,578	9,089
Expenditures			
Current			
General government	-	-	-
Public health and safety	345,309	130,634	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	-	-	-
Capital outlay	-	48,044	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	345,309	178,678	-
Excess (deficiency) of revenues over (under) expenditures	39,512	12,900	9,089
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	(9,169)	-
Net other financing sources (uses)	-	(9,169)	-
Net change in fund balances	39,512	3,731	9,089
Fund balances (deficit) - beginning of year	289,458	288,012	18,768
Fund balances (deficit) - ending of year	\$ 328,970	\$ 291,743	\$ 27,857

	Orange Hill & South Blvd	Hurricane Sally	Davidson Road	Public Records Modernization Trust
\$	-	\$	-	\$
	-	-	-	-
	949,489	1,021,495	49,481	-
	-	-	-	51,632
	-	-	-	-
	-	-	-	494
	-	-	-	-
	949,489	1,021,495	49,481	52,126
	43,110	-	-	-
	-	-	-	-
	-	39,377	-	-
	906,379	-	49,481	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	949,489	39,377	49,481	-
	-	982,118	-	52,126
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	982,118	-	52,126
	-	209,416	-	56,583
\$	-	\$	-	\$
		1,191,534		108,709

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, 2023</i>	Law Enforcement Trust Fund II	Industrial Park Grant	South Blvd & Kirkland
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	513,229
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	-	-	-
Total revenues	-	-	513,229
Expenditures			
Current			
General government	-	-	-
Public health and safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	513,229
Economic environment	-	75,000	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	-	75,000	513,229
Excess (deficiency) of revenues over (under) expenditures	-	(75,000)	-
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	-	-	-
Net change in fund balances	-	(75,000)	-
Fund balances (deficit) - beginning of year	84,810	-	-
Fund balances (deficit) - end of year	\$ 84,810	\$ (75,000)	\$ -

		Debt Service Fund		Total
Douglas Ferry Road	Tropical Storm Fred	Series 2009 A & B Debt Service	Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$	643,051
-	-	-		453,446
298,935	-	-		6,621,200
-	-	-		2,514,424
-	-	-		154,107
-	-	-		13,427
-	-	-		191,468
298,935	-	-		10,591,123
-	-	-		1,163,961
-	-	-		3,778,930
-	-	-		284,330
298,935	-	-		1,768,024
-	-	-		1,554,833
-	-	-		60,342
-	-	-		721,844
-	-	-		209,035
-	-	-		1,946,060
-	-	439,100		470,035
-	-	82,716		91,433
298,935	-	521,816		12,048,827
-	-	(521,816)		(1,457,704)
-	127,515	521,816		2,910,789
-	-	-		(185,648)
-	127,515	521,816		2,725,141
-	127,515	-		1,267,437
-	(127,515)	-		3,082,490
\$ -	\$ -	\$ -	\$	4,349,927

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

<i>September 30, 2023</i>	<i>Clerk of the Circuit Court</i>	
	General Trust	Child Support
Assets		
Cash and cash equivalents	\$ 158,647	\$ 9,060
Due from other governments	12,745	12
Total assets	\$ 171,392	\$ 9,072
Liabilities		
Due to other funds	\$ 128,059	\$ 7,791
Due to other governments	43,333	1,281
Total liabilities	171,392	9,072
Net Position		
Restricted	-	-
Total liabilities and net position	\$ 171,392	\$ 9,072

Jury and Witness		Tax Deeds		Cash Bonds		Registry of Court	
\$	1,668	\$	635,105	\$	22,545	\$	357,712
	-		-		-		-
\$	1,668	\$	635,105	\$	22,545	\$	357,712
\$	-	\$	634,986	\$	22,000	\$	342,905
	1,668		119		545		14,807
	1,668		635,105		22,545		357,712
	-		-		-		-
\$	1,668	\$	635,105	\$	22,545	\$	357,712

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

	Sheriff		
September 30, 2023	Dependency Mediation	Forfeiture Fund	Inmate Welfare Trust
Assets			
Cash and cash equivalents	\$ 5,608	\$ 83,665	\$ 10,940
Due from other governments	-	-	-
Total assets	\$ 5,608	\$ 83,665	\$ 10,940
Liabilities			
Due to other funds	\$ 5,608	\$ -	\$ -
Due to other governments	-	-	-
Total liabilities	5,608	-	-
Net Position			
Restricted	-	83,665	10,940
Total liabilities and net position	\$ 5,608	\$ 83,665	\$ 10,940

Tax Collector					
Escrow		Tag		Tax	
Total					
\$	187,930	\$	-	\$	31,910
	-		596		196
\$	187,930	\$	596	\$	32,106
\$	-	\$	-	\$	-
	187,930		596		32,106
	187,930		596		32,106
	-		-		-
\$	187,930	\$	596	\$	32,106

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

<i>For the year ended September 30, 2023</i>	<i>Clerk of the Circuit Court</i>		
	General Trust	Child Support	Jury and Witness
Additions			
Clerk of circuit and county courts collections	\$ 4,968,039	\$ 106,471	\$ 7,005
Tax collections and fees for other governments	-	-	-
Collections for others	-	-	-
Total additions	4,968,039	106,471	7,005
Deductions			
Current			
Payments of clerk of circuit and county courts collections to other governments	4,968,039	106,471	7,005
Payments of tax and other fees to other governments	-	-	-
Payments to others	-	-	-
Total deductions	4,968,039	106,471	7,005
Net increase (decrease) in fiduciary net position	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	\$ -	\$ -	\$ -

Tax Deeds		Cash Bonds		Registry of Court		Dependency Mediation	
\$	893,424	\$	86,626	\$	950,531	\$	9,500
	-		-		-		-
	-		-		-		-
893,424		86,626		950,531		9,500	
893,424		86,626		950,531		9,500	
	-		-		-		-
	-		-		-		-
893,424		86,626		950,531		9,500	
	-		-		-		-
	-		-		-		-
\$	-	\$	-	\$	-	\$	-

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

	<i>Sheriff</i>	
	Forfeiture Fund	Inmate Welfare Trust
<i>For the year ended September 30, 2023</i>		
Additions		
Clerk of circuit and county courts collections	\$ -	\$ -
Tax collections and fees for other governments	-	-
Collections for others	21,013	201,320
Total additions	21,013	201,320
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	1,310	199,137
Total deductions	1,310	199,137
Net increase (decrease) in fiduciary net position	19,703	2,183
Net position, beginning of year	63,962	8,757
Net position, end of year	\$ 83,665	\$ 10,940

Tax Collector						
Escrow		Tag		Tax		Total
\$	-	\$	-	\$	-	\$ 7,021,596
	249,012		6,389,859		20,433,788	27,072,659
	-		-		-	222,333
	249,012		6,389,859		20,433,788	34,316,588
	-		-		-	7,021,596
	249,012		6,389,859		20,433,788	27,072,659
	-		-		-	200,447
	249,012		6,389,859		20,433,788	34,294,702
	-		-		-	21,886
	-		-		-	72,719
\$	-	\$	-	\$	-	\$ 94,605

**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**

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 General 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, 2023, 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 28, 2024.

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

Report on Compliance and Other Matters

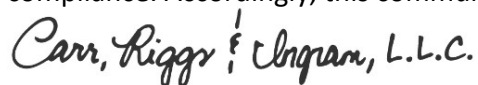
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 28, 2024

**INDEPENDENT AUDITOR’S 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, 2023. The County’s major federal programs and state projects are identified in the summary of auditor’s 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, 2023.

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 Auditor’s 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.

Auditor's 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 Auditor's 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.

