

**WALTON COUNTY, FLORIDA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

for the fiscal year ended

September 30, 2025

Prepared by the Office of the Clerk of the Circuit Court and Comptroller

WALTON COUNTY, FLORIDA

**PRINCIPAL OFFICERS**

**BOARD OF COUNTY COMMISSIONERS**

Dan Curry (R)  
Danny Glidewell (R)  
Brad Drake (R)  
Donna Johns (R)  
Tony Anderson (R)

District 1 Commissioner - Vice Chairman  
District 2 Commissioner  
District 3 Commissioner  
District 4 Commissioner - Chairwoman  
District 5 Commissioner

**Tax Collector**

Rhonda Skipper

**Sheriff**

Michael A. Adkinson, Jr.

**Property Appraiser**

Gary J. Gregor

**Supervisor of Elections**

Ryan Messer

**Clerk of the Circuit Court**

Crystal Sconiers

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# CRYSTAL SCONIERS

CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
WALTON COUNTY, FLORIDA

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31 Coastal Centre Boulevard  
Santa Rosa Beach, Florida 32459  
850.267.3066

March 9, 2026

To the Honorable Members of the Board of County Commissioners  
and Citizens of Walton County:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of Walton County, Florida, for the fiscal year ended September 30, 2025. This report was prepared in accordance with generally accepted accounting principles by the Clerk of the Circuit Court & Comptroller. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of the Circuit Court & Comptroller as Chief Financial Officer of Walton County.

The Clerk of the Circuit Court & Comptroller, through the Finance Department, is responsible for establishing and maintaining internal controls to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial records for preparing financial statements, and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. It is within this framework that we believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

We believe the data as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that all disclosures necessary to enable the user of these financial statements to gain a thorough understanding of the County's financial activity have been included.

Section 218.39, Florida Statutes, requires a financial audit of all counties in the state be performed by independent certified public accountants. This requirement has been met for the fiscal year ended September 30, 2025, and the independent auditors' report has been included in the financial section of this report. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal 1996 Single Audit Act Amendments and the related 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The standards governing single audit engagements require the independent auditor to report on the government's internal controls over compliance and compliance with legal requirements with special emphasis on the administration of federal awards.

Information related to the single audit, including schedules of federal awards and state financial assistance and independent auditors' reports on the internal control structure and compliance with requirements applicable to federal financial assistance, are included in the compliance section of this report.

Governmental accounting and auditing principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in combination with it. Walton County's MD&A can be found immediately following the independent auditors' report.

**County Organization.** Walton County encompasses 1,066 square miles with an estimated population of 90,547. There are three incorporated cities within Walton County: DeFuniak Springs, Freeport, and Paxton.

The County provides several services to its citizens, including police and fire protection, emergency medical services, health and social services, and cultural and recreation programs. Walton County operates under a commission/administrator form of government with a governing board consisting of five county commissioners who are elected by the citizens of Walton County from at-large districts for staggered four-year terms. Each commission member must meet district residency requirements. In addition to the Board of County Commissioners, there are five elected constitutional officers: The Clerk of the Circuit Court & Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Walton County Board of County Commissioners exercises varying degrees of budgetary control, but not administrative control, over the activities of the constitutional officers. The Property Appraiser, Sheriff, and Supervisor of Elections operate their respective offices as budget officers with funding provided by the Board of County Commissioners in the form of operating subsidies. In return, each budget officer is responsible for the collection of revenues within their jurisdictional area, and for the subsequent remittance of such collection to the Board. The Clerk of the Circuit Court & Comptroller and the Tax Collector operate as fee officers. Fee officers are authorized to retain revenues generated within their offices for the purpose of defraying the cost of operations. All excess fees available at the end of the fiscal year are remitted back to the Board of County Commissioners, except for the excess fees received by the court system which are remitted to the Florida Department of Revenue.

Formal budgetary integration is employed as a management control device during the year. Constitutional officers funded by the Board and all county departments must submit their budget requests to the Office of Management and Budget (OMB) by June 1<sup>st</sup> of each year. After budget workshops are conducted with each department and constitutional officers, a proposed budget is submitted to the public by Board resolution and public hearings are held to obtain comments from the citizenry. A last public hearing is then held, and the final budget is adopted. Walton County follows the laws of Florida regarding the control, adoption, and amendment of the budget during each fiscal year; however, the County Administrator approves all departmental budgetary changes by means of a signed budget transfer form. The Board of County Commissioners approves all motions made for inter-divisional transfers and increases in the total budget for a division that occurs due to unanticipated grants or after a public hearing for special expenditures that need to be made from reserves.

**Local Economy.** Located in the Panhandle of Florida, tourism and its related industries continue to fuel the local economy; however, the County realizes the need to broaden economic opportunities by attracting more diversified businesses and jobs. While most Walton County citizens are employed in the service or government sector, the need for employment diversity has never been more critical than it is now. The Mossy Head Industrial Park has added to our employment base and offers our citizens more employment options. The 350-acre property with connections to Interstate 10, U.S. Highway 90, and State Road 285 currently has twenty businesses on site including FedEx Ground. Walton County's high quality of living serves as a great attraction for both individuals and their families. Our commitment to responsible growth furthers that opportunity.

While the economy continues to grow at a modest rate, there were some bright spots from our local economy. The September 2025 unemployment rate for Walton County was 4.20%, which is 10.53% above the state unemployment rate of 3.80% and 4.76% below the federal unemployment rate of 4.40%.

The beaches of South Walton are an integral part of the local economy with an annual economic impact of approximately \$6 billion according to research conducted for the Walton County Tourist Development Council (TDC). Visitors to Walton County are primarily drawn here by our world-class beaches and by the abundance of choices in both retail and dining. The number of visitors to our area has continued to increase over the years, tourist development taxes (TDT) collected for 2025 topped the \$60.33 million mark. The 0.15% minimal decrease in collections from prior year can be attributed to inflationary pressure on the real estate rental market. We expect TDT collections in 2026 to remain flat as the economy cools down and the average daily rate of accommodations located in Walton County continues to fall.

In the last decade, the real estate market has been our hardest hit sector. However, the real estate market has stabilized and grown significantly. Real property values increased 23.74% in 2022, increased 19.26% in 2023, increased 13.41% in 2024, and increased 9.53% in 2025. Overall, real property values have increased 193.87% in the last 10 years. We expect an increase in 2026 as the economy continues to improve and home inventories begin to move. The biggest concern for our citizenry in recent times has been the rate of foreclosure filings. Over the last year, foreclosure case filings in Walton County increased by 25.28% from the previous year. The increase is primarily due to the moratorium on foreclosures due to the COVID-19 global pandemic being lifted in 2022. We anticipate an increase in 2026.

**Long-term financial planning.** Walton County has enjoyed substantial growth in the tourist development tax and ad valorem tax bases since FY 2021. In response, rather than increasing spending, Walton County has maintained stable expenditures where possible and reduced its millage rate by 3.22% over the past five years. This growth, in combination with fiscally conservative planning, has resulted in an increase of \$31,917,513 in general fund unassigned reserves and \$ 81,572,670 in administrative and committed tourist development tax reserves.

**Relevant financial policies.** For fiscal year 2026, the Walton County Board of County Commissioners (Board) adopted a budget that showed a general county millage rate of 3.519 mills which is a 2.25% decrease from FY 2024 and a 3.22% decrease from the approved 2016 general county millage rate.

The Board moved quickly to control spending during the 2025 budgeting process due to a slight increase in projected revenues. The 2026 budget will continue the trend of past budgets with minimal growth projected in both revenues and expenses.

The Walton County Investment Committee monitors the County's investment portfolio in accordance with the County's written investment policy. Investment earnings are used to offset any projected revenue shortfalls in the budget. In 2025, Walton County's investment portfolio had a rate of return of 3.35%.

**Major initiatives.** The four-laning of U.S. Highway 331 has been a priority of the County Commissioners for a number of years. Safety concerns are paramount as this roadway is the only north-south hurricane evacuation route in Southern Walton County. These twenty-six miles of highway were completed in 2018.

In 2017, the county purchased a 24-unit business complex in Freeport for \$1.92 million. After renovation of this building was completed, several county departments moved in. They include the planning, building and code enforcement departments in this centralized location rather than in both DeFuniak Springs and Santa Rosa Beach. Additionally, satellite offices of the Tax Collector and Sheriff's department opened in 2019.

In 2025, the Board reinstated the permitting process for the restoration of the 12.9-mile stretch of beaches at Seagrove, Blue Mountain, Inlet, and Dune Allen, which had previously been placed on hold in 2015. The permitting process for this federal project can take several years to complete. The approximate cost of this restoration is estimated to be between \$60 and \$70 million. The restoration will be paid for with tourist development taxes and federal and state funds should they become available.

As part of the development of the 2026-2030 TDC Strategic Plan, the County is planning to utilize its substantial tourist development tax reserves to strengthen infrastructure and accessibility in South Walton. Since 2021, the Board has purchased approximately \$46 million in real property for the expansion of public beach facilities and parking. The development of these properties will greatly improve the visitor experience, encouraging repeat visitors and maintaining the County's high average daily rate.

In 2021, the County purchased approximately 220 acres between U.S. Highway 98 and Chat Holley Road for the construction of stormwater improvements and the eventual development of a cultural event venue. The development of the cultural event venue has the potential to expand the tourism base, especially in shoulder seasons. Additionally, this property purchase will allow for the construction of Nellie Drive between U.S. Highway 98 and Chat Holley Road. This connector road will provide much needed traffic relief for the surrounding community.

As stated previously, the U.S. Highway 331 corridor is a major north and southbound artery that is significant to this region regarding its functional classification as well as its economic impact. Currently, there are areas along the corridor that do not have access to water and wastewater services. The need to upgrade and extend water and wastewater services along this corridor is vital to meet the economic and environmental needs of the City of DeFuniak Springs, the City of Freeport, and Walton County. These upgrades could potentially have a transformational impact countywide. Without these water and wastewater services, any additional development would be impossible along this corridor. The County continues to explore funding opportunities and grants, including leveraging RESTORE Act funds, to expand water and wastewater services along the U.S. Highway 331 corridor.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Walton County, Florida, for its annual comprehensive financial report for the fiscal year ended September 30, 2024. This was the 24<sup>th</sup> consecutive year that Walton County has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgements.** The Annual Comprehensive Financial Report reflects the dedication, professionalism, and collaborative efforts of many individuals. We extend our sincere to the Finance Department of the Clerk of the Circuit Court & Comptroller of Walton County for their diligence and commitment throughout the preparation of this report. Their hard work is clearly demonstrated in the quality of this document.

We also thank the staff of the Office of Management and Budget for their cooperation and valuable assistance during the reporting process.

Lastly, we extend our gratitude to the accounting firm of Carr, Riggs & Ingram, LLC – particularly Tyler Dunaway and his team – for their expertise and support in the completion of this publication.

Sincerely,



Crystal Sconiers  
Clerk of the Circuit Court & Comptroller, Walton County



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Walton County  
Florida**

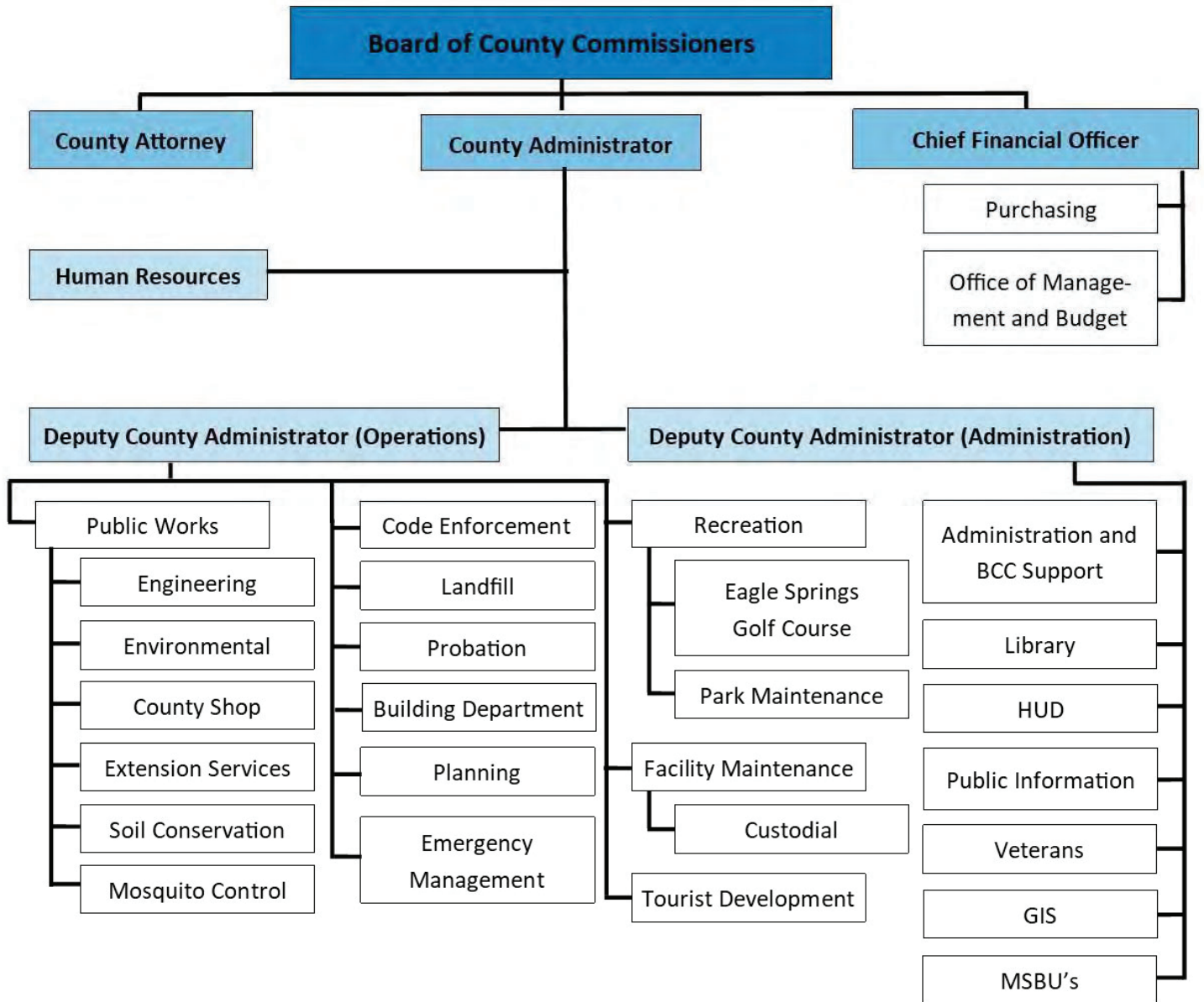
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morill*

Executive Director/CEO

# Walton County, Florida Organizational Chart



## **FINANCIAL SECTION**

- **INDEPENDENT AUDITORS' REPORT**
- **MANAGEMENT'S DISCUSSION AND ANALYSIS**
- **BASIC FINANCIAL STATEMENTS**
- **COMBINING AND INDIVIDUAL FUND STATEMENTS**



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## **INDEPENDENT AUDITOR’S REPORT**

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Walton County, Florida (the “County”), as of and for the year ended September 30, 2025, 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 unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2025 and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and major governmental special revenue funds 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 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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 12 through 24, 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 98 through 103, 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 schedules, and capital assets used in the operation of governmental funds 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 the *Florida Single Audit Act*; and the schedule is not 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 and schedules, capital assets used in the operation of governmental funds 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 Information**

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2026 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama  
March 9, 2026

## **Management's Discussion and Analysis**

This section of Walton County's Annual Comprehensive Financial Report presents management's discussion and analysis of the County's financial performance for the fiscal year ended September 30, 2025. This narrative provides an overview of the County's financial activities, based on currently known facts, decisions, and conditions. It should be read in conjunction with the basic financial statements and the accompanying notes.

### ***Financial Highlights***

- Walton County's primary government assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) by \$748,084,002 for fiscal year 2025, as compared to \$652,001,834 for fiscal year 2024. Unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors. Unrestricted net position at September 30, 2025, was \$194,796,254, an increase of \$49,579,221 from the previous year.
- The County's total primary government net position for fiscal year 2025 increased by \$96,082,168 over fiscal year 2024.
- As of September 30, 2025, the County's governmental funds reported a combined ending fund balance of \$438,834,329, an increase of \$68,571,740 over the prior year.
- The General Fund reported an unassigned fund balance of \$58,393,573 at September 30, 2025.
- The County reported total outstanding notes payable, subscriptions and lease debt of \$13,430,502 at September 30, 2025, a decrease of \$1,979,683 for the prior year.
- The primary government's net pension and post-employment benefit liabilities totaled \$141,362,159 at September 30, 2025.

### ***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to Walton County's financial statements, which include government-wide statements, fund statements, and notes to the basic financial statements. This report also contains additional supplementary information following the financial statements, which may be of interest to the reader.

### ***Government-wide Financial Statements***

Government-wide financial statements, which consist of the Statement of Net Position and the Statement of Activities, are designed to provide readers with a broad overview of the financial position of Walton County and are similar to private-sector financial statements. These statements begin on page 25 of the report.

The Statement of Net Position shows the County's assets and deferred outflows of resources less its liabilities and deferred inflows of resources at September 30, 2025. The difference between these assets, deferred outflows, liabilities, and deferred inflows is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities follows the Statement of Net Position and presents information showing how the net position changed during the 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 (such as uncollected taxes or earned but unused vacation leave).

Governmental activities reported in the statements include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and interest on long-term debt.

The government-wide financial statements include both the County itself (known as the primary government) and Florida Community Services Corporation, a legally separate component unit formed to acquire and improve existing water distribution facilities in southern Walton County.

### ***Fund Financial Statements***

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Walton County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the County can be divided into three categories: governmental, proprietary, and fiduciary funds.

### ***Governmental Funds***

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements and available resources.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Governmental funds individually presented in Walton County’s statements include six major funds: the General Fund, the County Transportation Fund, the Fine and Forfeiture Fund, the Tourist Development Fund, the Solid Waste Landfill Fund, and the Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated column titled “nonmajor governmental funds.” Combining statements for these nonmajor governmental funds have been presented in the supplementary information section of this report.

The County adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement has been provided for the major funds to demonstrate budgetary compliance.

The government funds financial statements begin on page 29.

### ***Proprietary Funds***

Walton County maintains and presents one type of proprietary fund, an internal service fund, starting on page 40.

The County uses the internal service fund to report funded and accrued compensated absences.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County’s own operations.

### ***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 45.

### ***Other Information***

This report presents certain required supplementary information on pages 98 to 103 concerning Walton County’s progress in funding its obligation to provide pensions and other post-employment benefits to its employees.

### ***Government-Wide Financial Analysis***

Comparative data for fiscal years ending September 30, 2024, and 2025 are shown below:

## Net Position-Governmental Activities

<i>For the fiscal year ended September 30,</i>	2024	2025
<b>Assets</b>		
Current and other assets	\$ 418,863,953	\$ 488,170,247
Capital assets	441,659,936	464,787,157
Total assets	860,523,889	952,957,404
<b>Deferred Outflows of Resources</b>	47,260,494	46,885,279
<b>Liabilities</b>		
Current liabilities	50,209,947	52,419,582
Noncurrent liabilities	177,631,161	167,226,912
Total liabilities	227,841,108	219,646,494
<b>Deferred Inflows of Resources</b>	27,941,441	32,112,187
<b>Net Position</b>		
Net investment in capital assets	427,884,751	452,721,655
Restricted	78,900,050	100,566,093
Unrestricted	145,217,033	194,796,254
<b>Total Net Position</b>	\$ 652,001,834	\$ 748,084,002

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The overall financial position of the County continued to improve in both fiscal years 2024 and 2025. The net position for fiscal years ending September 30, 2024, and 2025 increased by \$84,152,558 and \$96,082,168, respectively.

A portion of Walton County's net position (26.1%) represents the unrestricted net position of \$194,796,254, which may be used to meet the County's ongoing obligations to citizens and creditors. The increase in unrestricted net position reflects the continued growth within the County during fiscal year 2025.

A portion of the County's net position (12.1% at September 30, 2024, and 13.4% at September 30, 2025) represents resources that are dedicated or subject to external restrictions on how they may be used. The overall dollar increase in restricted net position was \$21,666,043 for fiscal year 2025. The increase in restricted net position is principally due to increases in net position restricted for public safety and transportation, with the primary contributor being funds carried forward into fiscal year 2026 to be utilized as grant matching funding for the Walton County Sheriff's Office P25 Radio Project awarded by TRIUMPH Gulf Coast, funds obligated for the purchase of fire engines and ambulances, and funds carried forward for various capital road projects.

The County’s investment in capital assets, such as land, buildings, and equipment, as a percentage of net position, amounts to 65.6% and 60.5% at September 30, 2024, and 2025, respectively, and accounts for the largest portion of the County’s net position. These asset values are presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The County uses capital assets to provide services to the citizens, and consequently, these assets are not available for future spending. Although the investment in 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 capital assets themselves cannot be used to liquidate these liabilities.

A comparison of current unrestricted assets as compared to current unrestricted liabilities can be a good indication of the County’s ability to meet its current and existing operational responsibilities.

The ratio for both years is as follows:

**Comparison of Current Unrestricted Assets and Liabilities-Governmental Activities**

<i>September 30,</i>	2024	2025
Current unrestricted assets	\$ 406,270,688	<b>\$ 474,700,781</b>
Current unrestricted liabilities	50,209,947	<b>52,419,582</b>
Ratio of current assets to current liabilities	8.09	<b>9.06</b>

The County continues to maintain healthy ratios as noted above, which indicates more than adequate cash flows to Walton County.

## Changes in Net Position-Governmental Activities

<i>September 30,</i>	2024	2025
<b>Revenues</b>		
Program revenue:		
Charges for services	\$ 22,360,826	\$ 24,182,408
Operating grants and contributions	9,761,042	13,259,441
Capital grants and contributions	12,170,972	10,447,054
General revenues:		
Property taxes	132,908,597	150,773,390
Other taxes	130,190,613	132,530,117
Other	29,138,410	24,256,824
<b>Total revenues</b>	<b>336,530,460</b>	<b>355,449,234</b>
<b>Expenses</b>		
General government	52,030,374	55,693,908
Public safety	94,673,472	104,545,388
Physical environment	20,269,267	18,772,243
Transportation	28,880,405	31,231,363
Economic environment	43,080,633	35,796,532
Human services	4,673,191	4,809,946
Culture/recreation	8,191,425	8,010,862
Interest on long-term debt	579,135	506,824
<b>Total expenses</b>	<b>252,377,902</b>	<b>259,367,066</b>
Increase in net position	84,152,558	96,082,168
Net Position – Beginning	567,849,276	652,001,834
Net Position - Ending	\$ 652,001,834	\$ 748,084,002

### **Governmental Activities**

Revenues in fiscal year 2025 increased compared to the prior year, driven primarily by growth in property tax collections and continued strong economic activity. Property tax revenues increased \$17,864,793 as a result of rising property values and continued development throughout the County. Other tax revenues increased \$2,339,504, reflecting sustained consumer spending and business activity during the year.

Other revenues decreased in 2025 when compared to the prior year. Several factors contributed to this including lower recreation plat fee revenues in fiscal year 2025, a decrease in proportionate fair share revenues, and decreases in building permit revenues and ambulance fees.

The County saw an increase in deferred inflows of resources of \$4,170,746, driven primarily by an increase in deferred inflows related to pensions, partially offset by a decrease in deferred inflows related to OPEB and other items. These deferred inflows reflect changes in long-term obligations and financial reporting adjustments required under governmental accounting standards.

All the above factors contributed to Walton County posting a \$96,082,168 increase in net position for governmental activities in 2025.

### ***Governmental Funds***

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The County's governmental funds reported combined ending fund balances of \$370,262,589 at the end of fiscal year 2024 and \$438,834,329 at the end of fiscal year 2025. This was an increase of \$68,571,740 over the prior year. The unassigned General Fund balance of \$50,201,795 at September 30, 2024, and \$58,393,573 at September 30, 2025, was available for spending at the County's discretion. Governmental funds held restricted, committed, or assigned amounts totaling approximately \$378,021,443 in 2025 to reflect the various constraints placed on those resources for future use, as well as approximately \$2,419,313 for non-spendable amounts, reflecting items such as inventory and prepaid items.

**Major Fund Information**

	<b>General Fund</b>	<b>County Transportation</b>	<b>Fine and Forfeiture</b>
<b>Fiscal Year 2025</b>			
Revenues and other sources	\$ 203,671,471	\$ 30,070,706	\$ 113,338,550
Expenditures and other uses	185,853,039	26,230,766	96,985,523
Increase (decrease) in fund balance	\$ 17,818,432	\$ 3,839,940	\$ 16,353,027

<b>Fiscal Year 2024</b>			
Revenues and other sources	\$ 178,753,592	\$ 31,819,737	\$ 97,761,815
Expenditures and other uses	164,522,511	27,037,561	86,448,564
Increase (decrease) in fund balance	\$ 14,231,081	\$ 4,782,176	\$ 11,313,251

	<b>Tourist Development</b>	<b>Solid Waste Landfill</b>	<b>Capital Projects</b>
<b>Fiscal Year 2025</b>			
Revenues and other sources	\$ 65,403,428	\$ 43,839,757	\$ 14,377,241
Expenditures and other uses	46,991,180	36,771,806	12,040,906
Increase (decrease) in fund balance	\$ 18,412,248	\$ 7,067,951	\$ 2,336,335

<b>Fiscal Year 2024</b>			
Revenues and other sources	\$ 70,236,909	\$ 42,325,082	\$ 14,230,634
Expenditures and other uses	51,432,457	36,423,596	13,868,194
Increase (decrease) in fund balance	\$ 18,804,452	\$ 5,901,846	\$ 362,440

**General Fund**

The General Fund is the chief operating fund of the County. As of September 30, 2025, the total fund balance in the General Fund was \$81,910,494, of which \$58,393,573 was unassigned. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 79.2% of total 2025 expenditures, while total fund balance is approximately 111.1% of the same amount. For fiscal year 2024, unassigned fund balance represented 70.9% of total expenditures, while total fund balance was 90.5% of the same amount.

Total revenues in the General Fund increased by approximately 14.7%, from \$175,273,374 in FY 2024 to \$201,055,388 in FY 2025, representing an increase of \$25,782,014. This increase is primarily attributed to growth in property tax revenues, as well as a slight increase in other taxes, reflecting continued economic growth and development activity throughout the County.

Total expenditures in the General Fund increased by approximately 4.0%, from \$70,846,224 in FY 2024 to \$73,704,498 in FY 2025, representing an increase of \$2,858,274. This increase reflects rising personnel costs, the expenditure of American Rescue Plan Act funds related to a project in the City of Freeport to move homes away from septic tanks and onto the City's sewer system, and increased spending on public safety.