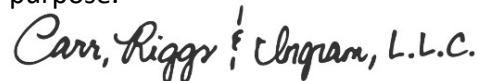
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 2023-001 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.


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

Enterprise, Alabama
June 28, 2024

Washington County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2023

Federal Agency Pass through entity Federal Program	Assistance Listing / CSFA Number	Contract/Grant Number	Payments to Subrecipients	Total Expenditures
United States Department of Treasury				
Direct award				
COVID 19 - Coronavirus State and Local Fiscal Recovery	21.027	N/A	\$ -	\$ 1,018,643
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	-	43,343
Staffing for Adequate Fire and Emergency Response	97.083	N/A	-	30,452
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
FEMA HGMP-DR-4177-14-R	97.036	Z0843	-	24,841,708
COVID 19 - FEMA Emergency Protective Measures	97.036	Z2595	-	766,121
Subtotal for ALN 97.036			-	25,607,829
Total United States Department of Homeland Security			-	25,681,624
United States Department of Justice				
Support for Adam Walsh Act Implementation Grant Program	16.750	2020-AW-BX-0044	-	60,779
Passed through Executive Office of the Governor				
Crime Victim Assistance (VOCA)	16.575	VOCA-2022- WASHINGTONCOUNTYSHERIFF -00526	-	37,095
Edward Byrne Memorial Justice Assistance Grants	16.738	15PBJA-21-GG-00241-MUMU	-	17,375
Edward Byrne Memorial Justice Assistance Grants	16.738	15PBJA-22-GG-00656-MUMU	-	38,658
Subtotal for ALN 16.738			-	56,033
Total United States Department of Justice			-	153,907
United States Department of Transportation				
Passed through Florida Department of Transportation				
Highway Safety Cluster				

-Continued-

*See independent auditor's 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, 2023

State and Community Highway Safety	20.600	RS-2022-00275	-	55
Federal Agency Pass through entity	Assistance	Contract/Grant	Payments to	Total
Federal Program	Listing / CSFA	Number	Subrecipients	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	-	269,745
Election Assistance Commission				
Passed through Florida Department of State				
HAVA Election Security Grants	90.404	1E066	-	54,029
United States Department of Agriculture				
Cooperative Forestry Assistance Program - Fire Services				
Services	10.664	N/A	-	78,253
Total Expenditures of Federal Awards			\$ -	\$ 27,256,256
State Financial Assistance				
State Program				
Florida Department of Transportation				
Local Transportation Projects	55.039	449312-1-54-01	\$ -	\$ 49,481
Small County Road Assistance Program (SCRAP) - Orange Hill & South Blvd	55.016	446701-1-54-01	-	949,489
Small County Road Assistance Program (SCRAP) - Douglas Ferry Road	55.016	448616-1-34-01	-	298,935
Total for CSFA 55.016			-	1,248,424
Small County Outreach Program (SCOP) - Brickyard Road	55.009	438135-4-58-01	-	12,500
Small County Outreach Program (SCOP) - Crystal Lake Road	55.009	447328-3-54-01	-	14,040
Small County Outreach Program (SCOP) - Sunday Road	55.009	446574-1-54-01	-	1,638,469
Total for CSFA 55.009			-	1,665,009
Total Florida Department of Transportation			-	2,962,914
Executive Office of the Governor				
Emergency Management Preparedness Assistance (EMPA)	31.063	A0264	-	94,021

-Continued-

*See independent auditor's 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, 2023

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	-	8,740
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	564,180
Florida Department of Environmental Protection				
Statewide Surface Water Restoration and Wastewater Projects	37.039	23-009	-	50,000
Small County Consolidated Grants	37.012	SC-332	-	93,750
Total Florida Department of Environmental Protection			-	143,750
Florida Department of State and Secretary of State				
Historical Preservation Grants	45.031	23.h.sm.300.134	-	18,500
State Aid to Libraries	45.030	23-ST-91	-	257,372
Total Florida Department of State and Secretary of State			-	275,872
Florida Department of Law Enforcement				
Law Enforcement Assistance for Fiscally Constrained Counties	71.067	7G043	-	550,829
Florida Department of Management Services				
Wireless 911 Emergency Telephone System Rural County Grant	72.001	21-02-71	-	34,000
Wireless 911 Emergency Telephone System Rural County Grant	72.001	22-11-08	-	36,726
Wireless 911 Emergency Telephone System Rural County Grant	72.001	22-11-09	-	4,517
Wireless 911 Emergency Telephone System Rural County Grant	72.001	21-12-16	-	22,216
Total for CSFA 72.001/Florida Department of Management Services			-	97,459
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	26499	-	38,893
Agriculture Education and Promotion Facility Grant	42.047	28889	-	19,200
Total Florida Department of Agriculture and Consumer Services			-	58,093
Total Expenditures of State Financial Assistance			\$ -	\$ 4,755,858

*See independent auditor's 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, 2023, 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, 2023.

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, 2023, 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, 2023.

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 AUDITOR’S RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor’s 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 auditor’s 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
	State and Local Fiscal Recovery
97.036	Disaster Grants –
	Public Assistance (Presidentially Declared Disasters)

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$817,688 |
| 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 AUDITOR’S RESULTS (Continued)

State Financial Assistance:

- | | | | | | | | |
|--|--|----------------------|--------|--------------------------------------|--------|--|--|
| 1. Type of auditor’s 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: | | | | | | | |
| <table border="0" style="margin-left: auto; margin-right: auto;"><tr><td style="text-align: center;"><u>CSFA Number</u></td><td style="text-align: center;"><u>State Project</u></td></tr><tr><td style="text-align: center;">55.009</td><td style="text-align: center;">Small County Outreach Program (SCOP)</td></tr><tr><td style="text-align: center;">55.016</td><td style="text-align: center;">Small County Road Assistance Program (SCRAP)</td></tr></table> | <u>CSFA Number</u> | <u>State Project</u> | 55.009 | Small County Outreach Program (SCOP) | 55.016 | Small County Road Assistance Program (SCRAP) | |
| <u>CSFA Number</u> | <u>State Project</u> | | | | | | |
| 55.009 | Small County Outreach Program (SCOP) | | | | | | |
| 55.016 | Small County Road Assistance Program (SCRAP) | | | | | | |
| 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 (Repeat)

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.

NEED FOR SEGREGATION OF DUTIES, PA2003-003 (Repeat)

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 (Repeat)

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 (Repeat)

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 2023-001 – Suspension and Debarment (Repeat)

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, 2024.

Washington County, Florida
Summary Schedule of Prior Audit Findings

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

FINANCIAL STATEMENT FINDINGS

BCC2022-001 – Repeat finding in the current year

PA 2003-003 – Repeat finding in the current year

SOE 2003-003 – Repeat finding in the current year

TC2003-003 – Repeat finding in the current year

Item 2022-001 – Repeat finding in the current year

**Washington County, Florida
Corrective Action Plan
For the Year Ended September 30, 2023**



County Administrator
Allen J. Massey

**WASHINGTON COUNTY
BOARD OF COUNTY COMMISSIONERS**

1331 South Boulevard
Chipley, Florida 32428
Phone (850)638-6200
Fax (850)638-6106

ALAN T. BUSH
District One

DAVID PETTIS, JR.
District Two

TRAY HAWKINS
District Three

WESLEY GRIFFIN
District Four

DAVID A. CORBIN
District Five

FUQUA & MILTON
County Attorneys

Single Audit Findings

Item 2023-001 – 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, 2024.

Effective date of completion: within the fiscal ending September 30, 2024

Respectfully submitted,

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



Carr, Riggs & Ingram, LLC
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRLcpa.com

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, 2023, and have issued our report thereon dated June 28, 2024.