### ***Other Major Governmental Funds***

The major governmental funds table also discloses information regarding the other five major governmental funds of the County. Data for the County Transportation, Fine and Forfeiture, Tourist Development Council, Solid Waste Landfill, and Capital Projects funds are presented for fiscal years 2024 and 2025.

The County Transportation Fund accounts for motor fuel taxes and various grants used to finance road and bridge construction and maintenance. The use of these funds is governed by State statute. Fiscal year 2025 revenues decreased compared to fiscal year 2024, primarily due to a reduction in intergovernmental revenues attributable primarily to grant funded expenditures for the Rock Hill Road Widening project recognized in 2024. Motor fuel tax revenues remained relatively stable year over year. Expenditures likewise decreased in fiscal year 2025, also primarily due to the Rock Hill Road Widening project expenditures recognized in 2024. Transportation fund revenues are restricted by State statute and must be used for transportation-related purposes.

The Fine and Forfeiture Fund accounts for fines and forfeitures, special assessments, and various grants used to finance law enforcement. In fiscal year 2025, revenues increased due primarily from TRIUMPH grant reimbursements related to the P25 Radio Project to support critical public safety communications and integrate broadband technologies into Walton County's public safety communications system. The necessary funding for law enforcement activities continues to be supported through transfers from the General Fund, reflected in the Other Financing Sources section. Expenditures increased in fiscal year 2025 due primarily to increases in normal budgeted operating expenditures and capital expenditures related to the P25 Radio Project.

The Tourist Development Fund accounts for the local option tourist development tax generated from activities related to the tourism industry. The use of these funds is governed by State statute and is restricted primarily to the promotion of tourism. Tourist development tax revenue in fiscal year 2025 remained relatively consistent with fiscal year 2024. Continued strong tax collections and increased investment earnings offset fluctuations in other revenue categories. Miscellaneous revenue decreased by approximately \$3,733,695, primarily due to a change related to the recognition of administrative charges for salaries. Overall expenditures decreased in fiscal year 2025, primarily due to the purchase of property on County Highway 30A in 2024 to be utilized for a beach access. Tourist development tax funds are legally restricted and are not available to support general government operations.

The Solid Waste Landfill Fund utilizes a one-cent small county sales tax to pay for the operation of a landfill and provide garbage and yard debris collection to county residents. For fiscal year 2025, revenues from this sales tax remained relatively stable, with modest growth consistent with overall sales tax trends. Solid waste expenditures remained stable in fiscal year 2025, reflecting increases in operating costs related to solid waste collection and disposal consistent with continued population growth. The balance of the fund is restricted, committed, or assigned to fund remaining costs for

solid waste collection and disposal, acquisition of land for landfill expansion, landfill closure costs, economic development, and road paving or other capital projects. Within the Solid Waste Landfill Fund, deposits are made to the fund's other cash and cash equivalents account for the purpose of complying with federal and state laws and regulations related to funding the minimum estimated landfill closure and post-closure costs. This requires the County to annually deposit funds in an interest-bearing account for the purpose of funding these costs. This amount is shown as a restricted asset within the fund and increased in fiscal year 2025 as part of the County's ongoing compliance with these funding requirements.

The Capital Projects Fund accounts for funding allocations for specific capital improvement projects that are not budgeted within another fund. The County continues to invest in projects identified within its five-year capital improvement plan. Revenues decreased significantly in fiscal year 2025 compared to fiscal year 2024, declining from approximately \$5.2 million to \$2.1 million. The decrease was primarily attributable to revenues recognized for the Choctaw Beach Fire Station grant project in fiscal year 2024, which resulted in higher intergovernmental revenue in the prior year. The recording of corresponding project expenditures in 2024 also resulted in lower capital project expenditures for 2025 as well.

### ***General Fund Budgetary Highlights***

Budget and actual comparison statements are provided in the financial statements for the General Fund on pages 33 through 39. Budget columns are provided for both the original budget adopted for fiscal year 2025 as well as the final budget.

A comparison of the original budget to the final budget for General Fund revenues shows significant adjustments within intergovernmental revenues. These adjustments were primarily related to timing changes in multi-year grant funding, re-budgeting of prior year carryforward balances, and adjustments to reimbursement-based grant revenue schedules. A comparison of the final budget to actual General Fund revenues shows intergovernmental revenues below final budget estimates, primarily attributable to grant projects that span multiple years and were not completed in fiscal year 2025.

Differences between the General Fund fiscal year 2025 original budget and final amended budget totaled \$28,709,965 within the Board of County Commissioners accounts. The General Fund budget changes were primarily attributable to the following:

- \$21,946,320 rolled forward from fiscal year 2024 for grants, projects, and encumbrances not completed in FY 2024.
- \$2,609,221 for new grants received in FY 2025.
- \$1,530,000 in unanticipated revenues related to the managed beach vendor program.
- \$2,573,038 in unanticipated ad valorem tax revenues to be utilized for a Senior Center in District 5.
- \$34,386 in donations for the Walton County Libraries to be used toward a Teen Library in Freeport.
- \$17,000 in unanticipated revenues from vessel registration fees to be utilized for improvements at Grady Brown Park.

General Fund expenditures were \$33,439,876 less than budgeted. The primary driver of this variance was \$23,421,769 in grant and project funding that was not expended in the current year and was carried over to the next fiscal year. The remaining variance was primarily due to \$4,924,048 in unspent salary and benefit costs as well as property and liability insurance expenditures that were lower than budgeted.

### ***Capital Asset and Debt Administration***

The County's investment in capital assets for governmental activities, net of accumulated depreciation, increased from \$441,659,936 at September 30, 2024, to \$464,787,157 at September 30, 2025. This investment includes capital assets subject to depreciation, such as infrastructure, buildings, and equipment, as well as capital assets not subject to depreciation, such as land and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was approximately 5.2%.

Major capital events during the current fiscal year include the following:

- Acquisition of the Thriftway property adjacent to the Walton County Courthouse for \$653,350.
- Completion of the new Building Department facility at a cost of \$17,032,454.
- Completion of the County Road 183 South Cross Drainage replacement project at a cost of \$969,267.
- Improvements to the Camp Creek Canoe and Kayak Launch in the amount of \$794,849
- Completion of the Headland Avenue Beach Access Improvement Project for \$969,268.
- An HVAC replacement project at the Walton County Health Department for \$1,369,850.
- Completion of the Cessna Landing parking improvements for \$652,045.
- Improvements to Walton County Parks that included \$217,217 for Paradise Park and \$318,150 for Helen McCall Park.

Construction activity remained strong during fiscal year 2025, reflecting continued investment in infrastructure, public facilities, and recreation improvements. Significant construction in progress projects at September 30, 2025, included the following:

- \$22,076,628 for transportation, stormwater, and pedestrian improvement projects.
- \$14,689,269 for beach access and beach parking projects.
- \$4,913,218 for the Choctaw and Glendale Fire Stations.
- \$1,784,588 for park and community center improvement projects.
- \$878,240 for construction of a recycling facility at the Walton County Central Landfill.
- \$1,868,250 for Broadband Infrastructure.
- \$6,038,308 for the Walton County Sheriff's Office P25 Compliant Radio Project.

**Capital Assets - (Net of Depreciation and Amortization)**

<i>September 30,</i>	2024	2025
Land	\$ 150,684,032	\$ <b>151,469,357</b>
Buildings	58,414,479	<b>78,577,515</b>
Infrastructure	110,949,244	<b>103,371,253</b>
Improvements other than buildings	35,904,982	<b>36,185,842</b>
Construction in progress	49,854,675	<b>57,867,121</b>
Equipment	33,130,486	<b>34,421,889</b>
Right of use assets – equipment	1,960,980	<b>1,518,083</b>
Right of use assets – buildings	214,531	<b>1,098,995</b>
Right of use assets – subscription	546,527	<b>277,102</b>
<b>Total</b>	<b>\$ 441,659,936</b>	<b>\$ 464,787,157</b>

Additional information on the County’s capital assets can be found in Note 2 on page 72 and 73 of this report.

***Long-Term Debt***

The County had \$10,709,747 in notes payable at September 30, 2025, of which \$2,182,320 is due for repayment during fiscal year 2026.

<i>September 30,</i>	2024	2025
Notes payable		
Capital Projects Loan	\$ 12,820,653	\$ <b>10,709,747</b>
<b>Total</b>	<b>\$ 12,820,653</b>	<b>\$ 10,709,747</b>

During the current fiscal year, the County’s outstanding notes payable decreased by \$2,110,906, or 16.5%. This decrease is consistent with the County’s scheduled amortization of outstanding debt obligations.

The Constitution of the State of Florida, Florida Statute 200.181 and Walton County set no legal debt limit. Additional information on the County’s long-term debt can be found in Note 2 on page 75 of this report.

***Economic Factors and Next Year’s Budget and Rates***

The unemployment rate for the County at September 30, 2025, was 4.2%, an increase from the 3.2% rate reported at September 30, 2024.

The number of single-family dwelling permits issued in 2025 was 2,347, compared to 2,928 in fiscal year 2024. This is a 18.9% decrease from the previous year.

Walton County's population increased 3.2% from the fiscal year ending September 30, 2024, to a total population of 90,547.

The general ad valorem tax rate for fiscal year 2025 was 3.6000 mills, and 3.5190 mills for the upcoming 2026 fiscal year.

***Request for Information***

This financial report is designed to present users with a general overview of the County's finances for all those with an interest in our government. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the County's Chief Financial Officer at 176 Montgomery Circle, DeFuniak Springs, Florida 32435, or the Director of Administrative Services for the Clerk of the Court, P.O. Box 1260, DeFuniak Springs, Florida 32435. Additional information can also be found on the County's website: <http://www.mywaltonfl.gov>.



## **Basic Financial Statements**

**Walton County, Florida**  
**Statement of Net Position**

	Primary Governmental	Component Unit
<i>September 30, 2025</i>	Governmental Activities	Unit
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 388,969,829	\$ 44,629,856
Cash - designated for construction	-	58,939,307
Investments	64,853,011	-
Investments - designated	-	20,000,000
Accounts receivable, net	10,770,125	4,749,301
Accounts receivable-developer agreements, net	-	1,603,402
Due from other governments	9,399,397	-
Inventory	641,385	5,478,350
Prepaid items	67,034	307,424
Restricted assets		
Cash and cash equivalents	9,357,565	-
Investments	7,814	-
<b>Total current assets</b>	<b>484,066,160</b>	<b>135,707,640</b>
Noncurrent assets		
Restricted cash		
Debt service fund	-	3,557,223
Renewal and replacement fund	-	1,661,968
Customer's deposits	-	3,123,005
Accounts receivable-developer agreements, net	-	1,671,073
Accounts receivable-installment agreements	-	1,907,015
Lease receivable	-	811,442
Due from other governments	2,393,193	-
Loans receivable	1,710,894	-
Capital assets		
Non-depreciable	209,336,478	22,018,106
Depreciable, net	252,556,499	164,012,069
Right-to-use assets, net	2,894,180	-
<b>Total noncurrent assets</b>	<b>468,891,244</b>	<b>198,761,901</b>
<b>Total assets</b>	<b>952,957,404</b>	<b>334,469,541</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pension	31,323,279	-
Deferred outflows related to post-employment benefits	15,562,000	-
Deferred losses on debt refundings	-	145,715
<b>Total deferred outflows of resources</b>	<b>46,885,279</b>	<b>145,715</b>

-Continued-

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

**Walton County, Florida**  
**Statement of Net Position (Continued)**

<i>September 30, 2025</i>	Primary Government	
	Governmental Activities	Component Unit
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 14,889,649	\$ 511,223
Accrued liabilities	8,568,714	105,120
Accrued interest payable	91,611	-
Due to other governments	5,896,162	-
Due to individuals	1,579,878	-
Deposits	4,670,435	-
Unearned revenue	9,953,350	-
Landfill closure costs	409	-
Compensated absences	2,242,136	-
Payable from restricted assets		
Accrued interest payable	-	213,423
Bonds payable	-	400,000
Notes payable	-	1,495,000
Lease obligations	783,815	-
Subscription liability	277,103	-
Other post-employment benefit obligation	1,284,000	-
Notes payable	2,182,320	-
<b>Total current liabilities</b>	<b>52,419,582</b>	<b>2,724,766</b>
Noncurrent liabilities		
Customer deposits	-	3,123,005
Notes payable	8,527,427	9,823,000
Lease obligations	1,659,837	-
Bonds payable	-	2,797,682
Net pension liability	100,144,159	-
Other post-employment benefit obligation	39,934,000	-
Landfill closure cost	9,650,124	-
Compensated absences	7,311,365	400,253
<b>Total noncurrent liabilities</b>	<b>167,226,912</b>	<b>16,143,940</b>
<b>Total liabilities</b>	<b>219,646,494</b>	<b>18,868,706</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pension	20,264,588	-
Deferred inflows related to post-employment benefits	9,416,000	-
Deferred inflows related to leases	38,406	850,205
Deferred inflows on settlement allocations	2,393,193	-
<b>Total deferred inflows of resources</b>	<b>32,112,187</b>	<b>850,205</b>

-Continued-

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

**Walton County, Florida**  
**Statement of Net Position (Continued)**

<i>September 30, 2025</i>	Primary Government	
	Governmental Activities	Component Unit
<b>Net Position</b>		
Net investment in capital assets	\$ 452,721,655	\$ 171,660,208
Restricted for:		
Debt service	52,841	5,219,191
Capital projects	6,018,550	-
General government	775,583	-
Public safety	51,217,339	-
Transportation	40,787,218	-
Economic environment	93,504	-
Human services	1,621,058	-
Unrestricted	194,796,254	138,016,946
<b>Total net position</b>	<b>\$ 748,084,002</b>	<b>\$ 314,896,345</b>

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

**Walton County, Florida**  
**Statement of Activities**

*For the year ended September 30, 2025*

		Program
Functions/Programs	Expenses	Charges for Services
<b>Primary Government</b>		
<b>Governmental Activities</b>		
General government	\$ 55,693,908	\$ 9,203,458
Public safety	104,545,388	7,689,330
Physical environment	18,772,243	884,660
Transportation	31,231,363	-
Economic environment	35,796,532	4,646,971
Human services	4,809,946	13,590
Culture/recreation	8,010,862	1,744,399
Interest on long-term debt	506,824	-
Total primary government	\$ 259,367,066	\$ 24,182,408
<b>Component Unit</b>		
Florida Community Services Corporation	\$ 34,558,246	\$ 33,239,352

**General Revenues**

- Property taxes
- Gasoline taxes
- Sales tax
- Tourist development tax
- Other taxes
- Investment earnings
- Miscellaneous
- Gain on disposition of equipment

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Total general revenues

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Change in net position

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Net position, beginning of year

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Net position, end of year

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

Revenues		Net (Expense) Revenues and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit	
\$ 1,344,734	\$ 4,636,634	\$ (40,509,082)	\$ -	
7,676,825	1,035,820	(88,143,413)	-	
190,744	2,478,371	(15,218,468)	-	
-	2,259,308	(28,972,055)	-	
3,987,961	27,201	(27,134,399)	-	
36,749	-	(4,759,607)	-	
22,428	9,720	(6,234,315)	-	
-	-	(506,824)	-	
<u>\$ 13,259,441</u>	<u>\$ 10,447,054</u>	<u>(211,478,163)</u>	<u>-</u>	
<u>\$ -</u>	<u>\$ 8,449,577</u>	<u>-</u>	<u>7,130,683</u>	
		150,773,390	-	
		7,808,986	-	
		59,816,458	-	
		60,328,571	-	
		4,576,102	-	
		14,601,992	2,276,149	
		8,798,901	10,720,067	
		855,931	186,090	
		<u>307,560,331</u>	<u>13,182,306</u>	
		96,082,168	20,312,989	
		<u>652,001,834</u>	<u>294,583,356</u>	
		<u>\$ 748,084,002</u>	<u>\$ 314,896,345</u>	

**Walton County, Florida**  
**Balance Sheet**  
**Governmental Funds**

<i>September 30, 2025</i>	General	County Transportation	Fine and Forfeiture
<b>Assets</b>			
Cash and cash equivalents	\$ 80,335,970	\$ 35,072,635	\$ 46,910,438
Investments	17,970,718	6,510,052	2,277,730
Receivables, net	576,313	675,716	5,620,249
Due from other governments	5,292,416	1,190,060	237,579
Due from other funds	834,935	-	254,017
Inventories	130,779	337,049	-
Prepaid items	65,534	-	-
Restricted assets:			
Cash and cash equivalents	1,965,999	2,439,365	-
Investments	-	-	-
Loans receivable	1,710,894	-	-
<b>Total assets</b>	<b>\$ 108,883,558</b>	<b>\$ 46,224,877</b>	<b>\$ 55,300,013</b>
<b>Liabilities</b>			
Accounts payable	\$ 3,517,145	\$ 2,306,855	\$ 1,036,351
Accrued liabilities	3,780,601	343,699	3,945,122
Due to other governments	581,585	-	118,466
Due to individuals	-	-	-
Deposits	2,223,358	2,439,365	7,712
Due to other funds	6,221,767	-	407,196
Unearned revenue	8,217,009	10,691	19,893
<b>Total liabilities</b>	<b>24,541,465</b>	<b>5,100,610</b>	<b>5,534,740</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue on settlement allocations	2,393,193	-	-
Deferred inflows related to leases	38,406	-	-
<b>Total deferred inflows of resources</b>	<b>2,431,599</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
Nonspendable	1,907,207	337,049	-
Restricted	496,780	40,787,218	49,765,273
Committed	4,890,000	-	-
Assigned	16,222,934	-	-
Unassigned	58,393,573	-	-
<b>Total fund balances</b>	<b>81,910,494</b>	<b>41,124,267</b>	<b>49,765,273</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 108,883,558</b>	<b>\$ 46,224,877</b>	<b>\$ 55,300,013</b>

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

Tourist Development	Solid Waste Landfill	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 138,334,045	\$ 40,348,602	\$ 23,471,088	\$ 23,150,920	\$ 387,623,698
24,007,246	7,002,074	4,073,310	3,011,881	64,853,011
3,723,605	105,000	-	69,242	10,770,125
-	4,594,723	332,634	145,178	11,792,590
6,218,596	-	-	1,883	7,309,431
173,557	-	-	-	641,385
-	1,500	-	-	67,034
-	4,907,174	-	45,027	9,357,565
-	-	-	7,814	7,814
-	-	-	-	1,710,894
<u>\$ 172,457,049</u>	<u>\$ 56,959,073</u>	<u>\$ 27,877,032</u>	<u>\$ 26,431,945</u>	<u>\$ 494,133,547</u>
\$ 5,099,833	\$ 1,583,018	\$ 911,440	\$ 435,007	\$ 14,889,649
198,727	62,764	-	237,801	8,568,714
10,000	4,712,075	-	474,036	5,896,162
-	-	-	1,579,878	1,579,878
-	-	-	-	4,670,435
612,620	-	-	67,848	7,309,431
-	-	-	1,705,757	9,953,350
5,921,180	6,357,857	911,440	4,500,327	52,867,619
-	-	-	-	2,393,193
-	-	-	-	38,406
-	-	-	-	2,431,599
173,557	1,500	-	-	2,419,313
-	4,907,174	-	4,609,648	100,566,093
130,594,205	-	-	12,681,069	148,165,274
35,768,107	45,692,542	26,965,592	4,640,901	129,290,076
-	-	-	-	58,393,573
166,535,869	50,601,216	26,965,592	21,931,618	438,834,329
<u>\$ 172,457,049</u>	<u>\$ 56,959,073</u>	<u>\$ 27,877,032</u>	<u>\$ 26,431,945</u>	<u>\$ 494,133,547</u>



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

*September 30, 2025*

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Differences in amounts reported for governmental activities in the Statement of Net Position:

Fund balances - Total governmental funds	\$	438,834,329
Capital assets used in government activities are not current financial resources and therefore are not reported at the fund level.		464,787,157
Pension related deferred outflows, deferred inflows and net pension liability 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.		(89,085,468)
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.		(35,072,000)
Other liabilities not due and payable in the current period and therefore not reported in the funds are as follows:		
Notes payable	\$	(10,709,747)
Lease obligations		(2,443,652)
Subscription lease obligations		(277,103)
Accrued interest payable		(91,611)
Landfill closure costs		(9,650,533)
Compensated absences, net of Internal Service Fund, \$1,346,131		(8,207,370)
		(31,380,016)
<b>Net position of governmental activities</b>	<b>\$</b>	<b>748,084,002</b>

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

**Walton County, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**

<i>For the year ended September 30, 2025</i>	General	County Transportation	Fine and Forfeiture
<b>Revenues</b>			
Taxes	\$ 148,142,218	\$ 4,825,582	\$ 1,270,901
Licenses and permits	3,177,439	20	-
Intergovernmental	30,123,084	5,396,321	7,091,712
Charges for services	9,860,830	69,730	2,829,186
Fines and forfeitures	287,597	-	60,659
Investment earnings	3,492,738	1,452,755	2,288,457
Miscellaneous	5,971,482	588,436	660,146
<b>Total revenue</b>	<b>201,055,388</b>	<b>12,332,844</b>	<b>14,201,061</b>
<b>Expenditures</b>			
Current			
General government	49,099,420	264,949	-
Public safety	7,639,189	-	80,857,044
Physical environment	1,497,165	-	-
Transportation	-	18,478,708	-
Economic environment	221,781	-	-
Human services	3,718,209	-	-
Culture/recreation	7,074,659	-	-
Capital outlay	4,165,723	7,487,109	15,293,102
Debt service			
Principal	272,772	-	772,896
Interest	15,580	-	62,481
<b>Total expenditures</b>	<b>73,704,498</b>	<b>26,230,766</b>	<b>96,985,523</b>
Excess (deficiency) of revenues over (under) expenditures	127,350,890	(13,897,922)	(82,784,462)
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	99,698	665,025	120,420
Transfers in	2,516,385	17,072,837	97,840,178
Transfers out	(112,148,541)	-	-
Issuance of debt	-	-	1,176,891
<b>Net other financing sources (uses)</b>	<b>(109,532,458)</b>	<b>17,737,862</b>	<b>99,137,489</b>
Net change in fund balance	17,818,432	3,839,940	16,353,027
Fund balances, beginning of year	64,092,062	37,284,327	33,412,246
<b>Fund balances, end of year</b>	<b>\$ 81,910,494</b>	<b>\$ 41,124,267</b>	<b>\$ 49,765,273</b>

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

Tourist Development	Solid Waste Landfill	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 60,328,571	\$ 41,566,141	\$ -	\$ 1,714,783	\$ 257,848,196
-	77,367	-	4,156,539	7,411,365
31,735	93,750	1,221,319	5,370,069	49,327,990
201,106	719,336	-	1,863,831	15,544,019
-	-	-	712,584	1,060,840
4,722,609	1,231,027	874,537	543,669	14,605,792
41,797	47,136	-	1,483,664	8,792,661
65,325,818	43,734,757	2,095,856	15,845,139	354,590,863
-	-	-	2,954,262	52,318,631
5,477,767	-	-	3,891,651	97,865,651
-	17,550,490	-	17,829	19,065,484
-	-	-	-	18,478,708
29,822,341	-	-	3,925,026	33,969,148
-	-	-	985,826	4,704,035
-	-	-	131,805	7,206,464
11,691,072	1,732,094	9,477,077	1,210,911	51,057,088
-	-	2,110,906	-	3,156,574
-	-	452,923	-	530,984
46,991,180	19,282,584	12,040,906	13,117,310	288,352,767
18,334,638	24,452,173	(9,945,050)	2,727,829	66,238,096
77,610	105,000	65,000	24,000	1,156,753
-	-	12,216,385	-	129,645,785
-	(17,489,222)	-	(8,022)	(129,645,785)
-	-	-	-	1,176,891
77,610	(17,384,222)	12,281,385	15,978	2,333,644
18,412,248	7,067,951	2,336,335	2,743,807	68,571,740
148,123,621	43,533,265	24,629,257	19,187,811	370,262,589
\$ 166,535,869	\$ 50,601,216	\$ 26,965,592	\$ 21,931,618	\$ 438,834,329

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

*For the year ended September 30, 2025*

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Differences in amounts reported for governmental activities in the Statement of Activities:

Net change in fund balances - total governmental funds	\$	68,571,740
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.		50,971,102
Depreciation and amortization expense on governmental capital assets is included in the governmental activities in the Statement of Activities.		(27,543,059)
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.		(300,822)
Proceeds from the issuance of debt are reported as an other financing source in governmental funds but as an increase of long-term liabilities in the Statement of Net Position.		(1,176,891)
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 Position.		3,156,574
Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported in governmental funds.		24,163
Accrued landfill closure/post closure costs do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		1,488,295
Pension related deferred outflows, deferred inflows and changes in net pension liability do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		5,576,231
Accrued other post-employment benefits do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(1,879,000)
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(2,806,165)
Change in net position of governmental activities	\$	96,082,168

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

**Walton County, Florida**  
**General Fund**

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

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ 145,540,010	\$ 148,113,048	\$ 148,142,218	\$ 29,170
Licenses and permits	1,834,760	3,364,760	3,177,439	(187,321)
Intergovernmental	21,555,343	38,248,504	30,123,084	(8,125,420)
Charges for services	8,458,944	8,472,693	9,860,830	1,388,137
Fines and forfeitures	321,500	321,500	287,597	(33,903)
Investment earnings	1,593,123	1,593,123	3,492,738	1,899,615
Miscellaneous	5,496,600	5,530,990	5,971,482	440,492
<b>Total revenues</b>	<b>184,800,280</b>	<b>205,644,618</b>	<b>201,055,388</b>	<b>(4,589,230)</b>
<b>Expenditures</b>				
Current				
General Government				
Board of County Commissioners	14,735,299	26,200,750	13,594,951	12,605,799
Comptroller	6,802,883	6,814,715	6,043,531	771,184
Clerk of Court - circuit court	244,233	254,333	243,285	11,048
Clerk of Court - county court	69,956	69,956	69,956	-
Court technology	166,450	166,450	272,920	(106,470)
GIS - information services	751,897	749,713	722,651	27,062
Property Appraiser	4,951,540	4,951,540	4,247,106	704,434
Tax Collector	5,592,101	5,594,018	4,900,114	693,904
Supervisor of Elections	1,402,247	1,402,247	1,302,423	99,824
Legal services	1,514,184	1,555,651	1,137,995	417,656
State Attorney/Public Defender	43,500	43,500	15,051	28,449
Growth management and comprehensive planning	8,491,359	8,824,386	7,159,503	1,664,883
County administrator	1,966,578	1,967,490	1,692,865	274,625
Facilities Maintenance	5,011,966	5,052,535	4,789,045	263,490
Financial and administrative services	3,306,285	3,309,560	2,908,024	401,536
<b>Total general government</b>	<b>55,050,478</b>	<b>66,956,844</b>	<b>49,099,420</b>	<b>17,857,424</b>