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; 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 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*; Independent Auditor’s Report on Compliance for Each Major Federal Program and Major State Project and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs; 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 and schedule, which are dated June 28, 2024, 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.”

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 report 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 identification of the specific condition(s) 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 to the County. It is management’s responsibility to monitor the County’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such 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 \$17,977.
- 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 6.
- 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 \$61,962.
- 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.

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

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

Enterprise, Alabama
June 28, 2024



Carr, Riggs & Ingram, LLC
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRIcpa.com

INDEPENDENT ACCOUNTANT'S 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, 2023.

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, 2023.

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 28, 2024

Washington County, Florida Management's Response



County Administrator
Allen J. Massey

WASHINGTON COUNTY BOARD OF COUNTY COMMISSIONERS

1331 South Boulevard
Chipley, Florida 32428
Phone (850)638-6200
Fax (850)638-6106

ALAN T BUSH
District One

DAVID PETTIS, JR.
District Two

TRAY HAWKINS
District Three

WESLEY GRIFFIN
District Four

DAVID A CORBIN
District Five

FUQUA & MILTON
County Attorneys

Single Audit Findings

Item 2022-001 – Suspension & Debarment

Contact person: Johnnie Pettis, Finance Director

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 has implemented additional controls to ensure there is evidence of review of covered transactions over \$25,000 for suspension and debarment prior to payment. Corrective measures have been taken.

Item BCC2022-001 – Accrual Accounting

Contact Person: Johnnie Pettis, Finance Director

The County has addressed this recommendation and implemented additional controls to ensure that accounting methods are in accordance with GAAP.

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 25, 2024

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, 2023. 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,

Gil Carter, CFA
Washington County Property Appraiser

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



Deidra Malloy Pettis

Supervisor of Elections
Washington County

www.wcsoc.gov

Mailing Address
1424 Jackson Ave., Suite C
Chipley, Florida 32428

Telephone No.
(850)638-6230

Fax No.
(850)397-4564

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 2023. I have reviewed the letter regarding compliance and internal control schedule of findings and questioned costs and 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,

Deidra Malloy Pettis
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 25, 2024

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, 2023. 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, 2023



	Page
FINANCIAL SECTION	
Independent Auditor's Report	1
Basic Financial Statements	
Balance Sheet – Governmental Funds	4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	5
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	6
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Fine and Forfeiture Fund	7
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Public Records Modernization Trust Fund	8
Statement of Fiduciary Net Position – Custodial Funds	9
Statement of Changes in Fiduciary Net Position – Custodial Funds	10
Notes to Financial Statements	11
Combining and Individual Fund Statements	
Description of Fiduciary Funds	24
Combining Statement of Fiduciary Net Position – Custodial Funds.....	25
Combining Statement of Changes in Fiduciary Net Position –Custodial Funds	26
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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 <i>Government Auditing Standards</i>	27
Independent Accountant's Report on Compliance with Specified Florida Statute Sections	29
Management Letter	30

INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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 and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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.

Auditor's 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 auditor's 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 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 financial 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 28, 2024, 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.

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

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

Enterprise, Alabama
June 28, 2024

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

<i>September 30, 2023</i>	General	Fine and Forfeiture	Public Records Modernization Trust	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 29,370	\$ 114,665	\$ 86,627	\$ 230,662
Due from other governments	5,181	132,607	-	137,788
Due from Board of County Commissioners	3,191	-	-	3,191
Due from other funds	21,819	-	22,082	43,901
Total assets	\$ 59,561	\$ 247,272	\$ 108,709	\$ 415,542
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued expenses	\$ 24,086	\$ 25,365	\$ -	\$ 49,451
Due to Board of County Commissioners	-	130,085	-	130,085
Due to other funds	22,114	21,787	-	43,901
Total liabilities	46,200	177,237	-	223,437
Fund balances				
Restricted	13,361	70,035	108,709	192,105
Total liabilities and fund balances	\$ 59,561	\$ 247,272	\$ 108,709	\$ 415,542

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, 2023</i>	General	Fine and Forfeiture	Public Records Modernization Trust	Total Governmental Funds
Revenues				
Charges for services	\$ 141,583	\$ 319,073	\$ 51,632	\$ 512,288
Fines and forfeitures	-	154,107	-	154,107
Intergovernmental	140,000	698,570	-	838,570
Investment earnings	4,260	746	494	5,500
Miscellaneous	996	1,060	-	2,056
Total revenues	286,839	1,173,556	52,126	1,512,521
Expenditures				
General government	1,011,328	1,018,819	-	2,030,147
Excess of revenues over (under) expenditures	(724,489)	154,737	52,126	(517,626)
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	623,657	-	-	623,657
Proceeds from Pandemic Recovery Plan	-	4,850	-	4,850
Transfers in	114,193	-	-	114,193
Transfers out	-	(114,193)	-	(114,193)
Net other financing sources (uses)	737,850	(109,343)	-	628,507
Net change in fund balances	13,361	45,394	52,126	110,881
Fund balances, beginning of year	-	24,641	56,583	81,224
Fund balances, end of year	\$ 13,361	\$ 70,035	\$ 108,709	\$ 192,105

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, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 148,142	\$ 149,744	\$ 141,583	\$ (8,161)
Intergovernmental		140,000	140,000	-
Investment earnings	-	4,260	4,260	-
Miscellaneous	-	996	996	-
Total revenues	148,142	295,000	286,839	(8,161)
Expenditures				
General government	724,594	1,011,328	1,011,328	-
Excess of revenues over (under) expenditures	(576,452)	(716,328)	(724,489)	(8,161)
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	503,765	623,657	623,657	-
Transfers in	-	114,193	114,193	-
Net other financing sources (uses)	503,765	737,850	737,850	-
Net change in fund balance	(72,687)	21,522	13,361	(8,161)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ (72,687)	\$ 21,522	\$ 13,361	\$ (8,161)

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, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 317,956	\$ 319,073	\$ 319,073	\$ -
Fines and forfeitures	154,107	154,107	154,107	-
Intergovernmental	698,570	698,570	698,570	-
Investment earnings	-	746	746	-
Miscellaneous	-	1,060	1,060	-
Total revenues	1,170,633	1,173,556	1,173,556	-
Expenditures				
General government	1,018,841	1,018,819	1,018,819	-
Excess of revenues over (under) expenditures	151,792	154,737	154,737	-
Other Financing Sources (Uses)				
Proceeds from Pandemic Recovery Plan	-	4,850	4,850	-
Transfers out	-	(114,193)	(114,193)	-
Net other financing sources (uses)	-	(109,343)	(109,343)	-
Net change in fund balance	151,792	45,394	45,394	-
Fund balance, beginning of year	-	24,641	24,641	-
Fund balance, end of year	\$ 151,792	\$ 70,035	\$ 70,035	\$ -

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

		Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>For the year ended September 30, 2023</i>					
Revenues					
Charges for services	\$	-	\$ 51,632	\$ 51,632	\$ -
Investment earnings		-	494	494	-
Total revenues		-	52,126	52,126	-
Net change in fund balance		-	52,126	52,126	-
Fund balance, beginning of year		-	56,583	56,583	-
Fund balance, end of year	\$	-	\$ 108,709	\$ 108,709	\$ -

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

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

<i>September 30, 2023</i>	Custodial Funds
Assets	
Cash and cash equivalents	\$ 1,190,345
Due from other governments	12,757
Total assets	\$ 1,203,102
Liabilities	
Due to other governments	\$ 61,753
Due to individuals	1,141,349
Total liabilities	1,203,102
Net Position	
Net position	-
Total liabilities and 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 – Custodial Funds

<i>For the year ended September 30, 2023</i>	Custodial Funds
Additions	
Clerk of circuit and county courts revenue	\$ 7,021,596
Deductions	
Payments of clerk of circuit and county courts distributions to other governments	7,021,596
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.

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.

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

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 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 two 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.

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." For fiscal year 2023, the Clerk had \$13,361 of excess revenues over expenditures that related to child support fees. Instead of remitting the excess funds, the Board agreed to allow the Clerk to retain these funds at year-end.

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, 2023, 1/12 of revenue projections exceeded court revenues in the amount of \$76,581. All of these excess funds are due back from the Clerk of Courts Trust Fund and are classified as "due from other governments" within the fund financial statements.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits (continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (continued)

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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.

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).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (continued)

Categories and Classification of Fund Equity (continued)

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.

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 28, 2024, and determined there were no events that occurred that required disclosure.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

In 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. The Clerk adopted GASB 91 for the year ended September 30, 2023, and GASB 91 did not have a significant impact on the financial statements.

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. The Clerk adopted GASB 94 for the year ended September 30, 2023, and GASB 94 did not have a significant impact on the financial statements.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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 prior to the implementation of this Statement. The Clerk adopted GASB 96 for the year ended September 30, 2023, and GASB 96 did not have a significant impact on the financial statements.

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.

The requirements of this Statement are effective as follows:

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

- 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.

The Clerk adopted the applicable provisions GASB 99 related to leases, PPPs, and SBITAs for the year ended September 30, 2023, and GASB 99 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 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.

GASB Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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

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

Note 2: 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.

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		
	To	From	Net
General Fund	\$ 21,819	\$ (22,114)	\$ (295)
Fine & Forfeiture Fund	-	(21,787)	(21,787)
Public Records Modernization Trust Fund	22,082	-	22,082
Total	\$ 43,901	\$ (43,901)	\$ -

Interfund Transfers

Transfers to/from other funds consist of the following:

<i>Transfers to General Fund from:</i>	
Fine and Forfeiture Fund	\$ 114,193
Total interfund transfers	\$ 114,193

The transfer from the Fine and Forfeiture Fund to the General Fund is the excess funding remaining in child support at year-end. The funds were provided to cover expenditures made out of the General Fund.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Due from Board of County Commissioners

The amount due from the Board of \$3,191 represents expenditures made by the Clerk for operating supplies during the fiscal year that are reimbursable by the Board. All amounts due will be paid within one year of the financial statement date.

Due from Other Governments

Due from other governments at September 30, 2023 consisted of the following:

Source	Amount
State of Florida	\$ 137,788

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 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.

Note 3: RETIREMENT PLAN (Continued)

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 – 13.57%, DROP Program – 21.13%, senior management – 34.52% and elected officials – 58.68%. 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, 2023, total payroll for the Clerk's employees covered by the System was \$967,051 and total payroll was \$1,080,207. The Clerk's contributions to the plan for the years ended September 30, 2023, 2022, and 2021 were \$201,497, \$179,781, and \$163,434, 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.

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.

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

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

Capital Assets (continued)

Summary of changes in capital assets during the year ended September 30, 2023:

	Balance 10/1/22	Increases	Decreases	Balance 9/30/23
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 225,934	\$ -	\$ -	\$ 225,934
Less accumulated depreciation	(149,403)	(10,933)	-	(160,336)
Total governmental activities				
Capital assets, net	\$ 76,531	\$ (10,933)	\$ -	\$ 65,598

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

<i>Governmental Activities</i>	
General government	\$ 10,933

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, 2023:

	Balance 10/1/22	Additions	Reductions	Balance 9/30/23	Due in One Year
Compensated absences	\$ 84,292	\$ 82,870	\$ (49,533)	\$ 117,629	\$ 11,763

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, 2023</i>	General Trust	Child Support	Jury and Witness	Tax Deeds
Assets				
Cash and cash equivalents	\$ 158,647	\$ 9,060	\$ 1,668	\$ 635,105
Due from other governments	12,745	12	-	-
Total assets	\$ 171,392	\$ 9,072	\$ 1,668	\$ 635,105
Liabilities				
Due to other governments	\$ 43,333	\$ 1,281	\$ 1,668	\$ 119
Due to individuals	128,059	7,791	-	634,986
Total liabilities	171,392	9,072	1,668	635,105
Total net position	\$ -	\$ -	\$ -	\$ -

	Cash Bonds		Registry of Court		Dependency Mediation		Total
\$	22,545	\$	357,712	\$	5,608	\$	1,190,345
	-		-		-		12,757
\$	22,545	\$	357,712	\$	5,608	\$	1,203,102
\$	545	\$	14,807	\$	-	\$	61,753
	22,000		342,905		5,608		1,141,349
	22,545		357,712		5,608		1,203,102
\$	-	\$	-	\$	-	\$	-

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, 2023</i>	General Trust	Child Support	Jury and Witness	Tax Deeds
Additions				
Clerk of circuit and county courts revenue	\$ 4,968,039	\$ 106,471	\$ 7,005	\$ 893,424
Deductions				
Payments of clerk of circuit and county courts distributions to other governments	4,968,039	106,471	7,005	893,424
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
\$	86,626	\$	950,531	\$	9,500	\$	7,021,596
	86,626		950,531		9,500		7,021,596
	-		-		-		-
	-		-		-		-
\$	-	\$	-	\$	-	\$	-

**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***

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

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.

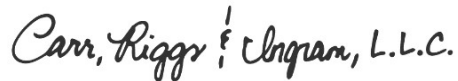
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not 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 28, 2024

**INDEPENDENT ACCOUNTANT’S 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, 2023:

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, 2023.

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 28, 2024

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, 2023, and have issued our report thereon dated June 28, 2024.

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 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 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 28, 2024, 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

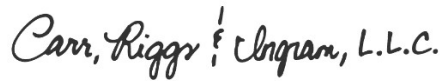
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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." in a cursive script.

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

Enterprise, Alabama
June 28, 2024

Washington County, Florida Sheriff

FINANCIAL STATEMENTS

September 30, 2023



	Page
FINANCIAL SECTION	
Independent Auditor's Report	1
Basic Financial Statements	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	5
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	6
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Emergency Medical Services Fund	7
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Inmate Welfare Fund	8
Statement of Fiduciary Net Position – Custodial Funds	9
Statement of Changes in Fiduciary Net Position – Custodial Funds	10
Notes to Financial Statements	11
SUPPLEMENTARY INFORMATION	
Description of Fiduciary Funds	26
Combining Statement of Fiduciary Net Position – Custodial Funds	27
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	28
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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 <i>Government Auditing Standards</i>	29
Independent Accountant's report on compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	31
Management Letter	32



Carr, Riggs & Ingram, LLC
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRLcpa.com

INDEPENDENT AUDITOR'S 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, 2023, 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 and the aggregate remaining fund information of the Sheriff as of September 30, 2023, 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 and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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, and for 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.

Auditor's 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 auditor's 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 and *Governmental 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 *Governmental 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.

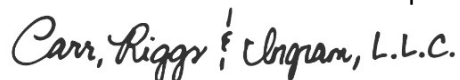
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 28, 2024, 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.