-Continued-

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

**Walton County, Florida**  
**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Continued)**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Public Safety</b>				
Code enforcement	\$ 3,792,371	\$ 3,742,189	\$ 3,694,236	\$ 47,953
Fire coordination	282,791	282,791	282,791	-
Parole and probation	364,338	384,616	370,572	14,044
Emergency operations center	642,660	776,422	751,526	24,896
Emergency medical services	901,659	901,659	901,659	-
Medical examiner	2,626,916	2,626,916	1,638,405	988,511
<b>Total public safety</b>	<b>8,610,735</b>	<b>8,714,593</b>	<b>7,639,189</b>	<b>1,075,404</b>
<b>Physical Environment</b>				
Extension service	621,798	622,940	418,392	204,548
Natural resource conservation service	933,499	5,440,089	1,078,773	4,361,316
<b>Total physical environment</b>	<b>1,555,297</b>	<b>6,063,029</b>	<b>1,497,165</b>	<b>4,565,864</b>
<b>Economic Environment</b>				
Veteran services	229,156	229,198	221,781	7,417
<b>Human Services</b>				
Health department	3,335,468	3,912,980	3,378,291	534,689
Community service	48,000	48,000	33,200	14,800
Mental health	150,000	150,000	150,000	-
Welfare	158,000	163,203	156,718	6,485
<b>Total human services</b>	<b>3,691,468</b>	<b>4,274,183</b>	<b>3,718,209</b>	<b>555,974</b>
<b>Cultural and Recreation</b>				
Library	1,560,479	1,566,770	1,542,931	23,839
Parks and recreation	5,393,726	5,814,119	5,531,728	282,391
<b>Total cultural and recreation</b>	<b>6,954,205</b>	<b>7,380,889</b>	<b>7,074,659</b>	<b>306,230</b>
<b>Capital Outlay</b>	<b>2,054,718</b>	<b>13,237,286</b>	<b>4,165,723</b>	<b>9,071,563</b>

-Continued-

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

**Walton County, Florida**  
**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Continued)**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Debt Service				
Principal	\$ 272,772	\$ 272,772	\$ 272,772	\$ -
Interest	15,580	15,580	15,580	-
<b>Total debt service</b>	<b>288,352</b>	<b>288,352</b>	<b>288,352</b>	<b>-</b>
<b>Total expenditures</b>	<b>78,434,409</b>	<b>107,144,374</b>	<b>73,704,498</b>	<b>33,439,876</b>
Excess (deficiency) of revenues over (under) expenditures	106,365,871	98,500,244	127,350,890	28,850,646
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	99,698	99,698
Transfers in	2,516,385	2,516,385	2,516,385	-
Transfers out	(110,582,256)	(110,582,256)	(112,148,541)	(1,566,285)
<b>Net other financing sources (uses)</b>	<b>(108,065,871)</b>	<b>(108,065,871)</b>	<b>(109,532,458)</b>	<b>(1,466,587)</b>
Net change in fund balance	(1,700,000)	(9,565,627)	17,818,432	27,384,059
Fund balance, beginning of year	64,092,062	64,092,062	64,092,062	-
Fund balance, end of year	\$ 62,392,062	\$ 54,526,435	\$ 81,910,494	\$ 27,384,059

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

**Walton County, Florida**  
**County Transportation Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ 5,168,681	\$ 17,724,820	\$ 4,825,582	\$(12,899,238)
Licenses and permits	20	20	20	-
Intergovernmental	3,106,009	33,272,449	5,396,321	(27,876,128)
Charges for services	60,000	60,000	69,730	9,730
Investment earnings	437,588	437,588	1,452,755	1,015,167
Miscellaneous	360,000	3,228,214	588,436	(2,639,778)
<b>Total revenues</b>	<b>9,132,298</b>	<b>54,723,091</b>	<b>12,332,844</b>	<b>(42,390,247)</b>
<b>Expenditures</b>				
General government	333,558	338,858	264,949	73,909
Transportation	20,158,577	29,783,602	18,478,708	11,304,894
Capital outlay	5,713,000	41,673,468	7,487,109	34,186,359
<b>Total expenditures</b>	<b>26,205,135</b>	<b>71,795,928</b>	<b>26,230,766</b>	<b>45,565,162</b>
Excess (deficiency) of revenues over (under) expenditures	(17,072,837)	(17,072,837)	(13,897,922)	3,174,915
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	665,025	665,025
Transfers in	17,072,837	17,072,837	17,072,837	-
<b>Net other financing sources (uses)</b>	<b>17,072,837</b>	<b>17,072,837</b>	<b>17,737,862</b>	<b>665,025</b>
Net change in fund balance	-	-	3,839,940	3,839,940
Fund balance, beginning of year	37,284,327	37,284,327	37,284,327	-
<b>Fund balance, end of year</b>	<b>\$ 37,284,327</b>	<b>\$ 37,284,327</b>	<b>\$ 41,124,267</b>	<b>\$ 3,839,940</b>

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

**Walton County, Florida**  
**Fine and Forfeiture Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ 2,640,000	\$ 23,099,985	\$ 1,270,901	\$ (21,829,084)
Intergovernmental	1,370,000	7,263,414	7,091,712	(171,702)
Charges for services	6,076,972	6,076,972	2,829,186	(3,247,786)
Fine and forfeitures	57,000	57,000	60,659	3,659
Investment earnings	690,000	690,000	2,288,457	1,598,457
Miscellaneous	300,000	788,336	660,146	(128,190)
<b>Total revenues</b>	<b>11,133,972</b>	<b>37,975,707</b>	<b>14,201,061</b>	<b>(23,774,646)</b>
<b>Expenditures</b>				
Current				
Public safety	92,409,236	93,187,254	80,857,044	12,330,210
Capital outlay	15,729,535	41,793,252	15,293,102	26,500,150
Debt service				
Principal	772,896	772,896	772,896	-
Interest	62,483	62,483	62,483	-
<b>Total expenditures</b>	<b>108,974,150</b>	<b>135,815,885</b>	<b>96,985,525</b>	<b>38,830,360</b>
Excess (deficiency) of revenues over (under) expenditures	(97,840,178)	(97,840,178)	(82,784,464)	15,055,714
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	120,420	120,420
Transfers in	97,840,178	97,840,178	97,840,178	-
Issuance of debt	-	-	1,176,891	1,176,891
<b>Net other financing sources (uses)</b>	<b>97,840,178</b>	<b>97,840,178</b>	<b>99,137,489</b>	<b>1,297,311</b>
Net change in fund balance	-	-	16,353,025	16,353,025
Fund balance, beginning of year	33,412,246	33,412,246	33,412,246	-
<b>Fund balance, end of year</b>	<b>\$ 33,412,246</b>	<b>\$ 33,412,246</b>	<b>\$ 49,765,271</b>	<b>\$ 16,353,025</b>

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

**Walton County, Florida**  
**Tourist Development Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ 54,658,613	\$ 89,024,535	\$ 60,328,571	\$ (28,695,964)
Intergovernmental	-	670,000	31,735	(638,265)
Charges for services	200,000	200,000	201,106	1,106
Investment earnings	472,941	472,941	4,722,609	4,249,668
Miscellaneous	-	-	41,797	41,797
<b>Total revenues</b>	<b>55,331,554</b>	<b>90,367,476</b>	<b>65,325,818</b>	<b>(25,041,658)</b>
<b>Expenditures</b>				
Current				
Public Safety	-	7,840,000	5,477,767	2,362,233
Economic environment	54,009,258	40,764,377	29,822,341	10,942,036
Capital outlay	1,322,296	42,302,413	11,691,072	30,611,341
<b>Total expenditures</b>	<b>55,331,554</b>	<b>90,906,790</b>	<b>46,991,180</b>	<b>43,915,610</b>
Excess (deficiency) of revenues over (under) expenditures	-	(539,314)	18,334,638	18,873,952
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	77,610	77,610
Net change in fund balance	-	(539,314)	18,412,248	18,951,562
Fund balance, beginning of year	148,123,621	148,123,621	148,123,621	-
Fund balance, end of year	\$ 148,123,621	\$ 147,584,307	\$ 166,535,869	\$ 18,951,562

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

**Walton County, Florida**  
**Solid Waste Landfill Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ 36,335,000	\$ 56,703,820	\$ 41,566,141	\$(15,137,679)
Licenses and permits	-	-	77,367	77,367
Intergovernmental	-	93,750	93,750	-
Charges for services	400,000	400,000	719,336	319,336
Investment earnings	350,000	350,000	1,231,027	881,027
Miscellaneous	65,000	65,000	47,136	(17,864)
<b>Total revenues</b>	<b>37,150,000</b>	<b>57,612,570</b>	<b>43,734,757</b>	<b>(13,877,813)</b>
<b>Expenditures</b>				
Current				
Physical environment	18,228,778	18,278,654	17,550,490	728,164
Capital outlay	1,432,000	21,844,694	1,732,094	20,112,600
<b>Total expenditures</b>	<b>19,660,778</b>	<b>40,123,348</b>	<b>19,282,584</b>	<b>20,840,764</b>
Excess (deficiency) of revenues over (under) expenditures	17,489,222	17,489,222	24,452,173	6,962,951
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	105,000	105,000
Transfers out	(17,489,222)	(17,489,222)	(17,489,222)	-
<b>Net other financing sources (uses)</b>	<b>(17,489,222)</b>	<b>(17,489,222)</b>	<b>(17,384,222)</b>	<b>105,000</b>
Net change in fund balance	-	-	7,067,951	7,067,951
Fund balance, beginning of year	43,533,265	43,533,265	43,533,265	-
<b>Fund balance, end of year</b>	<b>\$ 43,533,265</b>	<b>\$ 43,533,265</b>	<b>\$ 50,601,216</b>	<b>\$ 7,067,951</b>

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

**Walton County, Florida**  
**Statement of Net Position**  
**Proprietary Fund**

	Governmental Activities
<i>September 30, 2025</i>	Internal Service Fund
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 1,346,131
<b>Liabilities</b>	
Current liabilities	
Accrued compensated absences	205,752
Non-current liabilities	
Accrued compensated absences	1,140,379
Total liabilities	1,346,131
Net position	\$ -

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

**Walton County, Florida**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Fund**

	Governmental Activities
<i>For the year ended September 30, 2025</i>	Internal Service Fund
<b>Operating Revenues</b>	
Charges for services	\$ 279,729
<b>Expenses</b>	
Salaries, wages and employee benefits	279,729
Change in net position	-
Net position, beginning of year	-
Net position, end of year	\$ -

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

**Walton County, Florida**  
**Statement of Cash Flows**  
**Proprietary Fund**

	Governmental Activities	Internal Service Fund
<i>For the year ended September 30, 2025</i>		
<b>Cash Provided by (Used in) Operating Activities</b>		
Funding of compensated absences liability	\$	279,729
Payments on compensated absences liability		(220,612)
<hr/>		
Net increase in cash and cash equivalents		59,117
Cash and cash equivalents at the beginning of the year		1,287,014
<hr/>		
Cash and cash equivalents at the end of the year	\$	1,346,131
<hr/> <hr/>		
<b>Reconciliation of Change in Net Position to Cash Provided by Operating Activities</b>		
Change in net position	\$	-
Increase in liabilities:		
Compensated absences payable		59,117
<hr/>		
Cash provided by operating activities	\$	59,117
<hr/> <hr/>		

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

**Walton County, Florida**  
**Statement of Fiduciary Net Position**

<i>September 30, 2025</i>	Custodial Funds
<hr/>	
<b>Assets</b>	
Cash	\$ 10,877,970
<hr/>	
<b>Liabilities</b>	
Due to other governments	\$ 1,624,859
Accounts payable	11,458
Deposits	6,811,017
Due to individuals	2,429,373
<hr/>	
Total liabilities	10,876,707
<b>Net Position</b>	
Restricted	1,263
<hr/>	
Total liabilities and net position	\$ 10,877,970
<hr/>	

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

**Walton County, Florida**  
**Statement of Changes in Fiduciary Net Position**

<i>For the year ended September 30, 2025</i>	Custodial Funds
<b>Additions</b>	
Tax collections, auto tag fees, and other fees for other governments	\$ 452,448,125
Clerk of circuit and county courts revenue	75,920,985
Donations	131,320
<hr/>	
Total additions	528,500,430
<b>Deductions</b>	
Current	
Payments of tax, auto tag fees, and other fees to other governments	452,448,125
Payments of clerk of circuit and county courts distributions to other governments	75,920,985
Public safety	131,285
<hr/>	
Total deductions	528,500,395
<hr/>	
Changes in net position	35
Net position, beginning of year	1,228
<hr/>	
Net position, end of year	\$ 1,263
<hr/> <hr/>	

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

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

***Basis of Presentation***

The financial statements of Walton 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). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's basic financial statements.

***Reporting Entity***

The County is a political subdivision of the State of Florida created pursuant to Article VIII of the State Constitution with geographical boundaries as established in Florida Statutes Chapter 7.66. It is guided by an elected Board of County Commissioners (the Board) which is governed by state statutes. In addition to the members of the Board, there are five elected Constitutional Officers: Tax Collector, Property Appraiser, Clerk of the Circuit Court, Sheriff, and Supervisor of Elections. The operations of the County as a whole, including the constitutional officers, have been combined in these financial statements.

The financial reporting entity consists of the County and its component unit, which is a legally separate organization 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.

Florida Community Services Corporation of Walton County (FCSC) which has a February 28 year-end is reported as a component unit in a separate column in the financial statements to emphasize it is legally separate from the government.

***Discretely Presented Component Unit***

FCSC was organized under the laws of the State of Florida on August 7, 1985. FCSC was incorporated as a non-profit corporation under state law. On November 26, 1985, the Board by Ordinance 85-15 rescinded the Public Service Commission's jurisdiction over FCSC and transferred regulatory authority, including utility rate approval, to the Board. FCSC was formed to acquire and improve existing water distribution facilities in the southern part of the County for incorporation into a county regional utility system and to construct a regional sewage collection treatment and disposal facility and water transmission, storage and distribution system, exclusively for the benefit of the primary government. To fulfill its purpose, FCSC has issued revenue bonds pledging its property and revenues to secure the payment of such bonds. After the bonds have been fully paid, FCSC without consideration will transfer all of its assets to the County. FCSC retains all revenue

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

***Discretely Presented Component Unit (continued)***

generated by the system to provide for debt service and maintaining the system. FCSC is reported as a proprietary fund type.

Complete financial statements of the component unit can be obtained directly from its administrative office listed below:

Florida Community Services Corporation of Walton County  
4432 Highway 98 East  
Santa Rosa Beach, Florida 32459

***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.

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, proprietary fund 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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 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 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.

The proprietary and 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 and internal service funds (proprietary funds). Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the County has one discretely presented component unit. While the FCSC is considered to be a major component unit, it is nevertheless shown in separate column 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.

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

***Fund Financial Statements***

The fund financial statements provide information about the County'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.

The following are reported as major governmental funds:

*General Fund* – This fund is established to account for resources devoted to financing the general services that the County performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

*County Transportation Special Revenue Fund* – To account for ad valorem, motor fuel taxes, local option gas tax, state revenue sharing and various grant funds designated to finance highway and road construction and maintenance.

*Fine and Forfeiture Special Revenue Fund* – To account for ad valorem taxes, fines, forfeitures, grants, expenditures and transfers to the Sheriff necessary to carry out the obligations of the office of Sheriff as detailed in Florida Statutes Chapter 30.15.

*Tourist Development Council Special Revenue Fund* – Fund activity is designated for the promotion of tourism and beach renourishment. Primary revenue for the fund is the local option tourist development tax.

*Solid Waste Landfill Special Revenue Fund* – To account for one cent County surtax, state grants, landfill fees, and scrap sales designated for the operation of the landfill.

*Capital Projects Fund* – To account for financial resources used for the acquisition or construction of major capital facilities and infrastructure improvements.

The County also reports the following fund types:

*Internal Service Fund* (a proprietary fund) – Used to report funded and accrued compensated absences for the Clerk of Courts and Supervisor of Elections.

*Fiduciary Funds* – To account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units and/or funds. These funds are accounted for on the accrual basis of accounting. Used to account for licenses, tags, and property taxes collected and remitted to other taxing authorities; funds held in general agency trust, witness advances, and for compliance with court orders; unclaimed tax deed sales, and Sheriff's posse activities and employee donations.

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

***Fund Financial Statements (continued)***

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

***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. The following special revenue funds are not budgeted and budget information is not presented: Inmate Canteen, Abandoned Property, Triumph Grant, Suspense, Traffic & Parking Enforcement, and Mobility Fee. These funds do not have appropriated budgets since other means control the use of these resources.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. The County had no encumbrances at September 30, 2025.

*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 July 15, the Director of the Office of Management and Budget and 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.

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

***Budgetary Information (continued)***

*Budgetary Basis of Accounting (continued)*

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

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

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

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

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

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

Supplemental appropriations funded from sources not described above, require public hearings and action by the Board in the same manner as adopting the original budget.

*Clerk of the Circuit Court* – Florida Statutes Chapter 218.35 and 218.36 governs the preparation, adoption and administration of the Clerk of the Circuit Court’s annual budget. The Clerk establishes an annual balanced budget which clearly reflects the revenues available to the office and the functions for which the money is to be expended.

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

***Budgetary Information (continued)***

*Budgetary Basis of Accounting (continued)*

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

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

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

*The Comptroller and Clerk of Court* – Departments within the Clerk's office such as Finance and Management Information Systems that deal primarily or exclusively with the County are budgeted with appropriations from the Board. 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 governs 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. The Sheriff's budget is funded primarily from property taxes maintained in the Fine and Forfeiture Fund.

*Tax Collector and Property Appraiser* – Florida Statutes Chapter 195.087 details 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* – Florida Statutes Chapter details the preparation, adoption and administration of the budget of the Supervisor of Elections. The Supervisor of Elections works in cooperation with the Board to establish an annual budget for his office. The Supervisor of Elections budget is funded from the Board's General Fund.

***Excess of Expenditures over Appropriations***

For the year ended September 30, 2025, expenditures exceeded appropriations in the Special Law Enforcement and the Clerk's Fine and Forfeiture funds by \$143,209 and \$298,771, respectively. The excess expenditures were funded with unanticipated revenues.

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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance***

*Cash and Cash Equivalents*

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

*Investments*

As governed by Florida Statute 218 and the County's investment policy, the County is authorized to invest available surplus funds to the extent noted in the following:

1. Local Government Surplus Funds Trust Fund Investment Pool (the SBA), the State Investment Pool administered by the Florida State Board of Administration – 50%
2. Florida Local Government Investment Trust (FLGIT) administered by the Florida Association of Court Clerks and the Florida Association of Counties – 50%
3. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency – 50%
4. Savings and Certificates of Deposit in state qualified public depositories – 50%
5. Direct obligations of the U.S. Treasury – 100%
6. Public funds checking – 100%
7. U.S. Government Instrumentality Debt (i.e. Federal Farm Credit Bureau) – 50%
8. High-grade Corporate debt, including Eurodollar notes and bonds – 50%
9. Mortgaged back securities – 50%
10. State and Local Taxable and/or Tax-exempt debt – 50%
11. Equities – 20%
12. Income Trusts – 20%
13. Mutual Funds – 20%

Investments are stated at fair value, Net Asset Value (NAV), or amortized cost. U.S. Treasury notes and U.S. agency and instrumentalities obligations are valued at quoted market. The reported value of the Local Government Surplus Funds Trust Fund Investment Pool's PRIME account ("Florida PRIME") is shown at share value as it meets the criteria to be "2A-7 Like".

FLGIT reports all share information at NAV and reflects fair value in accordance with GASB 72.

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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)***

*Investments (continued)*

The County invests throughout the year in the Florida PRIME account, administered by the SBA, under the regulatory oversight of the State of Florida. Florida PRIME is rated by Standard and Poor's as AAAM. At September 30, 2025, Florida PRIME's investments dollar weighted average days to maturity (WAM) was 47 days. Next interest rate reset dates for floating rate securities are used in the calculation of WAM and weighted average life (WAL) is 73 days. Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2024 through September 30, 2025. As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the County's daily access to 100% of their account value.

The County also invests in FLGIT Short-Term Bond Fund, a public entity investment trust organized under the laws of the State of Florida. FLGIT is based on current net asset value, variations in value of these assets is determined on a daily basis in the FLGIT portfolio. This fund was assigned a rating of AA Af by Fitch, which is the highest fund credit quality rating offered by Fitch. At September 30, 2025, the FLGIT portfolio invested 34% of funds in treasuries and government related securities.

The County's investments and portfolio allocation is determined by an investment committee comprised of the Clerk of Court (the Clerk) or designee, the Board's Finance Director or designee, and two other advisors, one to be named by the Clerk and one by the Board's Finance Director.

The Portfolio of investments is maintained by the Clerk who provides a portfolio report quarterly (or more often if requested) to the Board. The report provides a breakdown of the portfolio as well as overall performance. Investments for the County, as well as for its component unit, are reported at fair value.

*Receivables and Unbilled Revenue*

The County reports receivables for various taxes, fees and services.

Estimated unbilled revenues in the component unit statements are accrued at year-end by pro-rating actual subsequent billings.

*Allowance for Doubtful Accounts*

No allowance for doubtful accounts is recorded for taxes and assessment fees as these are deemed collectible. An allowance for uncollectibles is determined for ambulance billings and HUD based on the County's historical rate of collection on such receivables.

The component unit provides for doubtful accounts based on analysis of individual accounts. For customer accounts, an allowance is created for accounts that are 120 days past due. For developer receivables, an allowance has been created for the full amount of all past due developer receivables.

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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)***

*Interfund Activities and Transactions*

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. These amounts are eliminated in the governmental column of the 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 government-wide financial statements as internal balances.

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. Transfers between governmental funds are netted as part of the reconciliation to the government-wide presentation.

*Inventories and Prepaid Items*

Inventories are stated at cost determined by the first-in, first-out cost method. The County uses the consumption method of accounting for inventories. Payment for goods and services applicable to a future period are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. Inventories and prepaid items are equally offset in a nonspendable fund balance which indicates that they do not constitute available spendable resources.

*Restricted Assets*

Certain assets of the County and its component unit are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments.

*Capital Assets*

Capital assets, which include property, plant, equipment, right-to-use lease assets, right-to-use subscription assets, and infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems) are reported in the applicable governmental activities columns in the government-wide financial statements. Additions to capital assets are recorded at cost at the time of purchase. Gifts or contributions of capital assets, and assets received in a service concession arrangement are recorded at acquisition value at the time received.

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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)***

*Capital Assets (continued)*

The County maintains a \$5,000 threshold for additions to equipment and a \$25,000 threshold for additions to land, buildings, infrastructure and other capital assets. The County also maintains a fixed asset listing for all tangible personal property equal to or greater than \$5,000 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:

<u>Asset</u>	<u>Years</u>
Buildings	30 - 40
Right-of-use buildings	3 - 10
Building improvements	30 - 40
System infrastructure	20
Vehicles	5
Equipment	5 - 7
Right-of-use equipment	2 - 7
Improvements other than buildings	20

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial 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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The County and component unit have three (3) items that qualify for reporting as deferred outflows of resources, the deferred losses on debt refunding, 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 amount on losses on debt refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. 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 financial 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 assets that applies to future periods and so will not be

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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)***

*Deferred Outflows/Inflows of Resources (continued)*

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.

FCSC defers losses resulting from the refunding of debt issues and amortizes the losses over the lesser of the remaining life of the refunded debt or the life of the new debt. Unamortized deferred losses on debt refunding are presented as deferred outflows of resources within the Statement of Net Position and are summarized as follows as of February 28, 2025, which is the most recent measurement date available for audited FCSC financial data:

Unamortized loss on Series 2001 refunding	\$	77,972
Unamortized loss on Series 2003 refunding		26,558
Unamortized loss on Series 2006 refunding		41,185
<hr/>		
Total deferred losses on debt refunding	\$	<u>145,715</u>

*Compensated Absences*

It is the County's policy to allow employees to accumulate paid time off benefits. For the fiscal year ended September 30, 2025, for all governmental fund types, the liability relating to such vested unused paid time off to the extent of certain maximum hours is recorded in the accompanying financial statements. 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.

Accumulated compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences of the component unit were recorded on the accrual basis as noncurrent liabilities.

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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)***

*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 right-to-use 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. Intangible right-to-use 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 intangible right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

*Unearned Revenues*

Unearned revenues are a liability that represents amounts received, but not yet earned. \$7,891,840 of funding from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program was unearned as of September 30, 2025. The remaining balance of unearned revenue is made up of \$758,603 of SHIP funding, \$628,588 of law enforcement funding, and \$674,319 of miscellaneous grant funding.

*Long-Term Liabilities*

For long-term liabilities, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. All long-term liabilities are reported in the government-wide financial statement of net position.

*Accrued Liabilities*

Accrued liabilities of \$8,568,714 represent a liability for payroll expenses that were incurred but unpaid at September 30, 2025.

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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)***

*Bond Premiums, Discounts and Issuance Costs - FCSC*

Bond premiums and discounts are deferred and amortized as a component of interest expense over the remaining useful life of the related debt. Debt issuance costs are considered outflows of resources in the period incurred and, accordingly, are expensed at the time of debt issuance.

*Net Position/Fund Balance*

Net position is reported on the government-wide financial statements and is required to be classified for accounting and reporting purposes into the following net asset 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 balance is reported in the fund financial statements as either nonspendable or spendable as follows:

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

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

*Committed* – Amounts constrained for a specific purpose by the Board.

*Assigned* – Includes spendable fund balance amounts established by the Board (resolution) that are intended to be used for specific purposes and are neither considered restricted nor committed.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that is spendable and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)***

*Net Position/Fund Balance (continued)*

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 government'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.

*Encumbrances*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. The County had no outstanding encumbrances at September 30, 2025.

*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 can be levied against property of the County as specified in Florida Statute 200.071.

Each year the total taxable valuation is established by the County 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)**

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)***

*Property Taxes (continued)*

2025 property tax calendar:

Lien date	- January 1, 2024
Levy date	- November 1, 2024
Tax bills mailed	- November 1, 2024
Collection dates	- November 30, 2024: 4% discount
	- Through January 2, 2025: 3% discount
	- Through January 31, 2025: 2% discount
	- Through February 28, 2025: 1% discount
Delinquent date	- April 1, 2025
Tax sale - 2024 delinquent property taxes	- on or before June 1, 2025

*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.

*Other Postemployment Benefits (OPEB)*

For purposes of measuring the total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

***Management Estimates and Assumptions***

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. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for doubtful accounts, pension liability, and OPEB liability.

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 9, 2026. See Note 7 for subsequent events.

See Note 7 for subsequent events related to FCSC.

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

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. There were no significant impacts from implementing this statement.

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. There were no significant impacts from implementing this statement.