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

Enterprise, Alabama
June 28, 2024

Washington County, Florida
Sheriff
Balance Sheet – Governmental Funds

<i>September 30, 2023</i>	General	Emergency Medical Services	Inmate Welfare	Nonmajor Civil Fee	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 156,876	\$ 110,111	\$ -	\$ 8,700	\$ 275,687
Restricted cash and cash equivalents	223,022	-	306,472	-	529,494
Due from other governmental units	340,936	-	-	-	340,936
Accounts receivable, net	52,234	302,493	-	-	354,727
Due from Board of County Commission	53,206	-	-	-	53,206
Total assets	\$ 826,274	\$ 412,604	\$ 306,472	\$ 8,700	\$ 1,554,050
Liabilities					
Accounts payable and accrued expenses	\$ 344,004	\$ 28,665	\$ -	8,700	\$ 381,369
Due to other governmental units	-	39,927	14,729	-	54,656
Due to Board of County Commissioners	259,220	-	-	-	259,220
Total liabilities	603,224	68,592	14,729	8,700	695,245
Fund balance					
Unrestricted	-	344,012	-	-	344,012
Restricted for Public safety - law enforcement	223,050	-	291,743	-	514,793
Total fund balances	223,050	344,012	291,743	-	858,805
Total liabilities and fund balances	\$ 826,274	\$ 412,604	\$ 306,472	\$ 8,700	\$ 1,554,050

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

Washington County, Florida
Sheriff

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

<i>For the year ended September 30, 2023</i>	General	Emergency Medical Services	Inmate Welfare	Nonmajor Civil Fee	Total Governmental Funds
Revenues					
Intergovernmental	\$ 321,875	\$ -	\$ -	\$ -	\$ 321,875
Charges for services	400,442	1,480,582	188,176	59,158	2,128,358
Grants	911,279	-	-	-	911,279
Investment earnings	-	-	698	-	698
Miscellaneous revenues	43,769	-	2,704	-	46,473
Total revenues	1,677,365	1,480,582	191,578	59,158	3,408,683
Expenditures					
Current					
Public safety and health	6,703,089	2,314,013	130,634	11,508	9,159,244
Capital outlay	406,919	17,412	48,044	-	472,375
Total expenditures	7,110,008	2,331,425	178,678	11,508	9,631,619
Excess (deficiency) of revenues over (under) expenditures	(5,432,643)	(850,843)	12,900	47,650	(6,222,936)
Other financing sources (uses)					
Transfers in	23,805	-	-	-	23,805
Transfers out	-	(14,636)	(9,169)	-	(23,805)
Appropriations from the Board of County Commissioners	5,516,568	1,048,437	-	-	6,565,005
Reversion to the Board of County Commissioners	(5,345)	-	-	(47,650)	(52,995)
Net other financing sources (uses)	5,535,028	1,033,801	(9,169)	(47,650)	6,512,010
Net change in fund balances	102,385	182,958	3,731	-	289,074
Fund balances, beginning of year	120,665	161,054	288,012	-	569,731
Fund balances, end of year	\$ 223,050	\$ 344,012	\$ 291,743	\$ -	\$ 858,805

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, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 321,875	\$ 321,875	\$ 321,875	\$ -
Charges for services	620,433	880,190	400,442	(479,748)
Grants	145,593	246,416	911,279	664,863
Miscellaneous revenues	-	41,628	43,769	2,141
Total revenues	1,087,901	1,490,109	1,677,365	187,256
Expenditures				
Public safety and health	6,348,950	6,671,194	6,703,089	(31,895)
Capital outlay	-	406,919	406,919	-
Total expenditures	6,348,950	7,078,113	7,110,008	(31,895)
Excess (deficiency) of revenues over (under) expenditures	(5,261,049)	(5,588,004)	(5,432,643)	155,361
Other financing sources (uses)				
Transfers in	-	-	23,805	23,805
Appropriations from the Board of County Commissioners	5,261,049	5,588,004	5,516,568	(71,436)
Reversion to the Board of County Commissioners	-	-	(5,345)	(5,345)
Total other financing sources	5,261,049	5,588,004	5,535,028	(52,976)
Net change in fund balance	-	-	102,385	102,385
Fund balance, beginning of the year	120,665	120,665	120,665	-
Fund balance, end of year	\$ 120,665	\$ 120,665	\$ 223,050	\$ 102,385

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, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 1,100,963	\$ 1,259,286	\$ 1,480,582	\$ 221,296
Expenditures				
Public safety and health	2,177,739	2,336,062	2,314,013	22,049
Capital outlay	10,000	10,000	17,412	(7,412)
Total expenditures	2,187,739	2,346,062	2,331,425	14,637
Excess (deficiency) of revenues over (under) expenditures	(1,086,776)	(1,086,776)	(850,843)	235,933
Other financing sources (uses)				
Transfers out	-	-	(14,636)	(14,636)
Appropriations from the Board of County Commissioners	1,086,776	1,086,776	1,048,437	(38,339)
Total other financing sources	1,086,776	1,086,776	1,033,801	(52,975)
Net change in fund balance	-	-	182,958	182,958
Fund balance, beginning of the year	161,054	161,054	161,054	-
Fund balance, end of year	\$ 161,054	\$ 161,054	\$ 344,012	\$ 182,958

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, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 190,200	\$ 190,200	\$ 188,176	\$ (2,024)
Investment earnings	-	-	698	698
Miscellaneous revenues	-	-	2,704	2,704
Total revenues	190,200	190,200	191,578	1,378
Expenditures				
Public safety and health	131,000	131,000	130,634	366
Capital outlay	50,000	50,000	48,044	1,956
Total expenditures	181,000	181,000	178,678	2,322
Excess (deficiency) of revenues over (under) expenditures	9,200	9,200	12,900	3,700
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	-	-	3,731	3,731
Fund balance, beginning of the year	288,012	288,012	288,012	-
Fund balance, end of year	\$ 288,012	\$ 288,012	\$ 291,743	\$ 3,731

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

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

<i>September 30, 2023</i>		Custodial Funds
Assets		
Cash	\$	94,605
Net Position		
Restricted	\$	94,605

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

Washington County, Florida
Sheriff

Statement of Changes in Fiduciary Net Position – Custodial Funds

<i>For the year ended September 30, 2023</i>		Custodial Funds
Additions		
Collections for others	\$	222,333
Deductions		
Payments to others		200,447
Net increase (decrease) in fiduciary net position		21,886
Net position, beginning of year		72,719
Net position, end of year	\$	94,605

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 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

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 portion of the Sheriff’s revenue that is a budget appropriation from the Board is 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.

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measureable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for property taxes and ninety days for all other revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, if measureable, except for accumulated sick and vacation compensation which is expensed when paid.

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

Fund Financial Statements

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.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

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.

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. Once approved, any subsequent amendments must be approved by the Board.

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 Sheriff.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board.

Supplemental Budget Appropriations

During fiscal year 2023, the EMS fund had supplemental budget appropriations of \$158,323 or 7.24% of the original budget, and the general fund had supplemental budget appropriations of \$729,163 or 11.48% of the original budget. These appropriations were for various operating costs.

Excess of Expenditures over Appropriations

For the year ended September 30, 2023, expenditures within the General fund exceeded appropriations by \$31,895. The excess expenditure was funded by unanticipated revenues.

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.

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.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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 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.

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 the estimated

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Categories and Classification of Fund Equity (continued)

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 28, 2024, and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Sheriff adopted GASB 91 for the year ended September 30, 2023, and GASB 91 did not have a significant impact on the financial statements.

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

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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. The Sheriff adopted GASB 94 for the year ended September 30, 2023, and GASB 94 did not have a significant impact on the financial statements.

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. The Sheriff adopted GASB 96 for the year ended September 30, 2023, and GASB 96 did not have a significant impact on the financial statements.

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.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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.