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

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;

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

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

- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

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

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Budgetary Information***

During the fiscal year 2025, there were supplemental appropriations of \$208,193,384 or 67% of the original budget. The following items represent the major additional appropriations:

*General Fund*

Various projects in work and capital projects	\$	10,955,006
Various operating costs		2,323,785
Various federal and state grants		15,431,174

*Special Revenue Funds*

*County Transportation Trust*

Transportation capital projects funded with current revenue, federal and state grants, and available fund balance	45,590,793
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*Fine and Forfeiture*

Various projects in work and capital projects	488,336
Various federal and state grants	26,353,399

*Tourist Development*

Various projects in work and capital projects	35,575,236
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*Solid Waste Landfill*

Various projects in work and capital projects	20,462,570
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*Capital Projects*

Various projects in work and capital projects	39,750,636
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*Nonmajor Funds*

Various capital improvements, facility repairs and upgrades	5,758,211
Various federal and state grants	5,373,185
Various personnel services and operating costs	131,053

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Total	\$	208,193,384
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***Cash, Cash Equivalents and Investments***

Cash and cash equivalents are cash on hand, as well as demand deposits, investments, and certificates of deposit included in pooled cash with original maturities of three months or less.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Cash, Cash Equivalents and Investments (continued)***

Investments include non-pooled investments and certificates of deposit with original maturities of three months or greater.

*Florida Community Services Corporation (FCSC)*

For the year ended February 28, 2025, FCSC invested certain reserve funds through the Blackrock T-Fund (BTRXX) at the Bank of New York Mellon. The fund strategy is to invest at least 99.5% of its total assets in cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Treasury, and repurchase agreements secured by such obligation or cash. The average weighted maturity of investments held by the fund is 31 days; therefore, FCSC considers these cash equivalents. Blackrock T-Fund has a Standard & Poor's credit rating of AAAM and a Moody's credit rating of Aaa-mf. At February 28, 2025, total invested in the fund with the Bank of New York Mellon totaled \$31,481,840.

For the year ended February 28, 2025, the FCSC also invested in the Goldman Sachs Financial Square Treasury Obligations Fund (FYAXX and FTOXX) at the Bank of New York Mellon. The fund is a high-quality money market portfolio that comprises U.S. Government and U.S. Treasury securities including bills, bonds, notes and repurchase agreements. The average weighted maturity of investments held by the fund is 44 days; therefore, FCSC considers these cash equivalents. Goldman has a Standard & Poor's credit rating of AAAM and a Moody's credit rating of Aaa-mf. At February 28, 2025, total invested in the fund with The Bank of New York Mellon totaled \$2,502,847 (FYAXX) and \$1,277,703 (FTOXX).

***Deposits and Investments***

*Custodial Credit Risk - Deposits*

The County and FCSC maintain cash balances at various banks which are "Qualified Public Depositories" as defined by Chapter 280, Florida Statutes. Cash accounts are also insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. All balances in excess of the FDIC insurance for demand and time deposits are fully collateralized by the multiple financial institutions' collateral pool in accordance with Chapter 280, Florida Statutes.

The entire amount of the Board's demand deposits in fiscal year 2025 were transferred to a public fund net interest bearing checking account, paying interest at 70% of the current federal funds rate *with no reserve requirements*.

*Custodial Credit Risk - Investments*

Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Board will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The Board's investments are held by the counterparty(s), or by their respective trust departments, not in the Board's name. Consequently, these investments are exposed to custodial credit risk. The Board has no policy on custodial credit risk.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (continued)***

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Increases in prevailing fixed-maturity investments fluctuate in responses to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in the fair value of those instruments. The fair value of interest sensitive instruments may also be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, and other general market conditions. Certain fixed maturity investments have call provisions that could result in shorter maturity periods. The longer the maturity of an investment, the greater its price volatility. The County's investment policy places no limit on the maturity of investments.

Investment Type	Total Fair Value	0-1 Year	1-5 Year	5-10 Year	More Than 10 Year
Corporate bonds	\$ 41,739,708	\$ 7,229,745	\$ 34,142,237	\$ 22,369	\$ 345,357
U.S. Government and agency securities	8,678,667	-	6,991,930	1,473,542	213,195
	50,418,375	\$ 7,229,745	\$ 41,134,167	\$ 1,495,911	\$ 558,552
Money market	951,892				
Equity securities	1,266,275				
	\$ 52,636,542				

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single issuer. To limit concentration of credit risk, the County's investment policy requires diversification of the portfolio with maximum limits per investment type, as disclosed in Note 1. Investments in single issuers that equal or exceed 5% of total investments have a reportable concentration of credit risk. Credit quality risk results from potential default of investments that are not financially sound. The County's investment policy requires that corporate and government debt instruments must be of investment grade as rated by a nationally recognized rating agency.

Investment Type	Credit Rating	Risk at Fair Value	Total Investments
Florida Local Government Investment Trust (FLGIT)	AAAf	\$ 12,071,449	18.61%

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (continued)***

*Fair Value Measurement*

GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes inputs into three categories – Level 1, Level 2, and Level 3 inputs – considering the relative reliability of inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the financial asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (continued)***

*Fair Value Measurement (continued)*

At September 30, 2025, the County’s pooled investments are valued as follows:

Investment Type	9/30/2025 Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Money market funds	\$ 951,892	\$ 951,892	\$ -
U.S. government and agency securities	8,678,667	4,790,971	3,887,696
Corporate bonds	41,739,708	-	41,739,708
Equity securities	1,266,275	1,266,275	-
<b>Total investments at fair value</b>	<b>52,636,542</b>	<b>\$ 7,009,138</b>	<b>\$ 45,627,404</b>
<i>Investments Measured at Net Asset Value (NAV)</i>			
Florida Local Government Investment Trust (FLGIT)	12,071,449		
<i>Investments Measured at Amortized Cost</i>			
Florida PRIME (SBA)	152,834		
<b>Total investments valued at NAV and amortized cost</b>	<b>12,224,283</b>		
<b>Total investments</b>	<b>\$ 64,860,825</b>		

Investments classified as level 2 of the fair value hierarchy use valuation techniques that reflect market participant’s assumptions and maximize the use of relevant observable inputs including quoted prices for similar assets, benchmark yield curves and market corroborated inputs.

*Florida Community Services Corporation (FCSC)*

FCSC held investments in certificates of deposit of \$20,000,000 at February 28, 2025. The certificates of deposit bear interest at 4% and had maturity dates in March 2025 and May 2025.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Receivables***

*Accounts receivables* consists primarily of franchise fee and ambulance billings in the General Fund, surplus equipment sales in the Transportation Fund, Tourist Development Council tax in the Special Revenue Fund and fraud recoveries in the Housing and Urban Development (“HUD”) non-major special revenue fund. All accounts receivables are considered collectible and no allowance for uncollectibles is deemed necessary, except for ambulance billings which had a balance of \$1,154,667 and an allowance of \$279,083 and HUD which had a balance of \$213,975 and an allowance of \$213,975.

*Florida Community Services Corporation (FCSC)* charges accounts to bad debt expense as they are billed and deemed uncollectible. At February 28, 2025, the allowance for uncollectible accounts was \$562,667.

*Due from other governments* is comprised of grants reimbursements of \$2,139,784, revenue sharing and taxes due to the County of \$7,259,613, and an allocation by the State of Florida from litigation settlements of \$2,393,193. These litigation settlements will be paid out over several years and a deferred inflow of resources has been recorded by the General fund.

*Loans receivable* consists of a loan agreement with the Walton County Economic Development Alliance (“EDA”) for the purchase of real property in order to facilitate growth and business creation in the county. The outstanding balance at September 30, 2025 is \$1,710,894 and will be repaid by the EDA with proceeds of each sale of real property.

***FCSC - Developers Agreements Receivable***

As of February 28, 2025, FCSC had gross balances for accounts receivable related to developers’ agreements of \$4,688,737. These receivables represent amounts owed by developers for water and/or sewer connection fees under the terms of contracts between the parties and FCSC.

As of February 28, 2025, FCSC had taken legal action related to the collection of the past due amounts by filing liens. However, management believes there is uncertainty regarding the collectability of the past due amounts. Therefore, at February 28, 2025, FCSC had established an allowance for doubtful accounts of \$1,414,262. Revenues related to developer agreements are reported as non-operating revenues.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Interfund Activity***

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

Due From Other Funds:

*General Fund*

Tourist development council	\$	429,193
Fine and forfeiture		405,742
		\$ 834,935

Amount due from tourist development council and fine and forfeiture is for miscellaneous reimbursements. All amounts due will be paid within one year of the financial statement date.

*Fine and Forfeiture*

General fund	\$	3,171
Other governmental funds		67,680
Tourist Development Council		183,166
		\$ 254,017

Amounts due from general fund and other governmental funds represent grant reimbursements. Amounts due from the tourist development council are for reimbursement of expenses. All amounts due will be paid within one year of the financial statement date.

*Tourist Development Council*

General fund	\$	6,218,596
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Amounts due from the general fund are from Clerk of the Courts for Tourist Development Tax. All amounts due will be paid within one year of the financial statement date.

*Other Governmental Funds*

Fine and forfeiture	\$	1,454
Tourist Development Council		261
Other governmental funds		168
		\$ 1,883

Amounts due from the fine and forfeiture fund are for miscellaneous reimbursements. Amount due from other governmental funds represent various operating and grant reimbursements. All amounts due will be paid within one year of the financial statement date.

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Interfund Transfers***

Transfers are used to (1) use solid waste landfill revenues to cover road paving expenditures in county transportation fund and capital projects in the general fund and (2) transfer general fund revenues to fund capital projects.

Transfers Between Funds:

*Transfers to General Fund from:*

Solid waste landfill	\$	2,516,385
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*Transfers to County Transportation Fund from :*

Solid waste landfill	\$	12,216,385
General fund		4,856,452

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Total		17,072,837
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*Transfers to Capital Projects Fund from:*

Solid waste landfill	2,756,452
General fund	9,459,933

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Total		12,216,385
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Transfers to Fine and Forfeiture Fund from:

General fund	97,832,156
Other governmental funds	8,022

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Total		97,840,178
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Total interfund transfers	\$	129,645,785
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**Walton County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Restricted Assets***

Restricted assets of the County are those required to be set aside for future debt service and landfill closure requirements. FCSC includes assets restricted for debt service, as well as customer deposits and construction funds. Restricted assets are as follows:

	Cash and Cash Equivalents	Investments	Total
<i>Walton County - Primary Government</i>			
Debt service funds	\$ 45,027	\$ 7,814	\$ 52,841
Infrastructure improvements	4,405,364	-	4,405,364
Landfill closure costs	4,907,174	-	4,907,174
	<u>\$ 9,357,565</u>	<u>\$ 7,814</u>	<u>\$ 9,365,379</u>
<i>Florida Community Service Corporation</i>			
Debt service funds	\$ 3,557,223	-	\$ 3,557,223
Renewal and replacement funds	1,661,968	-	1,661,968
Customer deposits	3,123,005	-	3,123,005
	<u>\$ 8,342,196</u>	<u>\$ -</u>	<u>\$ 8,342,196</u>

**Walton 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, 2024	Additions	Deductions	September 30, 2025
Capital assets, not being depreciated				
Land	\$ 150,684,032	\$ 787,664	\$ 2,339	\$ 151,469,357
Construction in progress	49,854,675	23,709,897	15,697,451	57,867,121
Capital assets, not being depreciated	200,538,707	24,497,561	15,699,790	209,336,478
Capital assets, being depreciated				
Buildings	96,754,525	23,029,386	-	119,783,911
Improvements other than buildings	65,302,443	3,053,704	-	68,356,147
Infrastructure	247,566,035	1,638,987	-	249,205,022
Machinery and equipment	108,644,126	13,272,022	6,486,260	115,429,888
Capital assets, being depreciated	518,267,129	40,994,099	6,486,260	552,774,968
Less accumulated depreciation for				
Buildings	38,340,046	2,866,350	-	41,206,396
Improvements other than buildings	29,397,461	2,772,844	-	32,170,305
Infrastructure	136,616,791	9,216,978	-	145,833,769
Machinery and equipment	75,513,640	11,682,136	6,187,777	81,007,999
Total accumulated depreciation	279,867,938	26,538,308	6,187,777	300,218,469
Total capital assets being depreciated, net	238,399,191	14,455,791	298,483	252,556,499

- Continued -

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Capital Assets (continued)***

	October 1, 2024	Additions	Deductions	September 30, 2025
Right-to-use lease assets, being amortized				
Buildings	\$ 353,165	\$ 1,046,281	\$ -	\$ 1,399,446
Equipment	2,457,434	130,612	-	2,588,046
Right-to-use lease assets, being amortized	2,810,599	1,176,893	-	3,987,492
Less accumulated amortization for				
Buildings	138,634	161,817	-	300,451
Equipment	496,454	573,509	-	1,069,963
Total accumulated amortization	635,088	735,326	-	1,370,414
Right-to-use lease assets being amortized, net	2,175,511	441,567	-	2,617,078
Right-to-use subscription assets, being amortized				
Subscription-based information technology amortized	808,485	-	-	808,485
Right-to-use subscription assets, being amortized	808,485	-	-	808,485
Less accumulated amortization for Subscription-based information technology				
Right-to-use subscription assets	261,958	269,425	-	531,383
Total accumulated amortization	261,958	269,425	-	531,383
Right-to-use subscription assets being amortized, net	546,527	(269,425)	-	277,102
Total governmental activities capital assets, net	\$ 441,659,936	\$ 39,125,494	\$ 15,998,273	\$ 464,787,157

**Walton 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 the government as follows:

<i>Governmental Activities</i>	
General government	\$ 2,949,043
Public safety	8,202,839
Physical environment	1,405,971
Transportation	12,340,370
Economic environment	1,466,599
Human services	101,792
Culture and recreation	1,076,445
<b>Total</b>	<b>\$ 27,543,059</b>

A summary of capital assets for FCSC, a proprietary fund type component unit, at year-end is as follows:

	March 1, 2024	Additions	Transfer/ Deductions	February 28, 2025
<b>Capital assets not being depreciated</b>				
Land	\$ 16,377,740	\$ -	\$ -	\$ 16,377,740
Construction in progress	2,109,726	5,596,540	(2,065,900)	5,640,366
<b>Total non-depreciable assets</b>	<b>18,487,466</b>	<b>5,596,540</b>	<b>(2,065,900)</b>	<b>22,018,106</b>
<b>Capital assets being depreciated:</b>				
Buildings	11,305,028	-	-	11,305,028
Utility system	388,677,334	13,870,629	2,049,566	404,597,529
Automobiles and trucks	8,974,192	1,532,620	(821,833)	9,684,979
Furniture and fixtures	1,147,705	33,748	(733)	1,180,720
Machinery and equipment	23,199,272	609,321	(7,160,472)	16,648,121
<b>Total depreciable assets</b>	<b>433,303,531</b>	<b>16,046,318</b>	<b>(5,933,472)</b>	<b>443,416,377</b>
<b>Less accumulated depreciation</b>	<b>268,802,724</b>	<b>18,517,044</b>	<b>(7,915,460)</b>	<b>279,404,308</b>
<b>Total depreciable capital assets, net</b>	<b>164,500,807</b>	<b>(2,470,726)</b>	<b>1,981,988</b>	<b>164,012,069</b>
<b>Total governmental activities capital assets, net</b>	<b>\$ 182,988,273</b>	<b>\$ 3,125,814</b>	<b>\$ (83,912)</b>	<b>\$ 186,030,175</b>

**Walton 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 and liabilities for the year ended September 30, 2025:

	Balance 10/01/24	Additions*	Reductions	Balance 09/30/25	Due Within One Year
Leases	\$ 2,043,005	\$ 1,176,891	\$ 776,244	\$ 2,443,652	\$ 783,815
Subscription leases	546,527	-	269,424	277,103	277,103
Notes from direct borrowings	12,820,653	-	2,110,906	10,709,747	2,182,320
Compensated absences	6,688,220	2,865,281	-	9,553,501	2,242,136
Net pension liability	118,394,334	(5,620,290)	12,629,885	100,144,159	-
Total OPEB liability	31,480,000	10,894,000	1,156,000	41,218,000	1,284,000
Landfill closure costs	11,138,828	-	1,488,295	9,650,533	409
	<u>\$ 183,111,567</u>	<u>\$ 9,315,882</u>	<u>\$ 18,430,754</u>	<u>\$ 173,996,695</u>	<u>\$ 6,769,783</u>

\*Compensated absence additions are reported net of reductions.

Compensated absences, other postemployment benefits and the net pension liability will be liquidated in future periods primarily by the general fund for governmental activities. A portion of compensated absences will be liquidated by the internal service fund.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Debt and Liabilities (continued)***

*Leases*

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

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

For the years ending September 30,	Tax Collector		Sheriff	
	Principal	Interest	Principal	Interest
2026	\$ 1,688	\$ -	\$ 782,127	\$ 68,529
2027	1,687	-	633,231	46,317
2028	558	-	445,940	28,381
2029	-	-	132,040	16,238
2030	-	-	32,301	12,456
2031-2035	-	-	195,289	46,919
2036-2040	-	-	218,791	15,050
Total principal and interest	3,933	-	2,439,719	233,890
Total		\$ 3,933		\$ 2,673,609

*Subscription-Based Information Technology Arrangements*

The County has one software arrangement that requires recognition under GASBC Section S:80, *Subscription-Based Information Technology Arrangements* (SBITAs). The County now recognizes a subscription liability and an intangible right-to-use subscription asset for the accounting software in Finance.

The accounting software arrangement is a three-year agreement, initiated in fiscal year 2024 with an annual payment of \$285,000. The County has used a 2.85% discount rate for this arrangement based on another similar lease during the same fiscal year.

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

For the year ending September 30,	Clerk	
	Principal	Interest
2026	\$ 277,103	\$ 7,897
Total		\$ 285,000

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Debt and Liabilities (continued)***

*Notes From Direct Borrowings*

*September 30, 2025*

*Note Payable - SunTrust* - Original loan of \$27,000,000 for capital projects. Due in quarterly principal and interest installments of \$553,331 with an interest rate of 3.25%. Note matures in 2030 and is secured by half-cent sales tax revenues. \$ 9,344,747

*Revenue Promissory Note, Series 2020* - Original loan of \$2,500,000 to finance the County's rural broadband expansion. Due in quarterly principal and interest installments with an interest rate of 2.10%. Note matures in 2030. 1,365,000

\$ 10,709,747

Principal maturities of all the primary government's notes payable and related interest payments for the next five years are as follows:

For the years ending September 30,	Principal	Interest	Total
2026	\$ 2,182,320	\$ 338,263	\$ 2,520,583
2027	2,245,783	268,920	2,514,703
2028	2,310,881	196,943	2,507,824
2029	2,399,115	123,671	2,522,786
2030	1,571,648	47,343	1,618,991
	<u>\$ 10,709,747</u>	<u>\$ 975,140</u>	<u>\$ 11,684,887</u>

***Sales Tax Revenues Pledged***

The County has pledged a portion of its future half-cent sales tax revenue to repay the \$27,000,000 Note Payable – SunTrust Bank issued in fiscal year 2015 to finance the planning, development, acquisition, construction, equipping and maintenance of certain improvements and public facilities in the County. The note is payable solely from the half-cent sales tax approved by the Board and effective January 1, 2013. The half-cent sales tax is projected to produce 100 percent of the debt service requirements over the life of the note. For the current year, principal and interest paid and half-cent sales tax revenues were \$2,110,906 and \$17,895,805, respectively.

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Debt and Liabilities (continued)***

*Florida Community Services Corporation (FCSC)*

The following is a summary of changes in FCSC long-term debt and liabilities for the year. FCSC's bonds and notes payable were comprised of the following at February 28, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds and notes					
Series 2011 revenue bond	\$ 3,555,000	\$ -	\$ 385,000	\$ 3,170,000	\$ 400,000
Series 2013 note	3,430,000	-	395,000	3,035,000	400,000
Series 2015 note	9,347,000	-	1,064,000	8,283,000	1,095,000
<hr/>					
Revenue bonds and notes payable	16,332,000	-	1,844,000	14,488,000	1,895,000
Plus unamortized bond premium	31,995	-	4,313	27,682	-
<hr/>					
Total revenue bonds and notes payable	\$ 16,363,995	\$ -	\$ 1,848,313	\$ 14,515,682	\$ 1,895,000

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Debt and Liabilities (continued)***

*Florida Community Services Corporation (FCSC) (continued)*

<u>February 28, 2025</u>	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
<p>\$8,685,000 Revenue Bonds, Series 2011, serial bonds for the purpose of refunding the outstanding Water and Sewer Revenue Refunding Bonds, Series 2001, principal and interest payments are due semi-annually with principal due in increasing amounts and interest rates from 2.0% to 4.75%. The bonds are secured by the assets of the Corporation and by future revenues.</p>	\$ 400,000	\$ 2,770,000	\$ 3,170,000
<p>\$6,800,000 Water and Sewer Revenue Note, Series 2013, for the purpose of refunding the outstanding Water and Sewer Revenue Refunding Bonds, Series 2003, principal and interest payments are due semi-annually with principal due in increasing amounts and an interest rate of 2.47%. The note is secured by the assets of the Corporation and by future revenues.</p>	400,000	2,635,000	3,035,000
<p>\$14,626,000 Water and Sewer Revenue Note, Series 2015, for the purpose of refunding the outstanding Water and Sewer Revenue Refunding Bonds, Series 2006, principal and interest payments are due semi-annually with principal due in increasing amounts and an interest rate of 2.54%. The note is secured by the assets of the Corporation and by future revenues.</p>	1,095,000	7,188,000	8,283,000
Total revenue bonds and notes outstanding	1,895,000	12,593,000	14,488,000
Unamortized premium	-	27,682	27,682
Total revenue bonds and notes, net	\$ 1,895,000	\$ 12,620,682	\$ 14,515,682

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-term Debt and Liabilities (continued)***

*Florida Community Services Corporation (FCSC) (continued)*

FCSC's annual requirements to amortize all debts outstanding as of February 28, 2025 on the bonds and notes are as follows:

For the years ending February 28,	Principal	Interest	Total
2026	\$ 1,895,000	\$ 408,001	\$ 2,303,001
2027	1,953,000	353,203	2,306,203
2028	2,009,000	296,422	2,305,422
2029	2,065,000	237,345	2,302,345
2030	2,124,000	175,885	2,299,885
2031-2032	4,442,000	158,853	4,600,853
	<b>\$ 14,488,000</b>	<b>\$ 1,629,709</b>	<b>\$ 16,117,709</b>

***Debt Covenants***

FCSC's outstanding bond and note issues require FCSC to provide in each fiscal year net revenues and water and sewer impact fees that are adequate to pay at least 115% of the annual debt service. Additionally, annual net revenues must be adequate to pay 105% of FCSC's annual debt service plus any amounts required to be deposited in reserve and certain other accounts. As of February 28, 2025, FCSC was in compliance with all of its debt covenants.

***Indenture Provisions***

FCSC's outstanding bond and note issues require the establishment of certain debt service reserve accounts to be maintained. At February 28, 2025, FCSC was in compliance with the debt service reserve requirements of the outstanding bond and note issues. FCSC's outstanding bond and note issues require the establishment of a renewal and replacement fund which must maintain a balance equal to 5% of the gross revenues received by the issuer in the immediately preceding fiscal year. FCSC met this requirement for fiscal year 2025. Within the same bank account, FCSC maintains additional funds which are designated by FCSC's Board for use in replacement and repairs due to natural disasters, such as hurricanes.

***Deposits***

At September 30, 2025, deposits totaled \$4,670,435. Of this total, \$1,965,999 was for bid bond deposits and cash sureties for infrastructure paid by developers and \$2,181,701 was for proportionate fair share deposits, which are both restricted by enabling legislation. Proportionate fair share is a funding mechanism passed by the Florida Legislature designed to mitigate the impact of development on transportation facilities by the cooperative efforts of the public and private sectors. The remaining balance was related to miscellaneous deposits.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Conduit Debt***

In June 2024, the County authorized issuance of up to \$26,947,000 in the form of revenue bonds that provided funds for the Seaside School Project for the acquisition, construction and equipping of various capital improvements to the Seaside School, Inc.'s facilities, including two new academic buildings (the "projects"). The bonds mature in June 2039 and are payable solely from the revenues and proceeds derived from payments made by The Seaside School, Inc., and will not constitute a debt, liability or obligation to the County. No tax revenues or other revenues of the County will be used to repay the bonds. The Seaside School, Inc. has indemnified the County against any loss or damage arising out of the projects or the issuance of the bonds. As of September 30, 2025, the outstanding balance was \$20,214,601.

***Net Investment in Capital Assets***

All debt proceeds obtained for capital assets were expended and netted against net capital assets to arrive at net investment in capital assets.

***Net Position Restricted by Enabling Legislation***

The government-wide statement of net position reports \$100,566,093 of restricted net position, of which \$99,166,919 is restricted by enabling legislation.

***Fund Balance***

The County classifies fund balance as nonspendable, restricted, committed, assigned or unassigned based upon a hierarchy that imposes certain constraints on the resources. See Note 1 for a description and detailed explanation of each classification.

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Fund Balance (continued)***

At September 30, 2025, fund balance is comprised of the following:

<i>Nonspendable</i>		
General fund		
Inventory	\$ 130,779	
Prepays	65,534	
Loan receivable	1,710,894	
		\$ 1,907,207
County transportation		
Inventory		337,049
Tourist development		
Inventory		173,557
Solid waste landfill		
Prepays		1,500
		\$ 2,419,313

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Fund Balance (continued)***

*Restricted*

General fund			
Court technology	\$	429,769	
Court innovations		67,011	
			\$ 496,780
County transportation			
Road and bridge			40,787,218
Fine and forfeiture			
Public safety			49,765,273
Solid waste landfill			
Closure costs			4,907,174
Nonmajor governmental funds			
Debt service		52,841	
Housing and Urban Development (HUD)		93,502	
Mosquito control		1,621,059	
Court technology		390,766	
Public Records Modernization		720,610	
Abandoned property		11,896	
Traffic and parking enforcement		401,928	
Suspense		14,636	
Title IV-D		278,803	
Inmate Canteen		545,567	
Law enforcement		478,040	
			4,609,648
<b>Total restricted fund balance</b>			<b>\$ 100,566,093</b>

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Fund Balance (continued)***

*Committed*

General fund		
Self funding	\$	2,890,000
NW Doctor's Hospital LOC		2,000,000
		<hr/> \$ 4,890,000

Tourist development		
Beach renourishment	76,900,374	
New product development	22,726,632	
North Walton	871,281	
High impact	30,095,918	
		<hr/> 130,594,205

*Nonmajor governmental funds*

Building department	10,720,790	
Preservation	1,111,100	
Sidewalk	849,179	
		<hr/> 12,681,069

Total committed fund balance		<hr/> <hr/> \$ 148,165,274
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*Assigned*

General fund		
2026 budget appropriations		\$ 16,222,934
<i>Tourist development</i>		
2026 budget appropriations		35,768,107

*Solid waste landfill*

Landfill operations and capital projects		45,692,542
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*Capital projects*

Capital projects and improvements		26,965,592
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*Nonmajor governmental funds*

Public safety	\$	223,763
Culture and recreation		4,417,138
		<hr/> 4,640,901

Total assigned fund balance		<hr/> <hr/> \$ 129,290,076
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**Note 3: RECOGNITION OF LANDFILL CLOSURE AND POST-CLOSURE COSTS**

State and federal laws require final cover and closure as well as post-closure care of landfills. Closure cost estimates include final cover, anticipated costs of equipment and facilities constructed near or after closure and thirty years of monitoring and maintenance costs subsequent to closing. Closure costs estimates are subject to regulatory review. The County has one landfill site for which closure and post-closure cost estimates are required. Presently, the County is utilizing a 120 acre site located on Highway 83 North. This site contains approximately 40 acres of filled Class I cells that have been closed, approximately 16 acres of Class III cells that are approximately 94% filled, approximately 10 acres of Class III cells that are approximately 5% filled, and 5.1 acres of Class I cells constructed and available that have not been utilized. During the year-ended September 30, 2023, the County opened approximately 10 acres of Class III cells. The County has elected to ship all Class I materials to a facility outside the County. The current closure cost estimate for the 26 acre Class III cells of \$13,159,818 represents closure costs of \$4,857,288 and post-closure cost of \$8,302,530. A portion of the cost is reported each period as operating expense based on landfill capacity used as of each balance sheet date. The estimated closure/post-closure cost of \$9,650,533 for this used capacity is reflected as a liability at September 30, 2025. Closure and post-closure costs of \$3,599,285 remain to be recognized in the estimated seventeen years of remaining useful life.