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.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

The Sheriff adopted the applicable provisions GASB 99 related to leases, PPPs, and SBITAs for the year ended September 30, 2023, and GASB 99 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:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. 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. 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). 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.

GASB Statement No. 101, *Compensated Absences*, 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.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

The Sheriff 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, 2023, all deposits were fully insured by the Federal Deposit Insurance Corporation and the multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 2: DETAILED NOTED ON ALL FUNDS (Continued)

Due From Other Governmental Units

Due from other governments at September 30, 2023 consisted of the following:

	General Fund
Due from Other Governments	
State of Florida	\$ 22,460
Victims of Crime Act (VOCA)	5,904
Due from DEA	841
Due from DEO Tower Grant	229,891
US Marshall	10,960
JAG Grant	56,036
Adam Walsh Grant	14,844
Total	\$ 340,936

Accounts Receivable

EMS accounts receivable total \$1,658,837 and are shown net of allowance for doubtful accounts and contractual adjustments totaling \$1,356,344. 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 \$5,345 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.

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 3: RETIREMENT PLAN (Continued)

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 employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. 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 – 13.57%, DROP Program – 21.13%, senior management – 34.52%, special risk – 32.67% and elected officials – 58.68%. These rates are applied to employee salaries each pay period. 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 \$5,296,050 for the year ended September 30, 2023. The Sheriff's total payroll was \$5,323,662 for the same period. The Sheriff's contribution to the plan for the years ended September 30, 2023, 2022, and 2021 were \$1,411,137, \$1,116,285, and \$929,685, 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

At September 30, 2023, the Sheriff was involved in several litigations and claims arising in the normal course of operations. It is the opinion of management that coverage provided by the Self- Insurance

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 4: CONTINGENCIES (Continued)

Fund is more than adequate to eliminate any material exposure resulting from those claims. 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 the Sheriff's management, such allowances, if any, would not be significant in relation to the financial statements of the Sheriff. No accruals for loss contingencies have been made in these financial statements.

Note 5: 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 9/30/22	Additions	Deletions	Balance 9/30/23
Governmental Activities				
Capital assets, not being depreciated				
Tower Grant CIP	\$ 224,851	\$ 158,636	\$ -	\$ 383,487
Capital assets, being depreciated				
Equipment	3,334,768	311,773	-	3,646,541
Less: accumulated depreciation	(2,295,368)	(378,246)	-	(2,673,614)
Total capital assets being depreciated, net	1,039,400	(66,473)	-	972,927
Total governmental activities capital assets, net	\$ 1,264,251	\$ 92,163	\$ -	\$ 1,356,414

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

Governmental Activities	
Public safety	\$ 378,246

Washington County, Florida
Sheriff
Notes to Financial Statements

Note 5: 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 2023:

		Balance				Balance	Due in
		10/1/2022	Additions	Reductions		9/30/2023	One Year
Compensated absences	\$	387,043	\$ 397,848	\$ 366,262	\$	418,629	\$ 41,863

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, 2023</i>	Forfeiture		Inmate Trust		Total
Assets					
Cash	\$	83,665	\$	10,940	\$ 94,605
Net Position					
Restricted	\$	83,665	\$	10,940	\$ 94,605

Washington County, Florida
Sheriff

**Combining Statement of Changes in Fiduciary Net Position –
Custodial Funds**

<i>For the year ended September 30, 2023</i>	Forfeiture	Inmate Trust	Total
Additions			
Collections for others	\$ 21,013	\$ 201,320	\$ 222,333
Deductions			
Payments to others	1,310	199,137	200,447
Net increase (decrease) in fiduciary net position	19,703	2,183	21,886
Net position, beginning of year	63,962	8,757	72,719
Net position, end of year	\$ 83,665	\$ 10,940	\$ 94,605

**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***

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, 2023, 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 28, 2024.

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.

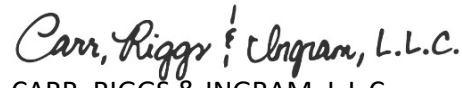
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

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 28, 2024



Carr, Riggs & Ingram, LLC
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRLcpa.com

**INDEPENDENT ACCOUNTANT'S 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, 2023. 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, 2023.

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.

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

Enterprise, Alabama
June 28, 2024



Carr, Riggs & Ingram, LLC
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRLcpa.com

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, 2023, and have issued our report thereon dated June 28, 2024.

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 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 28, 2024, 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.

Financial Management

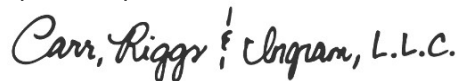
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no such recommendations.

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, 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." in a cursive script.

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

Enterprise, Alabama
June 28, 2024

**Washington County, Florida
Property Appraiser**

FINANCIAL STATEMENTS

September 30, 2023





	Page
FINANCIAL SECTION	
Independent Auditor's Report	1
Basic Financial Statements	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	5
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	6
Notes to Financial Statements	7
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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 <i>Government Auditing Standards</i>	19
Independent Accountant's Report on Compliance with <i>Local Government Investment Policies</i>	21
Management Letter	22
Management's Response	24



Carr, Riggs & Ingram, LLC
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRlcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Gil Carter
Property Appraiser
Washington County, Florida

Opinion

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, 2023, 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, 2023, 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 Opinion

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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.

Auditor's 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 auditor's 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 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 28, 2024, 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.

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

CARR, RIGGS & INGRAM, LLC

Enterprise, Alabama

June 29, 2024

Washington County, Florida
Property Appraiser
Balance Sheet – Governmental Funds

<i>September 30, 2023</i>	General Fund
Assets	
Cash and cash equivalents	\$ 49,414
Accounts receivable	44
Total assets	\$ 49,458
Liabilities and Fund Balance	
Liabilities	
Accounts payable and accrued expenses	\$ 12,617
Due to Board of County Commissioners	36,841
Total liabilities	49,458
 Fund balance	
Total liabilities and fund balance	\$ 49,458

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

Washington County, Florida
Property Appraiser

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

<i>For the year ended September 30, 2023</i>	General Fund
Revenues	
Miscellaneous	\$ 1,649
Expenditures	
Current	
General government	494,085
Capital outlay	245,388
Total expenditures	739,473
Excess of revenues over (under) expenditures	(737,824)
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	774,665
Reversion to Board of County Commissioners	(36,841)
Net other financing sources (uses)	737,824
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	\$ -

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

Washington County, Florida
Property Appraiser

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

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ -	\$ -	\$ 1,649	\$ 1,649
Expenditures				
Current				
General government	693,098	702,621	494,085	208,536
Capital outlay	64,344	64,344	245,388	(181,044)
Reserve for contingencies	7,700	7,700	-	7,700
Total expenditures	765,142	774,665	739,473	35,192
Excess of revenues over (under) expenditures	(765,142)	(774,665)	(737,824)	36,841
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	765,142	774,665	774,665	-
Reversion to Board of County Commissioners	-	-	(36,841)	(36,841)
Net other financing sources (uses)	765,142	774,665	737,824	(36,841)
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.

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.

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 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).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance (continued)

Categories and Classification of Fund Equity (continued)

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.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2024, and determined there were no events that occurred that required disclosure.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

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. The Property Appraiser adopted GASB 91 for the year ended September 30, 2023, and GASB 91 did not have a significant impact on the financial statements.

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. The Property Appraiser adopted GASB 94 for the year ended September 30, 2023, and GASB 94 did not have a significant impact on the financial statements.

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

Washington County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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. The Property Appraiser adopted GASB 96 for the year ended September 30, 2023, and GASB 96 did not have a significant impact on the financial statements.