The landfill is required, by state and federal law and regulations, to make annual contributions to a cash escrow account to meet financial assurance requirements. In the event closure escrows and interest earnings prove inadequate due to inflation, changes in technology, or additional closure/post-closure care requirements, these costs may need to be covered by charges to future landfill users.

**Note 4: EMPLOYEE RETIREMENT SYSTEM**

***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

**Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)**

***Florida Retirement System Pension Plan (continued)***

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 are applied to employee salaries as follows: regular employees-14.03% DROP Program-22.02%, special risk employees-35.19%, senior management-33.24% and elected officials-54.57%. These rates are applied to employee salaries each pay period. Employee contributions are 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 for the years ended September 30, 2025 and 2024 were \$15,021,437, and \$13,699,545, 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, 2025 and 2024 were \$1,711,018 and \$1,576,590, 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 \$85,745,961 for the year ended September 30, 2025. The County's total payroll was \$87,929,777 for the same period. Net pension liabilities are generally liquidated by the general fund.

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, 2025, the Board reported a liability of \$76,005,223 for its proportionate share of the collective net pension liability for the Florida Retirement System Pension Plan ("Pension Plan"). The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The Board'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, 2025, the System's proportion of the Pension Plan was 0.244900%, which was an increase of 0.009100% from its proportion measured as of June 30, 2024.

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

**Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)**

***Florida Retirement System Pension Plan (continued)***

For the year ended September 30, 2025, the Board recognized a combined pension expense of (\$5,576,231) for the Pension Plan and the HIS Plan. For the year ended September 30, 2025, the Board recognized pension expense of (\$5,252,842) for the Pension Plan. At September 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,118,158	\$ -
Changes of assumptions	8,826,180	-
Net difference between projected and actual earnings on pension plan investments	-	12,689,837
Changes in proportion and difference between employer contributions and proportionate Employer contributions subsequent to the measurement date	6,880,606	1,319,760
	3,752,156	-
<b>Total</b>	<b>\$ 27,577,100</b>	<b>\$ 14,009,597</b>

\$3,752,156 reported as deferred outflows of resources related to the Pension Plan resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ended September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2026	\$ 5,069,138	\$ 2,818,768	\$ 2,250,370
2027	5,069,138	2,818,769	2,250,369
2028	5,069,138	2,818,768	2,250,370
2029	5,069,138	2,818,768	2,250,370
2030	3,548,392	2,734,524	813,868
	<b>\$ 23,824,944</b>	<b>\$ 14,009,597</b>	<b>\$ 9,815,347</b>

*Actuarial assumptions.* The total pension liability for the Pension Plan was determined by an actuarial valuation as of July 1, 2025 using the following actuarial assumptions, applied to all periods included in the measurement:

**Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)**

***Florida Retirement System Pension Plan (continued)***

Inflation	2.40%
Investment rate of return*	6.70%
Projected salary increases	3.50%

\* Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of July 1, 2025 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, 2018 to June 30, 2023.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

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(1)	Annual Arithmetic Return*	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
<b>Total</b>	<b>100%</b>			

Note: (1) As outlined in the Pension Plan's investment policy

\* Includes assumed rate of inflation of 2.40%

*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.

**Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)**

***Florida Retirement System Pension Plan (continued)***

*Sensitivity of the Board's proportionate share of the net pension liability to changes in the discount rate.* The following table presents the Board'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 Board'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:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Board's proportionate share of collective pension liability	\$ 149,159,077	\$ 76,005,223	\$ 14,674,090

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. The supporting actuarial information is included in the GASB Statement No. 68 Report for the FRS prepared as of June 30, 2025. The auditor's report dated January 9, 2026 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, 2025 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

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

***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 2.00% of each covered employee's salary to the HIS Plan.

Eligible retirees and beneficiaries receive a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum payment of \$225 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, 2025, the Board reported a liability of \$24,138,936 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, 2025 and the total

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

**Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)**

***Health Insurance Subsidy Program (continued)***

pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Board'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, 2025, the Board's proportion of the HIS Plan was 0.188329%, which was an increase of 0.007169% from its proportion measured as of June 30, 2024.

For the year ended September 30, 2025, the Board recognized pension expense of (\$323,389) for the HIS Plan. At September 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 144,093	\$ 38,291
Changes of assumptions	213,657	5,838,589
Net difference between projected and actual earnings on pension plan investments	-	20,090
Changes in proportion and difference between employer contributions and proportionate share of contributions	2,967,143	358,021
Employer contributions subsequent to the measurement date	421,286	-
<b>Total</b>	<b>\$ 3,746,179</b>	<b>\$ 6,254,991</b>

\$421,286 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in the pension's expense as follows:

Year Ended September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2026	\$ 573,257	\$ 1,069,960	\$ (496,703)
2027	573,257	1,069,960	(496,703)
2028	573,257	1,069,960	(496,703)
2029	573,257	1,069,962	(496,705)
2030	573,257	1,074,983	(501,726)
Thereafter	458,608	900,166	(441,558)
	<b>\$ 3,324,893</b>	<b>\$ 6,254,991</b>	<b>\$ (2,930,098)</b>

**Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)**

***Health Insurance Subsidy Program (continued)***

The total pension liability for the HIS Plan was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment rate of return*	5.20%
Projected salary increases	3.50%
* Net of pension plan investment expense	

The actuarial assumptions used in the actuarial valuation as of July 1, 2024 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, 2018 to June 30, 2023.

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021.

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 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion rate is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

*Sensitivity of the Board’s proportionate share of the net pension liability to changes in the discount rate.* The following table presents the Board’s proportionate share of the net pension liability calculated using the discount rate of 5.20% for the HIS Plan as well as what the Board’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.20%) or 1-percentage point higher (6.20%) than the current rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Board's proportionate share of collective pension liability	\$ 27,220,536	\$ 24,138,936	\$ 21,554,453

**Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)**

***Health Insurance Subsidy Program (continued)***

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the FRS* prepared as of June 30, 2025. The auditor's report dated January 9, 2026 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, 2025 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

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

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION**

***Plan Description***

The Board administers a single-employer defined benefit healthcare plan (the "Plan"). In accordance with Section 112.0801 of the Florida Statutes, because Walton 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, prescription drug benefits, and life insurance coverage to both active and eligible retired employees. The Plan is administered through an agreement with Blue Cross Blue Shield of Florida (BCBSFL). Two plans are offered: a Blue Cross Co-Pay plan with a \$750 deductible (Plans 03559 and 3359) and a Blue Cross PPO plan with a \$1,500 deductible (Plan 3360). Once the retiree becomes eligible for Medicare coverage, the monthly premium is reduced. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full time employees of the County and of the Constitutional Officers. A retired employee who is participating in the employer's medical program is eligible to elect post-retirement coverage if:

Normal retirement requirements for members initially enrolled before July 1, 2011:

- *For Special Risk* – is at least age 55 with 6 years of service or any age with 25 years of service, and is eligible for immediate retirement benefits under FRS, or
- *For Non-Special Risk* – is at least age 62 with 6 or more years of service, or any age with 30 years of service.

Normal retirement requirements for members initially enrolled on or after July 1, 2011:

- *For Special Risk* – is at least age 60 with 8 years of service or any age with 30 years of service, and is eligible for immediate retirement benefits under FRS, or
- *For Non-Special Risk* – is at least age 65 with 8 or more years of service, or any age with 33 years of service.

The benefit is payable immediately upon retirement for life.

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

*Benefits Provided*

The County provides postemployment healthcare and life insurance to its retirees. Health benefits are provided through the County’s healthcare provider, 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 age 65 years of age, Medicare becomes the primary insurer and the County’s plan becomes secondary.

*Membership*

At October 1, 2024, the date of the actuarial valuation, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	1,177
Inactive (employees or beneficiaries currently receiving benefits)	353
<u>Inactive (employees entitled but not yet receiving benefits)</u>	<u>-</u>
<u>Total membership</u>	<u>1,530</u>
<u>Participating employers</u>	<u>1</u>

*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.

*Total OPEB Liability*

The County’s total OPEB liability is reported herein as of September 30, 2025 for the County’s fiscal year and reporting period of October 1, 2024 to September 30, 2025. The values shown for this fiscal year and reporting period are based on a measurement date of October 1, 2024 and the corresponding measurement period of October 1, 2023 to September 30, 2024. The measurement of the total OPEB liability is based on a valuation date of October 1, 2024. The following shows the changes in the County’s total OPEB liability:

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

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

*Total OPEB Liability (continued)*

	Increases (Decreases)		
	OPEB Liability (a)	Plan Fiduciary Net Pension (b)	Total OPEB Liability (a)+(b)
Balance at October 1, 2023	\$ 31,480,000	\$ -	\$ 31,480,000
Service cost	592,000	-	592,000
Interest cost	1,480,000	-	1,480,000
Difference between expected and actual experience	891,000	-	891,000
Employer contributions	-	1,200,000	1,200,000
Benefit payments	(1,200,000)	(1,200,000)	(2,400,000)
Assumption changes	7,975,000	-	7,975,000
<b>Net changes</b>	<b>9,738,000</b>	<b>-</b>	<b>9,738,000</b>
<b>Balance at September 30, 2024</b>	<b>\$ 41,218,000</b>	<b>\$ -</b>	<b>\$ 41,218,000</b>

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following represents the total OPEB liability, as well as what the 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 2.78%	Current Discount Rate 3.78%	1% Increase 4.78%
Total OPEB liability	\$ 49,951,000	\$ 41,218,000	\$ 34,518,000

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following represents the total OPEB liability, as well as what total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6%) or 1-percentage-point higher (8%) than the current healthcare trend rates:

	1% Decrease 6.00%	Current Trend Rate 7.00%	1% Increase 8.00%
Total OPEB liability	\$ 34,881,000	\$ 41,218,000	\$ 49,487,000

At September 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

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

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

*Total OPEB Liability (continued)*

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,036,000	\$ 116,000
Changes of assumptions	9,242,000	9,300,000
Net difference between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	1,284,000	-
<b>Total</b>	<b>\$ 15,562,000</b>	<b>\$ 9,416,000</b>

\$1,284,000 reported as deferred outflows of resources related to postemployment benefits resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	OPEB Expense, Net
2026	\$ 734,000
2027	306,000
2028	409,000
2029	1,802,000
2030	1,451,000
Thereafter	160,000
	<b>\$ 4,862,000</b>

*Actuarial Methods and Assumptions* – The actuarial report dated January 30, 2026 for the fiscal year end date of September 30, 2025 was prepared using GAAP and practices, and relied on 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.

In the October 1, 2024 actuarial valuation, the entry age actuarial cost method was used to determine the Plan's funding liabilities and assets. The actuarial assumption included a 3.78% discount rate, general wage increases of 2.60% and a medical trend rate for fiscal year 2025 of 7.00% per year decreasing 0.25% per year to an ultimate rate of 5.00%. The discount rate represents the Municipal GO AA 20-year yield curve rates as of September 30, 2024.

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

*Total OPEB Liability (continued)*

The following mortality rates were used:

Post Employment:

- Females: PUB – 2010 Amount-Weighted General Mortality Table – Retirees, projected using two-dimensional mortality improvement scale MP-2021
- Males: PUB – 2010 Amount-Weighted General Mortality Table – Retirees, projected using two-dimensional mortality improvement scale MP-2021

During Employment

- Females: PUB – 2010 Amount-Weighted General Mortality Table – Employees, projected using two-dimensional mortality improvement scale MP-2021
- Males: PUB – 2010 Amount-Weighted General Mortality Table – Employees, projected using two-dimensional mortality improvement scale MP-2021

**Note 6: COMMITMENTS AND CONTINGENCIES**

During the ordinary course of its operation, the County is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the County, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the County or results of activities.

Except for vehicular property damage, the County carries commercial insurance for all other risks of loss including accidental death and dismemberment, health and workers' compensation for Community Service Workers. Settled claims resulting from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

It is the policy of the County not to purchase commercial insurance for the risks associated with vehicular property damage. The County believes it is more economical to manage this risk internally and covers all claim settlements and judgments for vehicular property damage out of its General Fund resources. The County currently reports all risk management activities for vehicular property damage from its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss is reasonably estimated. These losses include an estimate of amounts incurred but not reported.

The County maintains a pay-as-you-go method of funding current and future liabilities, and has reserved none of its fund balance for future potential liability.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be

**Note 6: COMMITMENTS AND CONTINGENCIES (Continued)**

determined at this time although the County expects such amounts not recorded, if any, to be immaterial.

The County has active construction projects as of September 30, 2025. At year-end, the County's commitments with contractors are as follows:

Project	Contract Amount	Expended to Date	Remaining Commitment
Various infrastructure projects	\$ 28,013,924	\$ 12,975,343	\$ 15,038,581
Broadband expansion	625,000	-	625,000
<b>Total contract commitments</b>	<b>\$ 28,638,924</b>	<b>\$ 12,975,343</b>	<b>\$ 15,663,581</b>

**Note 7: SUBSEQUENT EVENTS**

On October 1, 2025, the County began self-insuring their health insurance claims and committed \$2.89 million as a reserve for these claims. The County is utilizing Florida Blue for the administration of these claims.

In March 2025, FCSC entered into a contract with a company for construction services relating to the Sandestin Wastewater Treatment Plant upgrade. The total contract amount is \$16,463,000 and is to commence in fiscal year 2026.

In March 2025, FCSC entered into a contract with a company for installation of three AGS Concrete tanks and two concrete sludge buffer tanks related to the Sandestin Wastewater Treatment Plant upgrade. The total contract amount is approximately \$4,300,000 and is to commence in fiscal year 2026.

In April 2025, a Purchase and Sale Agreement with Inlet Beach Water System and FCSC was enforced to purchase the assets and real property of Inlet Beach Water System (IBWS) and incorporate IBWS into the Regional Utilities service area for a purchase price of approximately \$13.7 million. Approximately \$869,000 outstanding payables owed from IBSW to FCSC for sewer fees shall be applied as a credit against the purchase price and forgiven as a part of the agreement. Additionally, in April 2025, the Walton County Board of County Commissioners approved a Resolution granting FCSC the IBWS Franchise.



**Walton County, Florida**

**Required Other Postemployment Benefits Supplementary Information**

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

<i>As of and for the year ended September 30,</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Total OPEB Liability</b>				
Service cost	\$ 592,000	\$ 588,000	\$ 1,612,000	\$ 1,454,000
Interest	1,480,000	1,317,000	973,000	978,000
Differences between expected and actual experience	891,000	2,559,000	1,457,000	-
Changes of assumptions	7,975,000	(1,742,000)	(16,558,000)	2,053,000
Benefit payments	(1,200,000)	(1,156,000)	(782,000)	(765,000)
Net change in total OPEB liability	9,738,000	1,566,000	(13,298,000)	3,720,000
Total OPEB liability - beginning, as restated	31,480,000	29,914,000	43,212,000	39,492,000
Total OPEB liability - ending (a)	\$ 41,218,000	\$ 31,480,000	\$ 29,914,000	\$ 43,212,000
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	1,200,000	1,156,000	782,000	765,000
Benefit payments	(1,200,000)	(1,156,000)	(782,000)	(765,000)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-
Net OPEB liability - ending (a) - (b)	\$ 41,218,000	\$ 31,480,000	\$ 29,914,000	\$ 43,212,000
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 75,415,000	\$ 63,137,000	\$ 63,137,000	\$ 48,742,000
Net OPEB liability as a percentage of covered-employee payroll	54.65%	49.86%	47.38%	88.65%
Contributions as a percentage of covered-employee payroll	1.59%	1.83%	1.24%	1.57%

\*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.*

	2020	2019	2018	2017
\$	1,061,000	\$ 765,000	\$ 738,000	\$ 719,000
	853,000	959,000	822,000	792,000
	5,152,000	(1,292,000)	2,332,000	-
	2,818,000	5,980,000	(1,664,000)	-
	(709,000)	(735,000)	(693,000)	(651,000)
	9,175,000	5,677,000	1,535,000	860,000
	30,317,000	24,640,000	23,105,000	22,245,000
\$	39,492,000	\$ 30,317,000	\$ 24,640,000	\$ 23,105,000
	709,000	735,000	693,000	651,000
	(709,000)	(735,000)	(693,000)	(651,000)
	-	-	-	-
	-	-	-	-
	-	-	-	-
\$	39,492,000	\$ 30,317,000	\$ 24,640,000	\$ 23,105,000
	0.00%	0.00%	0.00%	0.00%
\$	48,742,000	\$ 47,319,000	\$ 47,319,000	\$ 36,941,000
	81.02%	64.07%	52.07%	62.55%
	1.45%	1.55%	1.46%	1.76%

**Walton County, Florida**  
**Required Pension Supplementary Information**

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

<i>As of and for the year ended June 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Employer's proportion of the net pension liability	0.244900%	0.235800%	0.230787%	0.211257%
Employer's proportionate share of the net pension liability	\$ 76,005,223	\$ 91,218,535	\$ 91,961,161	\$ 78,604,678
Employer's covered payroll*	\$ 85,101,728	\$ 78,076,610	\$ 70,042,496	\$ 61,725,006
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	89.31%	116.83%	131.29%	127.35%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%

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

*See accompanying notes to required supplementary schedules and accompanying independent auditor's report.*

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
0.207404%	0.218462%	0.214527%	0.201152%	0.201467%	0.192488%
\$ 15,666,059	\$ 94,686,768	\$ 73,879,975	\$ 60,588,162	\$ 59,592,706	\$ 48,603,420
\$ 56,971,800	\$ 54,271,774	\$ 51,069,047	\$ 48,245,952	\$ 44,398,430	\$ 40,627,415
27.50%	174.47%	144.67%	125.58%	134.22%	119.63%
96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

**Walton County, Florida**  
**Required Pension Supplementary Information**

**Schedule of Employer Contributions**  
**Florida Retirement Systems Pension Plan**  
**Last Ten Fiscal Years**

<i>As of and for the year ended September 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Contractually required contribution**	\$ 15,021,437	\$ 13,699,545	\$ 11,392,167	\$ 9,515,985
Contributions in relation to the actuarially determined contribution	15,021,437	13,699,545	11,392,167	9,515,985
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 85,745,961	\$ 78,892,780	\$ 71,034,783	\$ 63,523,324
Contributions as a percentage of covered payroll	17.52%	17.36%	16.04%	14.98%

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

\*\* The amount contractually required contribution 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.*

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 8,166,884	\$ 7,351,234	\$ 6,842,066	\$ 6,734,188	\$ 5,742,586	\$ 5,183,622
8,166,884	7,351,234	6,842,066	6,734,188	5,742,586	5,183,622
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 57,270,813	\$ 54,445,154	\$ 51,393,221	\$ 46,957,748	\$ 44,194,033	\$ 41,440,841
14.26%	13.50%	13.31%	14.34%	12.99%	12.51%

**Walton 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**

<i>As of and for the year ended June 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Employer's proportion of the net pension liability	0.188329%	0.181160%	0.178514%	0.163724%
Employer's proportionate share of the net pension liability	\$ 24,138,936	\$ 27,175,799	\$ 28,350,403	\$ 17,340,967
Employer's covered payroll*	\$ 85,101,728	\$ 78,076,610	\$ 70,042,496	\$ 61,725,006
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	28.36%	34.81%	40.48%	28.09%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%

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

\*\* The amount contractually required contribution 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.*

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
0.156962%	0.153465%	0.150351%	0.140474%	0.138520%	0.131258%
\$ 19,253,718	\$ 18,737,877	\$ 16,822,769	\$ 14,867,914	\$ 14,811,187	\$ 15,297,561
\$ 56,971,800	\$ 54,271,774	\$ 51,069,047	\$ 48,245,952	\$ 44,398,430	\$ 40,627,415
33.80%	34.53%	32.94%	30.82%	33.36%	37.65%
3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

**Walton County, Florida**  
**Required Pension Supplementary Information**

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

<i>As of and for the year ended September 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Contractually required contribution**	\$ 1,711,018	\$ 1,576,590	\$ 1,237,718	\$ 1,041,440
Contributions in relation to the actuarially determined contribution	1,711,018	1,576,590	1,237,718	1,041,440
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 85,745,961	\$ 78,892,780	\$ 71,034,783	\$ 63,523,324
Contributions as a percentage of covered payroll	2.00%	2.00%	1.74%	1.64%

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

\*\* The amount contractually required contribution 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.*

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 934,780	\$ 887,743	\$ 852,608	\$ 779,499	\$ 733,621	\$ 687,918
934,780	887,743	852,608	779,499	733,621	687,918
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 57,270,813	\$ 54,445,154	\$ 51,393,221	\$ 46,957,748	\$ 44,194,033	\$ 41,440,841
1.63%	1.63%	1.66%	1.66%	1.66%	1.66%

**Walton County, Florida**  
**Required Pension and OPEB Supplementary Information**  
**September 30, 2025**

**NOTES TO REQUIRED PENSION AND OPEB SUPPLEMENTARY 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 2025:

- The discount rate of return was changed from 4.70% to 3.78%.
- The Medical Trend rate was reset to 7.00% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%.
- The mortality tables were updated to the PUB – 2010 Amount-Weighted General/Safety Mortality Tables – Employees/Retirees/Contingent Survivors.

**Note 2: FLORIDA RETIREMENT SYSTEMS (FRS)**

The following actuarial assumptions changed in 2025:

- None.

**Note 3: HEALTH INSURANCE SUBSIDY PROGRAM (HIS)**

The following actuarial assumptions changed in 2025:

- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.
- The assumption changes were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2025 FRS Actuarial Assumption Conference during its October 2025 meeting.
- The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

*Mosquito Control Grant* - To account for state grants to help control mosquitoes and insects.

*Housing and Urban Development* - To account for federal grants from the Department of Housing and Urban Development.

*SHIP Grant* - To account for state grant funds provided under the State Housing Initiatives Partnership Program.

*North Walton Mosquito Control District* - To account for activities of this dependent special district established to help control mosquitoes and insects.

*Building Department* - To account for fees and assessments levied on building activities to help ensure compliance with state statutes and County ordinances.

*Recreation Plat* - To account for specific assessment charged property developers to provide recreational facilities within their developments.

*Inmate Canteen* - To account for inmate canteen activities.

*Court Technology* - To account for activity related to the technology needs of the court system.

*Record Modernization* - To account for an additional service charge on each recorded instrument. These funds are used exclusively for improvements to the public records system and to pay for equipment and start-up costs necessitated by statewide recording systems.

*Special Law Enforcement* - To account for special revenue from fines and forfeitures for law enforcement.

*Preservation* - To account for fees paid in lieu of land reserved per land development Code 4.06. Fund expenditures are limited to cost incurred for restoration of native vegetation on public lands.

*Sidewalk* - To account for assessments charged to developers in lieu of construction of sidewalks as required by the Walton County Land Development Code.

*E-911* - To account for phone charges assessed for the purpose of providing emergency assistance.

*Abandoned Property* - To account for state and local forfeitures restricted to law enforcement.

*Triumph Grant* - To account for Triumph grant revenue and expenditures.

*Suspense* - To account for collection and remittance of miscellaneous receipts.

*Traffic and Parking Enforcement* - To account for fines collected by the Clerk of the Circuit Court for traffic and parking enforcement.

*Title IV-D* - To account for federal reimbursements for expenditures related to Title IV-D child support cases.

*Clerk's Fine and Forfeiture* - Established pursuant to Chapter 142.01(1) of the Florida Statutes to account for court related revenues and expenditures, which are required to be reported separately from the Clerk's general fund activities.

*MSBU Various* - To account for a special assessments charged to various property owners to provide for infrastructure.

*Mobility Fee* - To account for mobility fee collections to fund projects for the movement of people.

#### **DEBT SERVICE FUND**

*Highway 331 Bridge* - To account for the accumulation of resources and debt service on the County's 2013 half-cent sales surtax note. Proceeds from the loan were used to construct the Highway 331 Bridge Project.

**Walton County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

Special

<i>September 30, 2025</i>	Mosquito Control Grant	Housing and Urban Development	SHIP Grant
<b>Assets</b>			
Cash and cash equivalents	\$ 44,058	\$ 162,034	\$ 773,858
Investments	7,646	28,121	134,301
Accounts receivable, net	9,000	-	-
Due from other governments	-	20,173	-
Due from other funds	-	429	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
<b>Total assets</b>	<b>\$ 60,704</b>	<b>\$ 210,757</b>	<b>\$ 908,159</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 6,936	\$ 149,556
Accrued liabilities	-	59,781	-
Due to other governments	-	-	-
Due to individuals	-	50,370	-
Due to other funds	-	168	-
Unearned revenue	60,704	-	758,603
<b>Total liabilities</b>	<b>60,704</b>	<b>117,255</b>	<b>908,159</b>
<b>Fund Balances</b>			
Restricted	-	93,502	-
Committed	-	-	-
Assigned	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>93,502</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 60,704</b>	<b>\$ 210,757</b>	<b>\$ 908,159</b>

Revenue Funds

N. Walton Mosquito Control District					Building Department	Recreation Plat	Inmate Canteen	Court Technology	
\$	1,396,650	\$	9,232,187	\$	3,885,901	\$	580,522	\$	403,756
	242,382		1,602,068		674,383		-		-
	-		15,000		-		45,242		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
\$	1,639,032	\$	10,849,255	\$	4,560,284	\$	625,764	\$	403,756
\$	3,401	\$	41,021	\$	143,146	\$	58,285	\$	-
	14,572		54,875		-		-		12,990
	-		32,569		-		-		-
	-		-		-		11,976		-
	-		-		-		9,936		-
	-		-		-		-		-
	17,973		128,465		143,146		80,197		12,990
	1,621,059		-		-		545,567		390,766
	-		10,720,790		-		-		-
	-		-		4,417,138		-		-
	1,621,059		10,720,790		4,417,138		545,567		390,766
\$	1,639,032	\$	10,849,255	\$	4,560,284	\$	625,764	\$	403,756

-Continued-

**Walton County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**

<i>September 30, 2025</i>	Special		
	Record Modern- ization	Special Law Enforcement	Preservation
<b>Assets</b>			
Cash and cash equivalents	\$ 720,683	\$ 1,119,498	\$ 946,788
Investments	-	-	164,312
Accounts receivable, net	-	-	-
Due from other governments	-	3,886	-
Due from other funds	-	1,454	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
<b>Total assets</b>	<b>\$ 720,683</b>	<b>\$ 1,124,838</b>	<b>\$ 1,111,100</b>
<b>Liabilities</b>			
Accounts payable	\$ 73	\$ 6,752	\$ -
Accrued liabilities	-	-	-
Due to other governments	-	11,458	-
Due to individuals	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	628,588	-
<b>Total liabilities</b>	<b>73</b>	<b>646,798</b>	<b>-</b>
<b>Fund Balances</b>			
Restricted	720,610	478,040	-
Committed	-	-	1,111,100
Assigned	-	-	-
<b>Total fund balances</b>	<b>720,610</b>	<b>478,040</b>	<b>1,111,100</b>
<b>Total liabilities and fund balances</b>	<b>\$ 720,683</b>	<b>\$ 1,124,838</b>	<b>\$ 1,111,100</b>

Revenue Funds

	Sidewalk	E-911	Abandoned Property	Triumph Grant	Suspense
\$	723,602	\$ 190,672	\$ 36,325	\$ 11	\$ 14,636
	125,577	33,091	-	-	-
	-	-	-	-	-
	-	57,733	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
\$	849,179	\$ 281,496	\$ 36,325	\$ 11	\$ 14,636
\$	-	\$ -	\$ 24,429	\$ -	\$ -
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	57,733	-	11	-
	-	-	-	-	-
	-	57,733	24,429	11	-
	-	-	11,896	-	14,636
	849,179	-	-	-	-
	-	223,763	-	-	-
	849,179	223,763	11,896	-	14,636
\$	849,179	\$ 281,496	\$ 36,325	\$ 11	\$ 14,636

-Continued-

**Walton County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**

	Special	
<i>September 30, 2025</i>	Traffic and Parking Enforcement	Title IV-D
<b>Assets</b>		
Cash and cash equivalents	\$ 401,928	\$ 237,997
Investments	-	-
Accounts receivable, net	-	-
Due from other governments	-	47,877
Due from other funds	-	-
Restricted assets:		
Cash and cash equivalents	-	-
Investments	-	-
<b>Total assets</b>	<b>\$ 401,928</b>	<b>\$ 285,874</b>
<b>Liabilities</b>		
Accounts payable	\$ -	\$ -
Accrued liabilities	-	7,071
Due to other governments	-	-
Due to individuals	-	-
Due to other funds	-	-
Unearned revenue	-	-
<b>Total liabilities</b>	<b>-</b>	<b>7,071</b>
<b>Fund Balances</b>		
Restricted	401,928	278,803
Committed	-	-
Assigned	-	-
<b>Total fund balances</b>	<b>401,928</b>	<b>278,803</b>
<b>Total liabilities and fund balances</b>	<b>\$ 401,928</b>	<b>\$ 285,874</b>

Revenue Funds			Debt Service Fund		Total
Clerk's Fine & Forfeiture	MSBU Various	Mobility Fee	Highway 331 Bridge	Governmental Funds	
\$ 504,909	\$ 257,373	\$ 1,517,532	\$ -	\$ 23,150,920	
-	-	-	-	3,011,881	
-	-	-	-	69,242	
15,020	489	-	-	145,178	
-	-	-	-	1,883	
-	-	-	45,027	45,027	
-	-	-	7,814	7,814	
<u>\$ 519,929</u>	<u>\$ 257,862</u>	<u>\$ 1,517,532</u>	<u>\$ 52,841</u>	<u>\$ 26,431,945</u>	
\$ 1,408	\$ -	\$ -	\$ -	\$ 435,007	
88,512	-	-	-	237,801	
430,009	-	-	-	474,036	
-	-	1,517,532	-	1,579,878	
-	-	-	-	67,848	
-	257,862	-	-	1,705,757	
519,929	257,862	1,517,532	-	4,500,327	
-	-	-	52,841	4,609,648	
-	-	-	-	12,681,069	
-	-	-	-	4,640,901	
-	-	-	52,841	21,931,618	
<u>\$ 519,929</u>	<u>\$ 257,862</u>	<u>\$ 1,517,532</u>	<u>\$ 52,841</u>	<u>\$ 26,431,945</u>	

**Walton County, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Nonmajor Governmental Funds**

<i>For the year ended September 30, 2025</i>	Mosquito Control Grant	Housing and Urban Development	SHIP Grant
Special			
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	31,588	3,305,586	682,375
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	1,190	802	17,013
Miscellaneous	-	-	-
Total revenues	32,778	3,306,388	699,388
<b>Expenditures</b>			
Current			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Economic environment	-	3,225,638	699,388
Human services	41,778	-	-
Culture/recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	41,778	3,225,638	699,388
Excess (deficiency) of revenues over (under) expenditures	(9,000)	80,750	-
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	9,000	-	-
Transfers in	-	-	-
Total other financing sources (uses)	9,000	-	-
Net change in fund balances	-	80,750	-
Fund balances, beginning of year	-	12,752	-
Fund balances, end of year	\$ -	\$ 93,502	\$ -

Revenue Funds

	N. Walton Mosquito Control District	Building Department	Recreation Plat	Inmate Canteen	Court Technology
\$	1,714,783	\$ -	\$ -	\$ -	\$ -
	-	4,156,539	-	-	-
	1,043	-	-	-	-
	-	247,350	-	-	310,454
	-	-	-	-	-
	45,633	264,960	122,964	-	-
	-	81,074	542,010	310,008	-
	1,761,459	4,749,923	664,974	310,008	310,454
	-	-	-	-	328,306
	-	2,836,529	-	296,691	-
	-	-	-	-	-
	-	-	-	-	-
	944,048	-	-	-	-
	-	-	131,805	-	-
	137,784	405,595	481,216	34,315	-
	1,081,832	3,242,124	613,021	331,006	328,306
	679,627	1,507,799	51,953	(20,998)	(17,852)
	-	15,000	-	-	-
	-	-	-	-	-
	-	15,000	-	-	-
	679,627	1,522,799	51,953	(20,998)	(17,852)
	941,432	9,197,991	4,365,185	566,565	408,618
\$	1,621,059	\$ 10,720,790	\$ 4,417,138	\$ 545,567	\$ 390,766

-Continued-

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

Special

<i>For the year ended September 30, 2025</i>	Record Modernization	Special Law Enforcement	Preservation
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	94,950	-	-
Fines and forfeitures	-	45,000	-
Investment earnings	33,419	-	28,994
Miscellaneous	-	114,511	44,538
<b>Total revenue</b>	<b>128,369</b>	<b>159,511</b>	<b>73,532</b>
<b>Expenditures</b>			
Current			
General government	51,779	-	-
Public safety	-	163,209	-
Physical environment	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Capital outlay	-	25,000	-
<b>Total expenditures</b>	<b>51,779</b>	<b>188,209</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	76,590	(28,698)	73,532
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	-	-	-
Transfers in	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	76,590	(28,698)	73,532
Fund balances, beginning of year	644,020	506,738	1,037,568
<b>Fund balance, end of year</b>	<b>\$ 720,610</b>	<b>\$ 478,040</b>	<b>\$ 1,111,100</b>

Revenue Funds

	Sidewalk	E-911	Abandoned Property	Triumph Grant	Suspense
\$	-	\$	-	\$	-
	-	-	-	-	-
	-	602,283	-	-	-
	-	-	-	-	-
	22,847	4,440	-	-	-
	371,940	-	4,110	-	4,924
	394,787	606,723	4,110	-	4,924
	-	-	-	-	-
	-	585,657	5,131	-	4,434
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	127,001	-	-	-	-
	127,001	585,657	5,131	-	4,434
	267,786	21,066	(1,021)	-	490
	-	-	-	-	-
	-	-	-	(8,022)	-
	-	-	-	(8,022)	-
	267,786	21,066	(1,021)	(8,022)	490
	581,393	202,697	12,917	8,022	14,146
\$	849,179	\$	223,763	\$	11,896
				\$	-
					\$
					14,636

-Continued-

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

		Special
<i>For the year ended September 30, 2025</i>	Traffic and Parking Enforcement	Title IV-D
<b>Revenues</b>		
Taxes	\$ -	\$ -
Licenses and permits	-	-
Intergovernmental	-	186,945
Charges for services	-	-
Fines and forfeitures	45,057	-
Investment earnings	-	-
Miscellaneous	10,549	-
Total revenues	55,606	186,945
<b>Expenditures</b>		
Current		
General government	-	198,153
Public safety	-	-
Physical environment	-	-
Economic environment	-	-
Human services	-	-
Culture/recreation	-	-
Capital outlay	-	-
Total expenditures	-	198,153
Excess (deficiency) of revenues over (under) expenditures	55,606	(11,208)
<b>Other Financing Sources (Uses)</b>		
Proceeds from sale of equipment	-	-
Transfers in	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	55,606	(11,208)
Fund balances, beginning of year	346,322	290,011
Fund balances, end of year	\$ 401,928	\$ 278,803

Revenue Funds			Debt Service Fund		Total
Clerk's Fine & Forfeiture	MSBU Various	Mobility Fee	Highway 331 Bridge		Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,714,783
-	-	-	-	-	4,156,539
560,249	-	-	-	-	5,370,069
1,193,248	17,829	-	-	-	1,863,831
622,527	-	-	-	-	712,584
-	-	-	-	1,407	543,669
-	-	-	-	-	1,483,664
2,376,024	17,829	-	1,407		15,845,139
2,376,024	-	-	-		2,954,262
-	-	-	-		3,891,651
-	17,829	-	-		17,829
-	-	-	-		3,925,026
-	-	-	-		985,826
-	-	-	-		131,805
-	-	-	-		1,210,911
2,376,024	17,829	-	-		13,117,310
-	-	-	1,407		2,727,829
-	-	-	-		24,000
-	-	-	-		(8,022)
-	-	-	-		15,978
-	-	-	1,407		2,743,807
-	-	-	51,434		19,187,811
\$ -	\$ -	\$ -	\$ 52,841	\$ -	\$ 21,931,618

**Walton County, Florida**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 21,980,875	\$ 1,221,319	\$ (20,759,556)
Investment earnings	463,728	463,728	874,537	410,809
<b>Total revenues</b>	<b>463,728</b>	<b>22,444,603</b>	<b>2,095,856</b>	<b>(20,348,747)</b>
<b>Expenditures</b>				
Capital outlay	10,163,728	49,914,364	9,477,077	40,437,287
Debt service:				
Principal	2,110,906	2,110,906	2,110,906	-
Interest	405,479	405,479	452,923	(47,444)
<b>Total expenditures</b>	<b>12,680,113</b>	<b>52,430,749</b>	<b>12,040,906</b>	<b>40,389,843</b>
Excess (deficiency) of revenues over (under) expenditures	(12,216,385)	(29,986,146)	(9,945,050)	20,041,096
<b>Other Financing Sources (Uses)</b>				
Transfers in	12,216,385	12,216,385	12,216,385	-
Proceeds from sale of equipment	-	-	65,000	65,000
<b>Net financing sources (uses)</b>	<b>12,216,385</b>	<b>12,216,385</b>	<b>12,281,385</b>	<b>65,000</b>
Net change in fund balance	-	(17,769,761)	2,336,335	20,106,096
Fund balance, beginning of year	24,629,257	24,629,257	24,629,257	-
<b>Fund balance, end of year</b>	<b>\$ 24,629,257</b>	<b>\$ 6,859,496</b>	<b>\$ 26,965,592</b>	<b>\$ 20,106,096</b>

**Walton County, Florida**  
**Mosquito Control Grant Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 61,856	\$ 87,967	\$ 31,588	\$ (56,379)
Investment earnings	-	-	1,190	1,190
<b>Total revenues</b>	<b>61,856</b>	<b>87,967</b>	<b>32,778</b>	<b>(55,189)</b>
<b>Expenditures</b>				
Current				
Human services	61,856	96,967	41,778	55,189
Excess (deficiency) of revenues over (under) expenditures	-	(9,000)	(9,000)	-
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	9,000	9,000	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Walton County, Florida**  
**Housing and Urban Development Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 3,078,364	\$ 3,303,982	\$ 3,305,586	\$ 1,604
Investment earnings	-	-	802	802
<b>Total revenues</b>	<b>3,078,364</b>	<b>3,303,982</b>	<b>3,306,388</b>	<b>2,406</b>
<b>Expenditures</b>				
Current				
Economic environment				
Housing Assistance	3,078,364	3,303,982	3,225,638	78,344
Excess (deficiency) of revenues over (under) expenditures	-	-	80,750	80,750
Fund balance, beginning of year	12,752	12,752	12,752	-
<b>Fund balance, end of year</b>	<b>\$ 12,752</b>	<b>\$ 12,752</b>	<b>\$ 93,502</b>	<b>\$ 80,750</b>

**Walton County, Florida**  
**SHIP Grant Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 1,381,415	\$ 682,375	\$ (699,040)
Investment earnings	-	-	17,013	17,013
<b>Total revenues</b>	<b>-</b>	<b>1,381,415</b>	<b>699,388</b>	<b>(682,027)</b>
<b>Expenditures</b>				
Current				
Economic environment				
SHIP Program	-	1,381,415	699,388	682,027
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**Walton County, Florida**  
**North Walton Mosquito Control District Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ 1,683,893	\$ 2,323,894	\$ 1,714,783	\$ (609,111)
Intergovernmental	-	-	1,043	1,043
Investment earnings	14,677	14,677	45,633	30,956
<b>Total revenues</b>	<b>1,698,570</b>	<b>2,338,571</b>	<b>1,761,459</b>	<b>(577,112)</b>
<b>Expenditures</b>				
Current				
Human services	1,596,570	1,972,140	944,048	1,028,092
Capital outlay	102,000	366,431	137,784	228,647
<b>Total expenditures</b>	<b>1,698,570</b>	<b>2,338,571</b>	<b>1,081,832</b>	<b>1,256,739</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	679,627	679,627
Fund balance, beginning of year	941,432	941,432	941,432	-
<b>Fund balance, end of year</b>	<b>\$ 941,432</b>	<b>\$ 941,432</b>	<b>\$ 1,621,059</b>	<b>\$ 679,627</b>

**Walton County, Florida**  
**Building Department Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Licenses and permits	\$ 4,072,036	\$ 8,256,449	\$ 4,156,539	\$ (4,099,910)
Charges for services	200,964	200,964	247,350	46,386
Investment earnings	127,000	127,000	264,960	137,960
Miscellaneous	-	-	81,074	81,074
<b>Total revenues</b>	<b>4,400,000</b>	<b>8,584,413</b>	<b>4,749,923</b>	<b>(3,834,490)</b>
<b>Expenditures</b>				
Current				
Public safety	3,930,000	3,930,000	2,836,529	1,093,471
Capital outlay	470,000	4,654,413	405,595	4,248,818
<b>Total expenditures</b>	<b>4,400,000</b>	<b>8,584,413</b>	<b>3,242,124</b>	<b>5,342,289</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	1,507,799	1,507,799
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	15,000	15,000
Net change in fund balance	-	-	1,522,799	1,522,799
Fund balance, beginning of year	9,197,991	9,197,991	9,197,991	-
Fund balance, end of year	\$ 9,197,991	\$ 9,197,991	\$ 10,720,790	\$ 1,522,799

**Walton County, Florida**  
**Recreation Plat Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 122,964	\$ 122,964
Miscellaneous	600,000	2,236,530	542,010	(1,694,520)
<b>Total revenues</b>	<b>600,000</b>	<b>2,236,530</b>	<b>664,974</b>	<b>(1,571,556)</b>
<b>Expenditures</b>				
Current				
Culture/recreation	600,000	610,807	131,805	479,002
Capital outlay	-	1,086,413	481,216	605,197
<b>Total expenditures</b>	<b>600,000</b>	<b>1,697,220</b>	<b>613,021</b>	<b>1,084,199</b>
Excess (deficiency) of revenues over (under) expenditures	-	539,310	51,953	(487,357)
Fund balance, beginning of year	4,365,185	4,365,185	4,365,185	-
<b>Fund balance, end of year</b>	<b>\$ 4,365,185</b>	<b>\$ 4,904,495</b>	<b>\$ 4,417,138</b>	<b>\$ (487,357)</b>

**Walton County, Florida**  
**Court Technology Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Charges for services	\$ 280,000	\$ 280,000	\$ 310,454	\$ 30,454
<b>Expenditures</b>				
Current				
General government				
Court Technology	580,000	580,000	328,306	251,694
Excess (deficiency) of revenues over (under) expenditures	(300,000)	(300,000)	(17,852)	282,148
Fund balance, beginning of year	408,618	408,618	408,618	-
Fund balance, end of year	\$ 108,618	\$ 108,618	\$ 390,766	\$ 282,148

**Walton County, Florida**  
**Record Modernization Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Charges for services	\$ 90,000	\$ 90,000	\$ 94,950	\$ 4,950
Investment earnings	25,000	25,000	33,419	8,419
<b>Total revenues</b>	<b>115,000</b>	<b>115,000</b>	<b>128,369</b>	<b>13,369</b>
<b>Expenditures</b>				
Current				
General government				
Court Technology	115,000	115,000	51,779	63,221
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>76,590</b>	<b>76,590</b>
<b>Fund balance, beginning of year</b>	<b>644,020</b>	<b>644,020</b>	<b>644,020</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 644,020</b>	<b>\$ 644,020</b>	<b>\$ 720,610</b>	<b>\$ 76,590</b>

**Walton County, Florida**  
**Special Law Enforcement Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Fines and forfeitures	\$ -	\$ 45,000	\$ 45,000	\$ -
Miscellaneous	-	-	114,511	114,511
<b>Total revenues</b>	-	45,000	159,511	114,511
<b>Expenditures</b>				
Current				
Public safety	-	45,000	163,209	(118,209)
Capital outlay	-	-	25,000	(25,000)
<b>Total expenditures</b>	-	45,000	188,209	(143,209)
Excess (deficiency) of revenues over (under) expenditures	-	-	(28,698)	(28,698)
Fund balance, beginning of year	506,738	506,738	506,738	-
<b>Fund balance, end of year</b>	<b>\$ 506,738</b>	<b>\$ 506,738</b>	<b>\$ 478,040</b>	<b>\$ (28,698)</b>

**Walton County, Florida**  
**Preservation Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 28,994	\$ 28,994
Miscellaneous	-	-	44,538	44,538
Total revenues	-	-	73,532	73,532
Fund balance, beginning of year	1,037,568	1,037,568	1,037,568	-
Fund balance, end of year	\$ 1,037,568	\$ 1,037,568	\$ 1,111,100	\$ 73,532

**Walton County, Florida**  
**Sidewalk Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 22,847	\$ 22,847
Miscellaneous	75,000	75,000	371,940	296,940
<b>Total revenues</b>	<b>75,000</b>	<b>75,000</b>	<b>394,787</b>	<b>319,787</b>
<b>Expenditures</b>				
Current				
General government				
Capital outlay	75,000	551,578	127,001	424,577
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>(476,578)</b>	<b>267,786</b>	<b>744,364</b>
<b>Fund balance, beginning of year</b>	<b>581,393</b>	<b>581,393</b>	<b>581,393</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 581,393</b>	<b>\$ 104,815</b>	<b>\$ 849,179</b>	<b>\$ 744,364</b>

**Walton County, Florida**  
**E-911 Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 450,000	\$ 3,541,040	\$ 602,283	\$ (2,938,757)
Investment earnings	-	-	4,440	4,440
<b>Total revenues</b>	<b>450,000</b>	<b>3,541,040</b>	<b>606,723</b>	<b>(2,934,317)</b>
<b>Expenditures</b>				
Current				
Public safety				
E-911 Services	450,000	3,541,040	585,657	2,955,383
Excess (deficiency) of revenues over (under) expenditures	-	-	21,066	21,066
Fund balance, beginning of year	202,697	202,697	202,697	-
Fund balance, end of year	\$ 202,697	\$ 202,697	\$ 223,763	\$ 21,066

**Walton County, Florida**  
**Title IV - D Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 135,000	\$ 183,375	\$ 186,945	\$ 3,570
<b>Expenditures</b>				
Current				
General government				
Child Support	149,778	198,153	198,153	-
Excess (deficiency) of revenues over (under) expenditures	(14,778)	(14,778)	(11,208)	3,570
Fund balance, beginning of year	290,011	290,011	290,011	-
Fund balance, end of year	\$ 275,233	\$ 275,233	\$ 278,803	\$ 3,570

**Walton County, Florida**  
**Clerk's Fine & Forfeiture Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 496,697	\$ 497,832	\$ 560,249	\$ 62,417
Charges for services	903,800	903,800	1,193,248	289,448
Fines and forfeitures	639,078	675,621	622,527	(53,094)
<b>Total revenues</b>	<b>2,039,575</b>	<b>2,077,253</b>	<b>2,376,024</b>	<b>298,771</b>
<b>Expenditures</b>				
Current				
General government	2,039,575	2,077,253	2,376,024	(298,771)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Walton County, Florida**  
**MSBU Various Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Charges for services	\$ 43,225	\$ 43,225	\$ 17,829	\$ (25,396)
<b>Expenditures</b>				
Current				
Physical environment				
MSBU various	43,225	43,225	17,829	25,396
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**Walton County, Florida**  
**Highway 331 Bridge Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 1,407	\$ 1,407
Excess (deficiency) of revenues over (under) expenditures	-	-	1,407	1,407
Fund balance, beginning of year	51,434	51,434	51,434	-
Fund balance, end of year	\$ 51,434	\$ 51,434	\$ 52,841	\$ 1,407



**FIDUCIARY FUNDS**

**ALL CUSTODIAL FUNDS**

**Tax Collector**

*Licenses* – To account for the collection and remittance of miscellaneous licenses and permits.

*Tags* – To account for the collection and remittance of motor vehicle registration receipts.

*Property Tax* – To account for the collection and distribution of local property taxes.

**Clerk of the Circuit Court**

*General Agency* – To account for the collection and disbursement of trust accounts including tax accounts, fine and forfeiture accounts, and other miscellaneous sources.

*Witness* – To account for the collection and disbursement of advances received for payment of witnesses.

*Registry of the Court* – To account for the collection and disbursement of funds required by court orders.

*Child Support* – To account for the collection and disbursement of court ordered child support and/or alimony.

*Appearance Bonds* – To account for payment of cash and surety bonds.

*Tax Redemption* – To account for the collections and disbursements related to the sale of tax deeds.

**Sheriff**

*Employee Donations* – To account for the collection and disbursement of donations received by employees.

*Posse* – To account for the collection and disbursement of posse funds.

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

	Tax Collector		
<i>September 30, 2025</i>	Licenses	Tags	Property Tax
<b>Assets</b>			
Cash	\$ 2,657	\$ 552,002	\$ 2,914,271
<b>Liabilities</b>			
Due to other governments	\$ 2,657	\$ 552,002	\$ 49,100
Accounts payable	-	-	-
Deposits	-	-	2,865,171
Due to individuals	-	-	-
<b>Total liabilities</b>	<b>2,657</b>	<b>552,002</b>	<b>2,914,271</b>
<b>Net Position</b>			
Restricted	-	-	-
<b>Total liabilities and net position</b>	<b>\$ 2,657</b>	<b>\$ 552,002</b>	<b>\$ 2,914,271</b>

Clerk of the Circuit Court

General Agency	Witness	Registry of the Court	Child Support	Appearance Bonds	Tax Redemption
\$ 2,663,661	\$ 13,816	\$ 2,217,487	\$ 169	\$ 559,491	\$ 1,941,695
\$ 925,641	\$ -	\$ 8,124	\$ 169	\$ 83,725	\$ 3,441
-	-	-	-	-	-
1,736,483	-	2,209,363	-	-	-
1,537	13,816	-	-	475,766	1,938,254
2,663,661	13,816	2,217,487	169	559,491	1,941,695
-	-	-	-	-	-
\$ 2,663,661	\$ 13,816	\$ 2,217,487	\$ 169	\$ 559,491	\$ 1,941,695

-Continued-

**Walton County, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds (Continued)**

<i>September 30, 2025</i>	Sheriff		
	Employee Donations	Posse	Total
<b>Assets</b>			
Cash	\$ 11,458	\$ 1,263	\$ 10,877,970
<b>Liabilities</b>			
Due to other governments	\$ -	\$ -	\$ 1,624,859
Accounts payable	11,458	-	11,458
Deposits	-	-	6,811,017
Due to individuals	-	-	2,429,373
Total liabilities	11,458	-	10,876,707
<b>Net Position</b>			
Restricted	-	1,263	1,263
<b>Total liabilities and net position</b>	<b>\$ 11,458</b>	<b>\$ 1,263</b>	<b>\$ 10,877,970</b>

**Walton County, Florida**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**

	Tax Collector		
<i>For the year ended September 30, 2025</i>	Licenses	Tags	Property Tax
<b>Additions</b>			
Tax collections, auto tag fees, and other fees for other governments	\$ 141,929	\$ 16,923,546	\$ 435,382,650
Clerk of circuit and county courts revenue	-	-	-
Donations	-	-	-
<b>Total additions</b>	<b>141,929</b>	<b>16,923,546</b>	<b>435,382,650</b>
<b>Deductions</b>			
Current			
Payments of tax, auto tag fees, and other fees to other governments	141,929	16,923,546	435,382,650
Payments of clerk of circuit and county courts distributions to other governments	-	-	-
Public Safety	-	-	-
<b>Total deductions</b>	<b>141,929</b>	<b>16,923,546</b>	<b>435,382,650</b>
Changes in net position	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	\$ -	\$ -	\$ -

Clerk of the Circuit Court

General Agency	Witness	Registry of the Court	Child Support	Appearance Bonds	Tax Redemption
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71,529,814	-	2,899,863	111,186	619,449	760,673
-	-	-	-	-	-
71,529,814	-	2,899,863	111,186	619,449	760,673
-	-	-	-	-	-
71,529,814	-	2,899,863	111,186	619,449	760,673
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

-Continued-

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

	Sheriff		
<i>For the year ended September 30, 2025</i>	Employee Donations	Posse	Total
<b>Additions</b>			
Tax collections, auto tag fees, and other fees for other governments	\$ -	\$ -	\$ 452,448,125
Clerk of circuit and county courts revenue	-	-	75,920,985
Donations	131,285	35	131,320
Total additions	131,285	35	528,500,430
<b>Deductions</b>			
Current			
Payments of tax, auto tag fees, and other fees to other governments	-	-	452,448,125
Payments of clerk of circuit and county courts distributions to other governments	-	-	75,920,985
Public Safety	131,285	-	131,285
Total deductions	131,285	-	528,500,395
Changes in net position	-	35	35
Net position, beginning of year	-	1,228	1,228
Net position, end of year	\$ -	\$ 1,263	\$ 1,263

**CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

Although not necessary for fair presentation in conformity with generally accepted accounting principles, the following schedules are presented to provide greater detailed information regarding Capital Assets.