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.

Washington County, Florida
Property Appraiser
Notes to Financial 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.

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

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

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.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

Washington County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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, 2023, 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, 2023, excess revenues over expenditures of \$36,841 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 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. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime 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 or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of 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 – 13.57%, DROP Program – 21.13%, senior management – 34.52%, and elected officials – 58.68%. 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 \$424,768 for the year ended September 30, 2023. The Property Appraiser's total payroll was \$424,768 for the same period. The Property Appraiser's contributions to the plan for the years ended September 30, 2023, 2022, and 2021 were \$54,689, \$52,303, and \$46,770, respectively and were paid by the due date for the contribution.

Washington County, Florida
Property Appraiser
Notes to Financial Statements

Note 3: RETIREMENT PLAN (Continued)

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.

Note 5: 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 Property Appraiser and reported in the county-wide financial statements.

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, 2023:

	Balance 10/01/22		Increases		Decreases		Balance 9/30/23
<i>Governmental Activities</i>							
Capital assets depreciated:							
Machinery and equipment	\$ 165,577	\$	245,388	\$	-	\$	410,965
Less: accumulated depreciation	143,055		54,953		-		198,008
Total governmental activities							
Capital assets, net	\$ 22,522	\$	190,435	\$	-	\$	212,957

Depreciation expense of \$54,953 was charged to the general government function.

Washington County, Florida
Property Appraiser
Notes to Financial Statements

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

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, 2023:

	Balance				Balance	Due in
	10/01/22	Increases	Reductions		9/30/23	One Year
Compensated absences	\$ 21,299	\$ 13,192	\$ (14,546)	\$	19,945	\$ 1,995

**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***

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, 2023, 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 28, 2024.

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 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.

Views of Responsible Officials and Planned Corrective Actions – See management response on page 24.

Report on Compliance and Other Matters

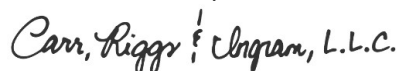
As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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 24. 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 28, 2024

**INDEPENDENT ACCOUNTANT'S 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, 2023. 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, L.L.C.

CARR, RIGGS & INGRAM

Enterprise, Alabama
June 28, 2024



Carr, Riggs & Ingram, LLC
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRIcpa.com

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, 2023, and have issued our report thereon dated June 28, 2024.

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 28, 2024, 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.

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

CARR, RIGGS & INGRAM

Enterprise, Alabama

June 28, 2024

**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 25, 2024

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, 2023. 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, 2023





	Page
FINANCIAL SECTION	
Independent Auditor's Report	1
Basic Financial Statements	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	6
Notes to Financial Statements	7
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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 <i>Government Auditing Standards</i>	19
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	22
Management Letter	23
Management's Response	25



Carr, Riggs & Ingram, LLC
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRlcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Carol Finch Rudd
Supervisor of Elections
Washington County, Florida

Opinion

We have audited the accompanying financial statements of the major fund of the Washington County, Florida Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2023, 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, 2023, 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 Opinion

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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.

Auditor's 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 auditor's 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.

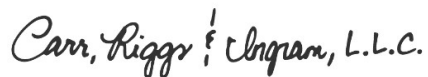
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 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 28, 2024, 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." in a cursive script.

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

Enterprise, Alabama

June 28, 2024

Washington County, Florida
Supervisor of Elections
Balance Sheet – Governmental Funds

September 30, 2023

General Fund

Assets

Cash	\$	111,485
------	----	---------

Liabilities and Fund Balance

Accounts payable and accrued expenses	\$	12,492
---------------------------------------	----	--------

Due to Board of County Commissioners		98,993
--------------------------------------	--	--------

Total liabilities		111,485
-------------------	--	---------

Fund balance		-
--------------	--	---

Total liabilities and fund balance	\$	111,485
------------------------------------	----	---------

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

Washington County, Florida
Supervisor of Elections

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

<i>For the year ended September 30, 2023</i>	General Fund
Revenues	
Intergovernmental	\$ 54,029
Miscellaneous revenues	4,136
Total revenues	58,165
Expenditures	
General government	535,294
Excess (deficiency) of revenues over (under) expenditures	(477,129)
Other Financing Sources	
Appropriations from Board of County Commissioners	568,160
Reversion to Board of County Commissioners	(91,031)
Net other financing sources	477,129
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

				Variance with Final Budget Positive (Negative)
<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual Amounts	
Revenues				
Intergovernmental	\$ -	\$ -	\$ 54,029	\$ 54,029
Miscellaneous revenues	-	-	4,136	4,136
Total revenues	-	-	58,165	58,165
Expenditures				
General government	494,418	568,160	535,294	32,866
Deficiency of revenues under expenditures	(494,418)	(568,160)	(477,129)	91,031
Other Financing Sources (Uses)				
Appropriation from Board of County Commissioners	494,418	568,160	568,160	-
Reversion to Board of County Commissioners	-	-	(91,031)	(91,031)
Net other financing sources (uses)	494,418	568,160	477,129	(91,031)
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.

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

Washington County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 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 the 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 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (continued)

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.

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 28, 2024, and determined there were no events that occurred that required disclosure.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

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. The Supervisor of Elections adopted GASB 91 for the year ended September 30, 2023, and GASB 91 did not have a significant impact on the financial statements.

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. The Supervisor of Elections adopted GASB 94 for the year ended September 30, 2023, and GASB 94 did not have a significant impact on the financial statements.

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

Washington County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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. The Supervisor of Elections adopted GASB 96 for the year ended September 30, 2023, and GASB 96 did not have a significant impact on the financial statements.

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.

Washington County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

- 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.

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

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

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.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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

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, 2023, all deposits were fully insured by the Federal Deposit Insurance Corporation and the multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

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, 2023, excess revenues over expenditures of \$91,031 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 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 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. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime 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 or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of 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.

Note 3: RETIREMENT PLAN (Continued)

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 – 13.57%, DROP Program – 21.13%, senior management – 34.52% and elected officials – 58.68%. 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 \$185,110 for the year ended September 30, 2023. The Supervisor of Elections' contributions to the plan for the years ended September 30, 2023, 2022, and 2021 were \$67,777, \$65,803, and \$59,420, 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.

Note 5: 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 Supervisor of Elections and reported in the county-wide financial statements.

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.

Washington County, Florida
Supervisor of Elections
Notes to Financial Statements

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

Capital Assets (continued)

Summary of changes in capital assets during the year ended September 30, 2023:

	Balance 10/1/2022	Increases	Decreases	Balance 9/30/2023
Governmental Activities				
Equipment	\$ 174,088	\$ -	\$ -	\$ 174,088
Less accumulated depreciation for Equipment	171,186	2,902	-	174,088
Capital assets, net	\$ 2,902	\$ (2,902)	\$ -	\$ -

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

<i>Governmental Activities</i>	
General government	\$ 2,902

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, 2023:

	Balance 09/30/2022	Additions	Reductions	Balance 9/30/2023	Due Within One Year
Compensated absences	\$ 6,276	\$ 5,060	\$ (6,212)	\$ 5,124	\$ 512

**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**

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 Washington County, Florida, Supervisor of Elections (the “Supervisor of Elections”) as of and for the year ended September 30, 2023, 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 28, 2024.

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 a deficiency in internal control, described below as finding SOE 2003-003 that we consider to be a significant deficiency.

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

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

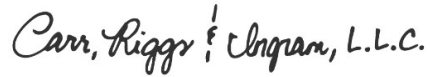
As part of obtaining reasonable assurance about whether the Supervisor of Election's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 on page 25. 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 black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

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

Enterprise, Alabama

June 28, 2024



Carr, Riggs & Ingram, LLC
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRIcpa.com

INDEPENDENT ACCOUNTANT'S 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, 2023. Management of the Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified 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.