**Walton County, Florida**  
**Capital Assets Used in the Operations of Governmental Funds**  
**Schedule by Source**

*September 30, 2025*

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**Governmental Funds Capital and Right-To-Use Assets**

Land	\$ 151,469,357
Buildings	121,183,357
Improvements other than buildings	68,356,147
Machinery and equipment	118,826,419
Infrastructure	249,205,022
Construction in progress	57,867,121

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Total governmental funds capital and right-to-use assets	\$ 766,907,423
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**Investment in Governmental Funds Capital and Right-To-Use Assets by Source**

General Fund	\$ 75,908,733
Special Revenue Fund	511,167,911
Capital Projects Fund	114,070,229
Grants	65,760,550

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Total governmental funds capital and right-to-use assets	\$ 766,907,423
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**Walton County, Florida**  
**Capital Assets Used in the Operations of Governmental Funds**  
**Schedule by Function and Activity**

*September 30, 2025*

Function and Activity	Land	Buildings	Improvements Other Than Buildings
<b>General Government</b>			
Finance and administration	\$ 463,070	\$ 8,116,530	\$ -
Comprehensive planning	-	-	-
Judicial	166,696	28,202,622	82,804
Other general government	15,186,487	8,279,247	6,482,976
Total general government	15,816,253	44,598,399	6,565,780
<b>Public Safety</b>			
Law enforcement	1,163,746	33,575,525	6,497,866
Ambulance service	-	-	-
Civil defense	-	1,781,228	183,750
Building inspection	-	17,464,735	-
Emergency 911	-	138,751	-
Animal control	-	2,092,770	-
Fire	1,398,683	1,792,639	42,315
Total public safety	2,562,429	56,845,648	6,723,931
<b>Physical Environment</b>	1,044,101	5,920,839	160,333
<b>Transportation</b>	5,425,844	7,328,563	10,399,772
<b>Economic Environment</b>			
Housing authority	-	-	-
Tourist development	25,228,138	2,112,076	10,973,927
Farmers market	71,693	-	-
Total economic environment	25,299,831	2,112,076	10,973,927
<b>Human Services</b>			
Health	-	1,406,280	214,748
Veterans	-	-	-
Total human services	-	1,406,280	214,748
<b>Culture and Recreation</b>			
Beach access	74,183,594	-	5,816,086
Parks and recreation	26,869,101	421,409	27,501,570
Library	268,204	2,550,143	-
Total culture and recreation	101,320,899	2,971,552	33,317,656
Total governmental funds capital and right-to-use assets	\$ 151,469,357	\$ 121,183,357	\$ 68,356,147

	<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Construction In Progress</b>	<b>Total</b>
\$	1,179,716	\$ -	\$ 13,421	\$ 9,772,737
	347,797	-	-	347,797
	1,419,439	-	-	29,871,561
	5,225,684	5,199,555	11,787,432	52,161,381
	8,172,636	5,199,555	11,800,853	92,153,476
	47,228,470	747,290	-	89,212,897
	11,179,041	-	-	11,179,041
	1,562,976	203,572	103,570	3,835,096
	335,821	-	-	17,800,556
	89,138	-	-	227,889
	89,146	-	-	2,181,916
	-	-	4,809,648	8,043,285
	60,484,592	950,862	4,913,218	132,480,680
	8,823,623	5,961,104	860,422	22,770,422
	30,763,767	233,576,679	17,215,834	304,710,459
	19,464	-	-	19,464
	3,994,645	3,492,822	5,903,206	51,704,814
	-	-	-	71,693
	4,014,109	3,492,822	5,903,206	51,795,971
	596,879	-	-	2,217,907
	6,995	-	-	6,995
	603,874	-	-	2,224,902
	3,531,808	-	14,744,814	98,276,302
	2,146,592	24,000	2,428,774	59,391,446
	285,418	-	-	3,103,765
	5,963,818	24,000	17,173,588	160,771,513
\$	118,826,419	\$ 249,205,022	\$ 57,867,121	\$ 766,907,423

**Walton County, Florida**  
**Capital Assets Used in the Operations of Governmental Funds**  
**Schedule of Changes by Function and Activity**

*As of and for the year ended September 30, 2025*

<b>Function and Activity</b>	<b>Capital Assets 10/01/24</b>	<b>Additions</b>
<b>General Government</b>		
Finance and administration	\$ 9,834,491	\$ 13,421
Comprehensive planning	284,756	80,666
Judicial	30,984,013	42,538
Other general government	42,014,764	10,272,559
<b>Total general government</b>	<b>83,118,024</b>	<b>10,409,184</b>
<b>Public Safety</b>		
Law enforcement	84,279,558	6,685,398
Ambulance service	11,288,346	-
Civil defense	3,658,718	425,283
Building inspection	11,916,663	17,070,830
Emergency 911	227,889	-
Animal control	2,181,916	-
Fire	5,867,796	2,175,489
<b>Total public safety</b>	<b>119,420,886</b>	<b>26,357,000</b>
<b>Physical Environment</b>		
	21,572,149	1,732,094
<b>Transportation</b>		
	297,895,040	12,049,969
<b>Economic Environment</b>		
Housing authority	19,464	-
Tourist development	48,856,451	3,517,231
Farmers market	71,693	-
<b>Total economic environment</b>	<b>48,947,608</b>	<b>3,517,231</b>
<b>Human Services</b>		
Health	2,167,469	131,435
Veterans	6,995	-
<b>Total human services</b>	<b>2,174,464</b>	<b>131,435</b>
<b>Culture and Recreation</b>		
Beach access	89,737,041	8,595,621
Parks and recreation	56,509,466	3,157,365
Library	3,050,242	718,654
<b>Total culture and recreation</b>	<b>149,296,749</b>	<b>12,471,640</b>
<b>Total governmental funds capital and right-to-use assets</b>	<b>\$ 722,424,920</b>	<b>\$ 66,668,553</b>

<b>Deductions</b>		<b>Capital Assets 9/30/25</b>	
\$	75,175	\$	9,772,737
	17,625		347,797
	1,154,990		29,871,561
	125,942		52,161,381
	<hr/>		<hr/>
	1,373,732		92,153,476
	1,752,059		89,212,897
	109,305		11,179,041
	248,905		3,835,096
	11,186,937		17,800,556
	-		227,889
	-		2,181,916
	-		8,043,285
	<hr/>		<hr/>
	13,297,206		132,480,680
	533,821		22,770,422
	5,234,550		304,710,459
	-		19,464
	668,868		51,704,814
	-		71,693
	<hr/>		<hr/>
	668,868		51,795,971
	80,997		2,217,907
	-		6,995
	<hr/>		<hr/>
	80,997		2,224,902
	56,360		98,276,302
	275,385		59,391,446
	665,131		3,103,765
	<hr/>		<hr/>
	996,876		160,771,513
	<hr/>		<hr/>
\$	22,186,050	\$	766,907,423



## **STATISTICAL SECTION**

**Statistical schedules differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These schedules reflect social and economic data, and financial trends of Walton County, Florida.**

## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**Walton County, Florida**  
**Government-Wide Expenses and Revenues**  
**(Accrual Basis of Accounting)**

<i>For the year ended September 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Government-Wide Expenses by Function</b>				
General government	\$ 55,693,908	\$ 52,030,374	\$ 54,568,286	\$ 43,337,225
Public safety	104,545,388	94,673,472	94,520,762	74,891,266
Physical environment	18,772,243	20,269,267	20,207,905	14,542,611
Transportation	31,231,363	28,880,405	30,153,976	26,372,077
Economic environment	35,796,532	43,080,633	35,057,836	28,593,031
Human services	4,809,946	4,673,191	9,302,815	8,847,569
Culture/recreation	8,010,862	8,191,425	7,245,685	5,267,164
Debt services	506,824	579,135	606,479	720,727
<b>Total government-wide expenses by function</b>	<b>\$ 259,367,066</b>	<b>\$ 252,377,902</b>	<b>\$ 251,663,744</b>	<b>\$ 202,571,670</b>
<b>Government-Wide Revenues</b>				
Program revenues				
Charges for services	\$ 24,182,408	\$ 22,360,826	\$ 28,877,694	\$ 29,003,773
Operating grants and contributions	13,259,441	9,761,042	11,265,992	11,777,923
Capital grants and contributions	10,447,054	12,170,972	3,832,396	13,791,764
General revenues				
Taxes				
Property taxes	150,773,390	132,908,597	112,383,931	91,347,204
Gasoline taxes	7,808,986	7,546,230	7,494,543	7,331,281
Sales taxes	59,816,458	57,838,469	57,538,830	58,104,336
Tourist development bed tax	60,328,571	60,422,004	60,222,271	62,946,352
Other taxes	252,170	256,092	261,602	263,487
State revenue sharing	4,323,932	4,127,818	4,404,682	3,919,763
Investment earnings (losses)	14,601,992	16,261,631	9,851,023	(3,154,563)
Miscellaneous	8,798,901	13,588,098	14,245,710	10,984,799
Gain (loss) on disposition of equipment	855,931	(711,319)	-	-
<b>Total government-wide revenues</b>	<b>\$ 355,449,234</b>	<b>\$ 336,530,460</b>	<b>\$ 310,378,674</b>	<b>\$ 286,316,119</b>

	2021	2020	2019	2018	2017	2016
\$	37,575,037	\$ 37,739,314	\$ 29,618,838	\$ 27,081,341	\$ 33,365,289	\$ 25,692,294
	62,961,724	73,065,481	67,532,988	55,294,616	53,085,811	46,892,084
	13,302,258	12,100,205	12,783,855	11,458,965	12,379,377	9,916,761
	23,684,089	24,711,934	27,376,243	26,914,820	21,438,931	21,217,707
	24,607,743	24,450,201	21,108,011	17,862,455	12,781,381	17,123,638
	9,272,806	2,631,843	2,508,656	2,408,915	2,088,995	2,283,853
	4,358,450	4,350,766	3,000,774	2,107,503	4,034,242	1,504,076
	793,946	941,384	873,700	825,119	774,434	869,730
	<u>\$ 176,556,053</u>	<u>\$ 179,991,128</u>	<u>\$ 164,803,065</u>	<u>\$ 143,953,734</u>	<u>\$ 139,948,460</u>	<u>\$ 125,500,143</u>
\$	27,306,218	\$ 17,488,699	\$ 18,131,725	\$ 16,359,145	\$ 13,734,896	\$ 12,818,417
	15,987,554	15,286,013	6,985,897	4,501,975	4,905,961	4,958,896
	16,484,425	6,010,558	3,853,435	6,111,741	9,125,493	4,576,423
	80,493,769	74,111,096	66,731,083	60,600,283	55,078,685	49,609,053
	6,961,117	6,307,431	7,004,726	6,422,671	6,145,598	5,918,651
	52,334,769	35,000,216	37,158,087	33,670,146	31,403,705	32,072,589
	58,073,370	31,325,781	27,701,336	25,726,361	23,524,494	21,758,228
	258,726	253,482	276,964	289,635	286,193	288,454
	2,881,633	2,344,990	2,454,182	2,281,910	2,119,357	1,984,974
	461,736	2,844,553	3,565,286	502,257	593,657	1,129,859
	10,821,425	7,146,059	9,317,136	5,239,856	7,794,156	8,470,082
	-	-	-	-	-	-
	<u>\$ 272,064,742</u>	<u>\$ 198,118,878</u>	<u>\$ 183,179,857</u>	<u>\$ 161,705,980</u>	<u>\$ 154,712,195</u>	<u>\$ 143,585,626</u>

**Walton County, Florida**  
**General Governmental Expenditures by Function**  
**(Modified Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Physical Environment</b>	<b>Transportation</b>	<b>Economic Environment</b>
2016	\$ 22,483,326	\$ 44,314,780	\$ 12,275,325	\$ 23,878,064	\$ 34,281,506
2017	27,191,825	50,526,999	10,986,632	27,842,250	32,645,259
2018	29,087,292	51,896,519	12,583,836	25,419,451	25,696,123
2019	34,973,284	60,853,449	15,740,504	23,998,736	29,573,103
2020	31,921,713	57,027,957	11,867,947	13,782,711	22,385,714
2021	35,075,713	60,690,469	12,747,676	13,414,430	23,815,086
2022	37,698,814	65,296,199	13,442,834	14,979,699	28,702,490
2023	47,569,557	74,910,100	15,113,280	17,250,115	33,195,318
2024	49,708,669	84,318,611	16,797,692	16,708,116	41,185,840
2025	52,318,631	97,865,651	19,065,484	18,478,708	33,969,148

\* Includes all Governmental Fund Types

	<b>Human Services</b>	<b>Culture/ Recreation</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Total (*)</b>
\$	2,234,033	\$ 1,182,302	\$ 1,234,476	\$ 2,805,532	\$ 144,689,344
	1,998,608	2,906,679	1,905,430	2,952,855	158,956,537
	2,409,611	3,240,258	3,762,969	2,813,289	156,909,348
	2,694,640	5,503,881	3,775,422	3,079,564	180,192,583
	2,506,961	3,103,874	32,402,250	6,068,586	181,067,713
	9,182,222	3,638,181	56,856,296	3,470,900	218,890,973
	8,727,749	4,332,868	55,698,922	3,916,070	232,795,645
	9,149,465	6,342,637	52,005,659	3,624,886	259,161,017
	4,575,314	7,190,966	63,299,785	3,413,552	287,198,545
	4,704,035	7,206,464	51,057,088	3,687,558	288,352,767

**Walton County, Florida**  
**General Governmental Revenues by Source**  
**(Modified Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Inter- governmental</b>	<b>Charges for Services</b>
2016	\$ 97,267,784	\$ 2,886,510	\$ 25,099,737	\$ 9,267,053
2017	103,247,809	2,892,531	28,867,271	10,113,664
2018	112,732,328	3,219,599	26,994,452	12,399,911
2019	123,768,397	3,812,551	28,507,600	13,599,020
2020	132,891,357	3,898,144	37,829,260	12,941,500
2021	178,187,283	12,459,971	55,461,629	13,891,758
2022	198,059,623	12,971,616	51,568,524	14,823,600
2023	216,360,009	12,633,647	41,187,600	14,878,593
2024	237,982,187	6,863,498	47,211,515	14,185,202
2025	257,848,196	7,411,365	49,327,990	15,544,019

\* Includes all Governmental Fund Types.

	<b>Fines and Forfeitures</b>	<b>Investment Earnings (Loss)</b>	<b>Miscellaneous</b>	<b>Total*</b>
\$	641,313	\$ 1,129,858	\$ 9,604,217	\$ 145,896,472
	645,055	593,657	8,967,058	155,327,045
	633,030	502,255	6,024,140	162,505,715
	627,491	3,565,307	10,633,906	184,514,272
	582,762	2,844,554	7,137,299	198,124,876
	797,380	631,680	9,677,769	271,107,470
	1,078,004	(3,089,494)	9,353,759	284,765,632
	1,224,687	9,886,499	13,698,992	309,870,027
	1,187,898	16,265,526	13,540,439	337,236,265
	1,060,840	14,605,792	8,792,661	354,590,863

**Walton County, Florida**  
**Schedule of Net Position and Changes in Net Position**  
**(Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

<i>For the year ended September 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Expenses</b>				
General government	\$ 55,693,908	\$ 52,030,374	\$ 54,568,286	\$ 43,337,225
Public safety	104,545,388	94,673,472	94,520,762	74,891,266
Physical environment	18,772,243	20,269,267	20,207,905	14,542,611
Transportation	31,231,363	28,880,405	30,153,976	26,372,077
Economic environment	35,796,532	43,080,633	35,057,836	28,593,031
Human services	4,809,946	4,673,191	9,302,815	8,847,569
Culture and recreation	8,010,862	8,191,425	7,245,685	5,267,164
Interest on long-term debt	506,824	579,135	606,479	720,727
<b>Total expenses</b>	<b>259,367,066</b>	<b>252,377,902</b>	<b>251,663,744</b>	<b>202,571,670</b>
<b>Revenues</b>				
Program revenue				
Charges for services				
General government	9,203,458	8,815,285	8,673,531	8,847,826
Public safety	7,689,330	8,953,876	10,267,807	11,070,591
Physical environment	884,660	660,399	709,662	542,183
Economic environment	4,646,971	2,386,291	1,815,915	1,709,662
Human services	13,590	18,354	6,120,016	6,122,725
Culture/recreation	1,744,399	1,526,621	1,290,763	710,786
Operating grants and contributions	13,259,441	9,761,042	11,265,992	11,777,923
Capital grants and contributions	10,447,054	12,170,972	3,832,396	13,791,764
<b>Total program revenues</b>	<b>47,888,903</b>	<b>44,292,840</b>	<b>43,976,082</b>	<b>54,573,460</b>
<b>Total net revenues (expenses)</b>	<b>(211,478,163)</b>	<b>(208,085,062)</b>	<b>(207,687,662)</b>	<b>(147,998,210)</b>
General revenues				
Property taxes	150,773,390	132,908,597	112,383,931	91,347,204
Other taxes	132,530,117	130,190,613	129,921,928	132,565,219
Gain (loss) on disposition of equipment	855,931	(711,319)	-	-
Other	23,400,893	29,849,729	24,096,733	7,830,236
<b>Total general revenues</b>	<b>307,560,331</b>	<b>292,237,620</b>	<b>266,402,592</b>	<b>231,742,659</b>
<b>Change in net position</b>	<b>\$ 96,082,168</b>	<b>\$ 84,152,558</b>	<b>\$ 58,714,930</b>	<b>\$ 83,744,449</b>
<b>Prior period adjustment</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (222,263)</b>
<b>Net investment in capital assets</b>	<b>\$ 452,721,655</b>	<b>\$ 427,884,751</b>	<b>\$ 392,620,974</b>	<b>\$ 362,516,707</b>
Restricted for:				
Debt service	52,841	51,434	55,562	140,484
Capital projects	6,018,550	5,183,655	4,194,062	4,478,781
General government	775,583	949,535	1,190,282	1,259,066
Public safety	51,217,339	34,866,956	23,397,018	15,224,919
Transportation	40,787,218	36,894,286	31,925,183	26,020,519
Economic environment	93,504	12,752	45,120	48,625
Human services	1,621,058	941,432	470,013	531,400
Unrestricted (deficit)	194,796,254	145,217,033	113,951,062	98,913,845
<b>Total primary government net position</b>	<b>\$ 748,084,002</b>	<b>\$ 652,001,834</b>	<b>\$ 567,849,276</b>	<b>\$ 509,134,346</b>

2021	2020	2019	2018	2017	2016
\$ 37,575,037	\$ 37,739,314	\$ 29,618,838	\$ 27,081,341	\$ 33,365,289	\$ 25,692,294
62,961,724	73,065,481	67,532,988	55,294,616	53,085,811	46,892,084
13,302,258	12,100,205	12,783,855	11,458,965	12,379,377	9,916,761
23,684,089	24,711,934	27,376,243	26,914,820	21,438,931	21,217,707
24,607,743	24,450,201	21,108,011	17,862,455	12,781,381	17,123,638
9,272,806	2,631,843	2,508,656	2,408,915	2,088,995	2,283,853
4,358,450	4,350,766	3,000,774	2,107,503	4,034,242	1,504,076
793,946	941,384	873,700	825,119	774,434	869,730
176,556,053	179,991,128	164,803,065	143,953,734	139,948,460	125,500,143
8,863,418	7,117,915	6,482,620	6,093,711	3,143,151	2,954,381
9,440,026	8,933,016	10,180,708	9,478,276	9,041,994	8,498,997
491,011	639,862	1,098,704	574,967	1,188,692	1,207,916
1,265,415	334,256	206,089	182,118	307,277	115,187
6,744,258	68,475	10,800	10,800	30,800	20,800
502,090	395,175	152,804	19,273	22,982	21,136
15,987,554	15,286,013	6,985,897	4,501,975	4,905,961	4,958,896
16,484,425	6,010,558	3,853,435	6,111,741	9,125,493	4,576,423
59,778,197	38,785,270	28,971,057	26,972,861	27,766,350	22,353,736
(116,777,856)	(141,205,858)	(135,832,008)	(116,980,873)	(112,182,110)	(103,146,407)
80,493,769	74,111,096	66,731,083	60,600,283	55,078,685	49,609,053
120,509,615	75,231,900	74,595,295	68,390,723	63,479,346	62,022,896
-	-	-	-	-	-
11,283,161	9,990,612	12,882,422	5,742,113	8,387,814	9,599,941
212,286,545	159,333,608	154,208,800	134,733,119	126,945,845	121,231,890
\$ 95,508,689	\$ 18,127,750	\$ 18,376,792	\$ 17,752,246	\$ 14,763,735	\$ 18,085,483
\$ 24,590	\$ (565,537)	\$ -	\$ (10,224,000)	\$ (800,864)	\$ (351,613)
\$ 327,264,863	\$ 286,079,537	\$ 273,325,808	\$ 247,481,794	\$ 230,298,796	\$ 206,407,365
140,448	143,176	97,248	1,450,217	1,601,150	6,177,040
4,372,572	2,712,840	3,768,720	3,256,071	2,795,200	2,530,939
1,150,209	1,378,148	1,407,668	1,266,929	1,379,718	1,733,494
7,735,415	6,352,618	5,948,658	5,412,019	3,152,957	2,872,318
24,810,014	18,413,584	15,772,202	14,423,434	12,361,190	8,817,128
203,374	148,245	151,069	173,421	242,916	302,277
464,751	438,057	435,020	414,454	408,674	396,423
59,470,514	14,412,676	11,610,275	20,261,537	34,371,029	42,653,123
\$ 425,612,160	\$ 330,078,881	\$ 312,516,668	\$ 294,139,876	\$ 286,611,630	\$ 271,890,107

**Walton County, Florida**  
**Fund Balances, Governmental Funds**  
**(Modified Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

<i>As of September 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>General Fund</b>				
Nonspendable	\$ 1,907,207	\$ 1,902,451	\$ 1,800,820	\$ 1,774,347
Restricted	496,780	659,524	865,363	926,248
Committed	4,890,000	2,890,000	-	-
Assigned	16,222,934	8,438,292	5,975,017	5,349,759
Unassigned	58,393,573	50,201,795	41,219,781	34,412,592
<b>Total general fund</b>	<b>81,910,494</b>	<b>64,092,062</b>	<b>49,860,981</b>	<b>42,462,946</b>
<b>All Other Governmental Funds</b>				
Nonspendable	512,106	657,255	629,418	451,780
Restricted	100,069,313	78,240,526	60,411,877	46,204,507
Committed	143,275,274	118,250,918	106,812,701	85,774,739
Assigned	113,067,142	109,021,828	99,264,816	88,568,332
<b>Total other governmental funds</b>	<b>356,923,835</b>	<b>306,170,527</b>	<b>267,118,812</b>	<b>220,999,358</b>
<b>Total governmental funds</b>	<b>\$ 438,834,329</b>	<b>\$ 370,262,589</b>	<b>\$ 316,979,793</b>	<b>\$ 263,462,304</b>

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$	1,758,356	\$ 2,045,126	\$ 561,725	\$ 517,245	\$ 1,010,518	\$ 711,723
	843,613	1,047,856	1,014,933	987,732	1,029,015	1,174,581
	-	-	-	-	-	-
	6,360,939	1,280,478	6,504,592	4,172,170	4,963,789	4,854,242
	26,464,599	26,870,472	16,404,867	17,691,674	15,671,532	16,610,115
	35,427,507	31,243,932	24,486,117	23,368,821	22,674,854	23,350,661
	361,409	216,411	639,249	610,773	593,107	546,936
	38,033,170	28,538,812	26,565,652	25,408,813	21,052,929	21,963,698
	69,268,027	50,357,563	41,131,149	44,588,810	38,612,893	42,978,200
	66,418,314	45,710,190	41,515,320	33,525,597	36,992,622	32,892,709
	174,080,920	124,822,976	109,851,370	104,133,993	97,251,551	98,381,543
\$	<u>209,508,427</u>	<u>\$ 156,066,908</u>	<u>\$ 134,337,487</u>	<u>\$ 127,502,814</u>	<u>\$ 119,926,405</u>	<u>\$ 121,732,204</u>

**Walton County, Florida**  
**Changes in Fund Balance - Governmental Funds**  
**(Modified Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

<i>For the year ended September 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Revenues</b>				
Taxes	\$ 257,848,196	\$ 237,982,187	\$ 216,360,009	\$ 198,059,623
Licenses and permits	7,411,365	6,863,498	12,633,647	12,971,616
Intergovernmental	49,327,990	47,211,515	41,187,600	51,568,524
Charges for services	15,544,019	14,185,202	14,878,593	14,823,600
Fines and forfeitures	1,060,840	1,187,898	1,224,687	1,078,004
Investment earnings (losses)	14,605,792	16,265,526	9,886,499	(3,089,494)
Miscellaneous	8,792,661	13,540,439	13,698,992	9,353,759
<b>Total revenues</b>	<b>354,590,863</b>	<b>337,236,265</b>	<b>309,870,027</b>	<b>284,765,632</b>
<b>Expenditures</b>				
Current				
General government	52,318,631	49,708,669	47,569,557	37,698,814
Public safety	97,865,651	84,318,611	74,910,100	65,296,199
Physical environment	19,065,484	16,797,692	15,113,280	13,442,834
Transportation	18,478,708	16,708,116	17,250,115	14,979,699
Economic environment	33,969,148	41,185,840	33,195,318	28,702,490
Human services	4,704,035	4,575,314	9,149,465	8,727,749
Culture/recreation	7,206,464	7,190,966	6,342,637	4,332,868
Capital outlay	51,057,088	63,299,785	52,005,659	55,698,922
Debt service				
Principal	3,156,574	2,829,034	3,003,179	3,147,574
Interest	530,984	584,518	621,707	768,496
<b>Total expenditures</b>	<b>288,352,767</b>	<b>287,198,545</b>	<b>259,161,017</b>	<b>232,795,645</b>
<b>Excess Revenue Over (Under)</b>				
<b>Expenditures</b>	66,238,096	50,037,720	50,709,010	51,969,987
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	1,156,753	1,383,708	1,402,085	1,142,020
Transfers in	129,645,785	112,918,159	26,756,634	23,020,641
Transfers out	(129,645,785)	(112,918,159)	(26,756,634)	(23,020,641)
Issuance of debt	1,176,891	1,861,368	1,406,394	841,870
<b>Total other financing sources (uses)</b>	<b>2,333,644</b>	<b>3,245,076</b>	<b>2,808,479</b>	<b>1,983,890</b>
<b>Special item</b>				
	-	-	-	-
<b>Net change in fund balance</b>	<b>\$ 68,571,740</b>	<b>\$ 53,282,796</b>	<b>\$ 53,517,489</b>	<b>\$ 53,953,877</b>
Debt service as a percentage of noncapital expenditures				
	1.55%	1.52%	1.75%	2.21%