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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.

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

Enterprise, Alabama
June 28, 2024

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, 2023, and have issued our report thereon dated June 28, 2024.

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 28, 2024, 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.

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.

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

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

Enterprise, Alabama

June 28, 2024

**Washington County, Florida
Supervisor of Elections
Management's Response**



Deidra Malloy Pettis

Supervisor of Elections
Washington County

www.wcsoe.gov

Mailing Address
1424 Jackson Ave., Suite C
Chipley, Florida 32428

Telephone No.
(850)638-6230

Fax No.
(850)397-4564

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 2023. I have reviewed the letter regarding compliance and internal control schedule of findings and questioned costs and 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,

Deidra Malloy Pettis
Supervisor of Elections
Washington County, Florida

**Washington County, Florida
Tax Collector**

FINANCIAL STATEMENTS

September 30, 2023



	Page
FINANCIAL SECTION	
Independent Auditor's Report	1
Basic Financial Statements	
Balance Sheet – Governmental Fund	4
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	5
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	6
Statement of Fiduciary Net Position – Fiduciary Funds	7
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	8
Notes to Financial Statements	9
SUPPLEMENTARY INFORMATION	
Description of Fiduciary Funds	22
Combining Statement of Fiduciary Net Position – Custodial Funds	23
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	24
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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 <i>Government Auditing Standards</i>	25
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	28
Management Letter	29
Management's Response	31



Carr, Riggs & Ingram, LLC
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRLcpa.com

INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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 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 Auditor's 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.

Auditor's 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 auditor's 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 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.

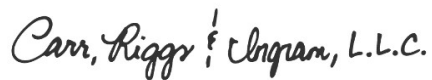
Supplementary Information

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 28, 2024, 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.



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

Enterprise, Alabama
June 28, 2024

Washington County, Florida
Tax Collector
Balance Sheet – Governmental Fund

<i>September 30, 2023</i>	General Fund
Assets	
Cash and cash equivalents	\$ 8,456
 Liabilities and Fund Balance	
Liabilities	
Due to Board of County Commissioners	\$ 8,456
Total liabilities	8,456
Fund balance	-
Total liabilities and fund balance	\$ 8,456

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, 2023

General Fund

Revenues

Charges for services	\$	755,982
----------------------	----	---------

Expenditures

General government		853,721
--------------------	--	---------

Excess (deficiency) of revenues over (under) expenditures		(97,739)
---	--	----------

Other Financing Sources (Uses)

Appropriations from Board of County Commissioners		106,195
---	--	---------

Reversion to Board of County Commissioners		(8,456)
--	--	---------

Net other financing sources (uses)		97,739
------------------------------------	--	--------

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, 2023</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 829,821	\$ 829,821	\$ 755,982	\$ (73,839)
Expenditures				
General government	934,167	934,167	853,721	80,446
Capital outlay	1,849	1,849	-	1,849
Total expenditures	936,016	936,016	853,721	82,295
Excess (deficiency) of revenues over (under) expenditures	(106,195)	(106,195)	(97,739)	8,456
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	106,195	106,195	106,195	-
Reversion to Board of County Commissioners	-	-	(8,456)	(8,456)
Net other financing sources (uses)	106,195	106,195	97,739	(8,456)
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, 2023</i>	Custodial Funds
Assets	
Cash	\$ 219,840
Accounts receivable	196
Total assets	220,036
Liabilities and Net Position	
Liabilities	
Due to other governments	220,036
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, 2023</i>	Custodial Funds
Additions	
Tax collections, auto tag fees, and other fees for other governments	\$ 27,072,660
Deductions	
Payments of tax, auto tag fees, and other fees to other governments	27,072,660
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 28, 2024, 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 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. The Tax Collector adopted GASB 91 for the year ended September 30, 2023, and GASB 91 did not have a significant impact on the financial statements.

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. The Tax Collector adopted GASB 94 for the year ended September 30, 2023, and GASB 94 did not have a significant impact on the financial statements.

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

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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. The Tax Collector adopted GASB 96 for the year ended September 30, 2023, and GASB 96 did not have a significant impact on the financial statements.

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.

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

- 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.

The Tax Collector adopted the applicable provisions GASB 99 related to leases, PPPs, and SBITAs for the year ended September 30, 2023, and GASB 99 did not have a significant impact on the financial statements.

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

In June 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 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

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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 encourage.

GASB Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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.

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Cash and Cash Equivalents (continued)

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, 2023, 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

There was \$8,456 of excess revenue over expenditures needed to be returned to the Board by October 31, 2023 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.

Note 3: RETIREMENT PLAN

The Tax Collector and all full time 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 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. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime 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 or thirty-three years regardless of age. For Special Risk Class members, normal retirement

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 3: RETIREMENT PLAN (Continued)

is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of 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.

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 – 13.57%, DROP Program – 21.13%, senior management – 34.52% and elected officials – 58.68%. 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 \$584,997 for the year ended September 30, 2023. The Tax Collector's total payroll was \$584,997 for the same period. The Tax Collector's contributions to the plan for the years ended September 30, 2023, 2022 and 2021 were \$123,643, \$107,294 and \$99,780, respectively, and were paid by the due date for the contributions.

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.

Washington County, Florida
Tax Collector
Notes to Financial Statements

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

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 10/1/2022	Increases	Decreases	Balance 9/30/2023
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 150,124	\$ -	\$ -	\$ 150,124
Less accumulated depreciation:				
Machinery and equipment	(88,132)	(14,091)	-	(102,223)
Total governmental activities capital assets, net	\$ 61,992	\$ (14,091)	\$ -	\$ 47,901

Depreciation expense was charged to the general government functions of the government.

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, 2023:

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Due in One Year
Compensated absences	\$ 16,400	\$ 55,392	\$ 54,175	\$ 17,617	\$ 1,762

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, 2023</i>	Escrow	Tag	Tax	Total
Assets				
Cash	\$ 187,930	\$ -	\$ 31,910	\$ 219,840
Accounts receivable	-	-	196	196
Total assets	187,930	-	32,106	220,036
Liabilities and Net Position				
Liabilities				
Due to other governments	187,930	-	32,106	220,036
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, 2023</i>	Escrow	Tag	Tax	Total
Additions				
Tax collections, auto tag fees, and fees for other governments	\$ 249,012	\$ 6,389,859	\$ 20,433,788	\$ 27,072,660
Deductions				
Payments of tax, auto tag fees, and fees to other governments	249,012	6,389,859	20,433,788	27,072,660
Net change in fiduciary net position	-	-	-	-
Net position, beginning of year	-	-	-	-
Net position, end of year	\$ -	\$ -	\$ -	\$ -

**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***

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, 2023, 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 28, 2024.

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 31.

Report on Compliance and Other Matters

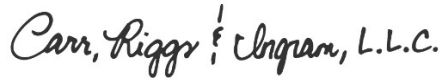
As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 31. 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 28, 2024



Carr, Riggs & Ingram, LLC
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRLcpa.com

**INDEPENDENT ACCOUNTANT’S 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, 2023. 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, 2023.

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 28, 2024

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, 2023, and have issued our report thereon dated June 28, 2024.

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 28, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Finding TC2003-003 found in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* has not been corrected.

Financial Management

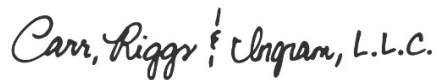
Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 28, 2024

**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 25, 2024

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, 2023. 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