	2021	2020	2019	2018	2017	2016
\$	178,187,283	\$ 132,891,357	\$ 123,768,397	\$ 112,732,328	\$ 103,247,809	\$ 97,267,784
	12,459,971	3,898,144	3,812,551	3,219,599	2,892,531	2,886,510
	55,461,629	37,829,260	28,507,600	26,994,452	29,405,601	25,099,737
	13,891,758	12,941,500	13,599,020	12,399,911	10,113,664	9,267,053
	797,380	582,762	627,491	633,030	645,055	641,313
	631,680	2,844,554	3,565,307	502,255	593,657	1,129,858
	9,677,769	7,137,299	10,633,906	6,024,140	9,171,722	9,604,217
	271,107,470	198,124,876	184,514,272	162,505,715	156,070,039	145,896,472
	35,075,713	31,921,713	34,973,284	29,087,292	27,191,825	22,483,326
	60,690,469	57,027,957	60,853,449	51,896,519	50,526,999	44,314,780
	12,747,676	11,867,947	15,740,504	12,583,836	10,986,632	12,275,325
	13,414,430	13,782,711	23,998,736	25,419,451	27,842,250	23,878,064
	23,815,086	22,385,714	29,573,103	25,696,123	32,645,259	34,281,506
	9,182,222	2,506,961	2,694,640	2,409,611	1,998,608	2,234,033
	3,638,181	3,103,874	5,503,881	3,240,258	2,906,679	1,182,302
	56,856,296	32,402,250	3,775,422	3,762,969	1,905,430	1,234,476
	2,654,731	5,131,595	2,193,306	1,976,019	2,145,875	1,951,754
	816,169	936,991	886,258	837,270	806,980	853,778
	218,890,973	181,067,713	180,192,583	156,909,348	158,956,537	144,689,344
	52,216,497	17,057,163	4,321,689	5,596,367	(2,886,498)	1,207,128
	1,200,432	-	820,037	752,949	-	-
	35,662,637	15,345,076	27,620,221	18,663,752	19,527,339	17,898,837
	(35,662,637)	(15,345,076)	(27,620,221)	(18,663,752)	(19,527,339)	(17,898,837)
	-	5,237,795	1,692,947	469,246	1,096,233	845,091
	1,200,432	5,237,795	2,512,984	1,222,195	1,096,233	845,091
	-	-	-	-	-	-
\$	53,416,929	\$ 22,294,958	\$ 6,834,673	\$ 6,818,562	\$ (1,790,265)	\$ 2,052,219
	4.08%	2.25%	2.24%	2.44%	2.53%	27.38%

**Walton County, Florida**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount (2)	Percent-age of Levy		Amount (2)	Percent-age of Levy
2016	\$ 56,467,066	\$ 54,522,421	96.56%	\$ 55,520	\$ 54,577,941	96.65%
2017	62,262,782	60,058,915	96.46%	62,823	60,121,738	96.56%
2018	68,496,937	66,145,023	96.57%	55,313	66,200,336	96.65%
2019	75,108,284	72,501,875	96.53%	87,132	72,589,007	96.65%
2020	81,754,531	78,863,511	96.46%	64,033	78,927,544	96.54%
2021	92,578,103	89,310,030	96.47%	58,099	89,368,129	96.53%
2022	114,366,084	110,065,582	96.24%	327,427	110,393,009	96.53%
2023	134,876,805	130,211,674	96.54%	380,423	130,592,097	96.82%
2024	152,922,349	129,994,081	85.01%	-	129,994,081	85.01%
2025	163,859,606	119,223,095	72.76%	-	119,223,095	72.76%

(1) Source: Walton County Property Appraiser

(2) Source: Walton County Tax Collector

Property tax levies, based on assessed values as of January 1st, become due and payable on November 1st each year. A four percent discount is allowed if the taxes are paid in November, with this discount declining by one percent each month thereafter. Accordingly, taxes collected will never be 100 percent of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1st of each year.

Property is assessed as of January 1st and taxes based on those assessments are levied and become due on the following November 1st. Therefore, assessments and tax levies applicable to a certain tax year are collected in the fiscal year ending during the following calendar year.

**Walton County, Florida**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property		Personal Property	
	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value
2016	\$ 15,077,496,337	\$ 15,077,496,337	\$ 439,991,155	\$ 439,991,155
2017	16,662,282,449	16,662,282,449	443,690,097	443,690,097
2018	18,358,304,836	18,358,304,836	463,283,002	463,283,002
2019	20,155,697,731	20,155,697,731	478,155,856	478,155,856
2020	21,947,972,220	21,947,972,220	517,864,328	517,864,328
2021	24,886,141,636	24,886,141,636	557,359,668	557,359,668
2022	30,793,062,284	30,793,062,284	609,442,087	609,442,087
2023	36,724,960,932	36,724,960,932	712,793,477	712,793,477
2024	41,651,282,089	41,651,282,089	824,096,134	824,096,134
2025	45,622,158,758	45,622,158,758	938,791,926	938,791,926

(1) Source: Walton County Property Appraiser

(2) Source: Centrally assessed property consists of railroad and utility systems assessed by the State of Florida.

Property is assessed as of January 1st and taxes based on those assessments are levied and become due on the following November 1st. Therefore, assessments and levies applicable to a certain tax year are collected in the fiscal year ending during the following fiscal year.

Centrally Assessed		Total		Total Direct Tax Rate	Ratio of Total Assessed to Estimated Actual Value
Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value		
\$ 6,910,954	\$ 6,910,954	\$ 15,524,398,446	\$ 15,524,398,446	3.636	100%
6,782,986	6,782,986	17,112,755,532	17,112,755,532	3.636	100%
7,030,725	7,030,725	18,828,618,563	18,828,618,563	3.636	100%
6,940,490	6,940,490	20,640,794,077	20,640,794,077	3.636	100%
2,699,388	2,699,388	22,468,535,936	22,468,535,936	3.636	100%
2,683,249	2,683,249	25,446,184,553	25,446,184,553	3.636	100%
2,799,712	2,799,712	31,405,304,083	31,405,304,083	3.636	100%
2,959,911	2,959,911	37,440,714,320	37,440,714,320	3.600	100%
3,052,732	3,052,732	42,478,430,955	42,478,430,955	3.600	100%
3,301,305	3,301,305	46,564,251,989	46,564,251,989	3.519	100%

**Walton County, Florida**  
**Property Tax Rates – Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

	2025	2024	2023	2022
<b>Board of County Commissioners</b>				
General Fund	3.519	3.600	3.600	1.086
County Transportation Trust Fund	0.000	0.000	0.000	0.120
Fine and Forfeiture Fund	0.000	0.000	0.000	2.430
<hr/>				
Total general county	3.519	3.600	3.600	3.636
<b>District School System</b>				
	4.261	4.288	4.253	4.385
<hr/>				
Total County wide	7.780	7.888	7.853	8.021
<hr/>				
<b>Special Districts</b>				
South Walton Mosquito Control	0.235	0.225	0.210	0.220
Walton County Fire and Rescue	FLAT	FLAT	FLAT	FLAT
South Walton Fire District	1.000	1.000	1.000	1.000
North Walton Mosquito Control	0.441	0.441	0.441	0.491
NW Florida Water Mgmt	0.0207	-	-	-
Argyle Fire District	FLAT	FLAT	FLAT	FLAT
Liberty Fire District	FLAT	FLAT	FLAT	FLAT
<b>North West Florida Water District</b>				
	0.021	0.022	0.023	0.026
<b>Cities</b>				
DeFuniak Springs	5.500	5.500	5.500	5.500
Freeport	4.7302	4.730	4.730	4.730

Source: Walton County Property Appraiser and Walton County Office of Management and Budget

Note:

- (1) Rates are stated as an amount per \$1,000 of assessed value.
- (2) Flat rates vary depending on parcel type ranging from \$25 to \$82.

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
1.113	1.125	0.733	0.873	0.795	1.299
0.093	0.389	0.409	0.270	0.348	0.389
2.430	2.122	2.494	2.493	2.493	1.948
3.636	3.636	3.636	3.636	3.636	3.636
4.784	5.075	5.022	5.097	5.191	5.348
8.420	8.711	8.658	8.733	8.827	8.984
0.230	0.240	0.24	0.163	0.163	0.163
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
1.000	1.000	1.000	0.980	0.980	0.980
0.491	0.491	0.491	0.491	0.491	0.491
-	-	-	-	-	-
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
0.029	0.031	0.033	0.036	0.037	0.038
5.500	5.000	4.500	4.500	4.500	4.500
4.730	4.730	4.730	4.730	4.730	4.730

**Walton County, Florida**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Year	General Obligation Bonds	Special Assessment Debt	Notes Payable	Leases Payable
2016	\$ -	\$ -	\$ 23,922,440	\$ 1,244,736
2017	-	-	22,759,466	1,358,068
2018	-	-	21,169,826	1,440,935
2019	-	-	19,531,373	2,579,031
2020	-	-	20,470,739	1,745,866
2021	-	-	18,771,258	790,704
2022	-	-	16,842,917	1,131,719
2023	-	-	14,860,990	1,516,861
2024	-	-	12,820,653	2,043,005
2025	-	-	10,709,747	2,443,652

- (1) See Demographic Statistics on page 152 for detail of population and per capita personal income.
- (2) Details regarding Walton County's outstanding debt can be found in Note 2 of the financial statements.

<b>Subscriptions Payable</b>	<b>Total</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
\$ -	\$ 25,167,176	0.73%	400
-	24,117,534	0.64%	369
-	22,610,761	0.56%	334
-	22,110,404	0.52%	316
-	22,216,605	0.46%	297
-	19,561,962	0.37%	251
-	17,974,636	0.29%	226
-	16,377,851	0.21%	197
546,527	15,410,185	0.19%	169
277,103	13,430,502	0.16%	148

**Walton County, Florida**  
**Ratio of Annual Debt Service Expenditures of General**  
**Bonded Debt to Total General Governmental Expenditures**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Other Debt Service</b>	<b>Total Debt Service (1)</b>	<b>Total General Expenditures (2)</b>	<b>Ratio of Debt Service to Total General Expenditures</b>
2016	\$ -	\$ -	\$ -	\$ -	\$ 144,689,344	0.00%
2017	-	-	-	-	157,454,891	0.00%
2018	-	-	-	-	156,909,348	0.00%
2019	-	-	-	-	180,192,583	0.00%
2020	-	-	-	-	181,067,713	0.00%
2021	-	-	-	-	218,890,973	0.00%
2022	-	-	-	-	232,795,645	0.00%
2023	-	-	-	-	259,161,017	0.00%
2024	-	-	-	-	287,198,545	0.00%
2025	-	-	-	-	288,352,767	0.00%

(1) Source: Walton County Clerk of the Circuit Court - Finance Department

(2) Includes all Governmental Fund Types.

**Walton County, Florida  
Bond Coverage  
Last Ten Fiscal Years**

***Revenue Bond Coverage***

The last revenue bonds issued were for highway paving and were retired in 1993. There have been no subsequent revenue bonds issued.

***Legal Debt Margin***

The constitution of the State of Florida, Florida Statute 200.181 and Walton County set no legal debt limit.

**Walton County, Florida**  
**Property Value, Construction and Bank Deposits**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property Value (1)	Construction (2)	Bank Deposits (3)
2016	\$ 15,524,398,446	\$ 728,967,101	\$ 1,087,143,000
2017	16,662,282,449	659,931,088	1,261,897,000
2018	18,358,304,836	742,917,142	1,343,237,000
2019	20,155,697,731	911,935,542	1,489,965,000
2020	21,947,972,220	859,578,158	1,748,525,000
2021	25,446,184,553	1,239,005,587	2,301,035,000
2022	30,793,062,284	1,429,432,829	2,587,598,000
2023	36,724,960,932	1,200,586,881	2,425,268,000
2024	41,651,282,089	1,511,012,629	2,509,328,000
2025	45,622,158,758	1,298,666,713	2,897,000,000

(1) Source: Walton County Property Appraiser

(2) Source: Walton County Building Department

(3) Source: Federal Deposit Insurance Corporation (FDIC)



**Walton County, Florida  
Demographic Statistics  
Last Ten Fiscal Years**

Fiscal Year	Pop-ulation (1)	Per Capita Personal Income (1)	Personal Income (amt. in thousands) (2)	School Enrollment (3)	Percentage Unemployment Rate (4)		
					Walton County	Florida	United States
2016	62,943	\$ 55,051	\$ 3,465,075	9,359	4.30%	4.80%	4.90%
2017	65,301	57,822	3,775,834	9,688	2.90%	3.80%	4.20%
2018	67,656	59,728	4,040,958	10,273	2.50%	3.50%	3.70%
2019	70,071	61,029	4,276,363	10,671	2.50%	3.20%	3.50%
2020	74,724	64,481	4,818,278	10,542	4.10%	7.20%	7.80%
2021	77,941	69,862	5,354,767	11,276	3.40%	4.80%	4.80%
2022	79,544	78,714	6,302,522	11,781	2.30%	2.50%	3.70%
2023	83,342	88,228	7,349,744	11,992	2.90%	2.80%	3.80%
2024	87,728	89,435	7,723,035	12,271	3.20%	3.30%	4.10%
2025	90,547	94,582	8,480,756	12,327	4.20%	3.80%	4.40%

(1) Source: Florida Legislative Office of Economic and Demographic Research

(2) Personal income is a calculated amount based on population and per capita personal income.

(3) Source: Walton County School Board

(4) Source: Florida Research & Economic Database

**Walton County, Florida**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>General Government</b>				
Single family dwelling permits	2,374	2,928	2,664	2,849
Total building and other permits issued	17,005	18,414	19,790	21,570
Building inspections conducted	21,761	25,857	28,835	30,821
<b>Public Safety</b>				
Number of E911 calls	43,372	49,829	55,247	48,053
Number of E911 Fire/EMS calls	7,294	12,853	13,145	12,101
Animal control responses	11,820	15,066	12,044	10,765
<b>Tourist Development Council</b>				
Bed tax receipts (gross dollars in thousands)	\$ 60,331	\$ 60,424	\$ 60,284	\$ 62,956
<b>Library</b>				
Number of registered borrowers	33,013	29,910	31,312	48,924
Number of visits	221,952	215,223	143,477	112,102
Number of items in collection	76,701	86,354	84,554	115,638
<b>Constitutional Officers:</b>				
<b>Clerk of Circuit Court</b>				
Marriage licenses issued	1,372	1,335	1,182	1,331
Instruments recorded	46,545	45,057	46,933	59,485
Passports	2,917	2,466	2,534	1,826
Tax deeds sold	84	128	113	89
Civil cases filed	4,372	3,780	3,807	3,524
Misdemeanor cases filed	989	773	807	823
Felony cases filed	891	942	875	1,045
Traffic infractions	3,691	4,957	5,777	4,898
<b>Supervisor of Elections</b>				
Number of registered voters	59,601	60,306	55,124	61,254
Number of polling places	21	21	21	21
<b>Property Appraiser</b>				
Parcels in county	93,720	91,910	90,687	88,109
<b>Tax Collector</b>				
Tax certificates sold	3,425	2,960	3,090	2,369
Tag and title transactions processed	151,482	143,702	140,415	137,101
Driver licenses issued/ renewed	30,969	21,726	19,797	21,236
Hunting/fishing licenses issued	1,171	1,434	1,231	1,294
Concealed weapons applications processed	744	1,721	1,344	1,306
Birth certificates reissued	-	1,062	717	683
<b>Sheriff</b>				
Law enforcement officers	284	271	260	252
Calls for service	204,861	210,663	209,123	214,387
Misdemeanor arrests	2,138	2,214	2,244	2,023

\* Information is not available for the year presented

Source: All information has been provided by Constitutional Offices and Board of County Commissioner Departments.

	2021	2020	2019	2018	2017	2016
	2,448	2,003	2,380	1,487	1,298	1,748
	20,700	16,018	13,976	12,995	12,400	12,010
	26,462	26,268	24,455	22,643	23,590	21,782
	57,321	49,407	68,796	82,101	51,470	61,447
	11,397	8,030	6,978	7,506	14,448	15,220
	11,087	8,691	8,510	4,823	5,505	5,014
\$	58,076	\$ 31,330	\$ 27,728	\$ 25,726	\$ 23,527	\$ 21,758
	45,001	45,790	44,497	49,639	47,690	45,796
	109,741	88,697	117,761	103,273	107,781	110,140
	106,329	99,377	110,050	109,891	112,053	112,532
	1,486	1,210	1,520	1,617	1,627	1,842
	65,167	50,470	43,607	43,502	42,332	42,189
	1,109	904	1,696	1,408	1,427	1,280
	163	109	184	232	177	214
	3,634	2,832	3,656	3,326	3,258	3,093
	1,032	1,083	1,071	960	1,320	1,881
	946	845	754	940	1,152	936
	4,079	4,142	4,274	4,270	5,308	4,264
	59,331	59,743	52,460	49,928	47,264	48,968
	21	21	21	21	21	21
	86,546	85,636	84,518	81,981	84,503	80,998
	2,410	3,216	3,145	2,890	2,944	3,724
	136,199	93,700	125,284	124,754	116,326	104,436
	25,160	23,413	25,520	19,714	18,772	17,745
	3,086	786	1,232	896	898	930
	1,680	1,832	777	870	1,713	4,096
	567	856	561	708	784	659
	258	267	269	251	255	159
	221,101	243,193	257,646	133,368	131,277	128,817
	1,837	1,722	2,936	1,798	3,903	2,598

**Walton County, Florida  
Principal Employers  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>2025</b>		
	<b>Employees (1)</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Walton County School Board	1,776	1	5.1%
Walton County Government	1,402	2	4.0%
St. Joe Co	1,375	3	3.9%
Sacred Heart Hospital of the Emerald Coast	1,062	4	3.0%
Publix Super Markets (multiple locations)	694	5	2.0%
Sandestin Golf and Beach Resort	682	6	2.0%
Wal-Mart Super Center (multiple locations)	621	7	1.8%
Hilton Sandestin Beach and Golf Resort	472	8	1.4%
Watercolor Inn and Resort	380	9	1.1%
Walton Correctional Institution	357	10	1.0%
Wyndham Vacation Rentals (former ResortQuest)			
<b>Total</b>	<b>8,821</b>		<b>25.3%</b>

Total number of individuals employed  
within Walton County (2)

34,838

(1) Information has been provided by the Department of Florida Research and Economics Database,  
(2) The number of employees may not be exact, historical data has been estimated using the most recent information available

2016		
Employees	Rank	Percentage of Total County Employment
1,200	1	4.4%
926	2	3.4%
		0.0%
566	4	2.1%
362	7	1.3%
800	3	3.0%
547	5	2.0%
500	6	1.9%
290	9	1.1%
304	8	1.1%
143	10	0.5%
5,638		20.8%

27,007

**Walton County, Florida  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	2025		
	Assessed Value (1)	Rank	Percentage of Total Net Assessed Value
FL Power and Light Co (fka Gulf Power Co)	\$ 167,818,558	1	0.36%
EBSCO Gulf Coast Development	166,886,571	2	0.36%
Choctawhatchee Electric Cooperative	158,087,812	3	0.34%
San Destin Hilton LLC	88,281,993	4	0.19%
San Destin Hotel, LTD	79,623,812	5	0.17%
HC Ariza Owner LLC	60,661,400	6	0.13%
15 Blue Cover Drive Partners LLC	59,389,315	7	0.13%
SanDestin Investments LLC	51,546,748	8	0.11%
Origins Crossings LLC	50,345,789	9	0.11%
SJRBH LLC	49,752,395	10	0.11%
Florida Gas Transmission Company			
D R Horton			
Grand Boulevard Retail			
Terra Mar Apartments 1			
Silver Sands Joint Benture			
<b>Total Principal Taxable Vaule</b>	<b>932,394,393</b>		<b>1.64%</b>
<b>Total Taxable Assessed Value</b>	<b>\$46,564,251,989</b>		<b>100.00%</b>

(1) Source: Walton County Property Appraiser

**2016**

	<b>Assessed Value (1)</b>	<b>Rank</b>	<b>Total Net Assessed Value</b>
\$	46,301,750	5	0.30%
	89,800,247	1	0.58%
	82,248,686	2	0.53%
	57,219,336	3	0.37%
			0.00%
			-
			-
	48,050,941	4	0.31%
			-
	44,807,819	6	0.29%
	39,634,871	7	0.26%
	28,073,699	9	0.18%
	28,520,963	8	0.18%
	25,337,192	10	0.16%
	<b>489,995,504</b>		<b>3.16%</b>
\$	<b>15,524,398,446</b>		<b>100.00%</b>



**Walton County, Florida**  
**Capital Assets by Function/Program**  
**Last Ten Fiscal Years**

	2025	2024	2023	2022
<b>General Government</b>				
Facilities owned/leased (sq. ft.)	841,587	785,759	779,815	777,565
Libraries available to the public(sq. ft.)	19,513	19,513	19,513	19,513
<b>Public Safety</b>				
Fire/Rescue vehicles (number)	96	92	89	85
EMS/Fire stations(number)*	14	14	15	15
<b>Tourist Development Council</b>				
Beaches (miles)	26	26	26	26
Beach access (number)	75	75	75	75
<b>Transportation</b>				
Paved miles	762	762	753	729
Unpaved miles	285	285	295	318
<b>Culture and Recreation</b>				
Parks (number)	45	39	38	36
Parks with boat ramps (number)	22	12	12	12
<b>Constitutional Officers:</b>				
<b>Clerk of Circuit Court</b>				
Facilities (sq. ft.)	45,650	45,650	45,650	45,650
Facilities (number)	2	2	2	2
<b>Supervisor of Elections</b>				
Facilities (sq. ft.)	3,900	3,900	3,900	3,900
Facilities (number)	2	2	2	2
<b>Property Appraiser</b>				
Facilities (sq. ft.)	8,100	8,100	8,100	8,100
Facilities (number)	2	2	2	2
<b>Tax Collector</b>				
Facilities (sq. ft.)	12,050	12,050	12,050	12,050
Facilities (number)	3	3	3	3
<b>Sheriff</b>				
Facilities owned (sq. ft.)	241,825	71,484	63,364	63,364
Facilities/Stations	13	10	7	7

\* The number decreased in FY2016, the number of EMS/ Fire stations will no longer include the volunteer fire

Source: All information has been provided by Constitutional Offices and Board of County Commissioner Departments.

2021	2020	2019	2018	2017	2016
771,943	701,415	684,448	648,639	635,083	582,430
19,513	19,513	19,513	19,513	18,441	16,961
86	85	61	66	66	49
15	15	15	15	15	15
26	26	26	26	26	26
74	74	73	65	62	61
713	703	689	674	666	664
339	350	363	377	375	377
32	32	32	23	23	21
17	17	17	16	16	18
45,650	45,650	42,990	42,990	42,990	42,990
2	2	2	2	2	2
3,900	3,900	3,900	3,900	3,900	3,900
2	2	2	2	2	2
8,100	8,100	8,100	8,100	8,100	8,100
2	2	2	2	2	2
12,050	10,800	10,800	7,400	7,400	7,400
3	3	3	2	2	2
63,364	63,364	63,364	63,364	63,364	61,668
7	7	7	7	7	6

**Walton County, Florida**  
**Full-Time Equivalent Government-Wide Employees by Function**  
**Last Ten Fiscal Years**

	2025	2024	2023	2022	2021
General government	156	145	125	119	114
Public safety	70	64	61	59	49
Physical environment	41	38	36	31	30
Transportation	141	134	146	136	131
Economic environment	100	87	79	69	61
Human services	8	7	7	6	4
Culture and recreation	67	58	61	41	42
<b>Total County government</b>	<b>583</b>	<b>533</b>	<b>515</b>	<b>461</b>	<b>431</b>
<b>Constitutional Officers</b>					
Clerk of the Circuit Court	70	70	71	69	66
Property Appraiser	33	35	32	33	30
Tax Collector	38	38	38	39	39
Sheriff	668	647	603	608	538
Supervisor of Elections	10	10	9	7	8
<b>Total Constitutional Officers</b>	<b>819</b>	<b>800</b>	<b>753</b>	<b>756</b>	<b>681</b>
<b>Total government-wide employees by function</b>	<b>1,402</b>	<b>1,333</b>	<b>1,268</b>	<b>1,217</b>	<b>1,112</b>

Sources: All information has been provided by Constitutional Offices and the Walton County Clerk of Courts Finance Department.

2020	2019	2018	2017	2016
101	102	90	97	109
43	27	25	26	122
29	28	27	23	25
136	139	127	131	136
66	72	62	64	50
5	5	5	5	5
40	38	32	27	16
420	411	368	373	463
67	69	68	66	67
26	27	28	28	28
38	40	39	35	32
534	555	436	435	330
8	8	7	7	6
673	699	578	571	463
1,093	1,110	946	944	926

**Walton County, Florida**  
**Schedule of Insurance in Force**  
**September 30, 2025**

Type of Coverage	Details of Coverage	Insurance Company	Policy Period
Automobile	\$200,000 per person \$300,000 per occurrence	Florida Municipal Insurance Trust Administered by the Florida League of Cities	10/01/2025-09/30/2026
Property Coverage			
Real Property	\$100,000,000	Florida Municipal Insurance Trust Administered by the Florida League of Cities	10/01/2025-09/30/2026
Personal Property	\$100,000,000		
Inland Marine	\$26,583,992		
Worker's Compensation	\$1,000,000 statutory liability	Florida Municipal Insurance Trust Administered by the Florida League of Cities	
General Liability	\$50,000 per occurrence for fire \$100,000 per person \$200,000 per occurrence statutory liability \$1,000,000 per occurrence outside of Florida \$3,000,000 coverage part aggregate	Florida Association of County Trust	10/01/2025-09/30/2026
Health Insurance	Contract specification	BC/BS of Florida BC/BS of Florida	10/01/2025-09/30/2026
Accidental Death and Dismemberment	\$50,000 to \$100,000 depending upon employee classification and nature of injury and/or cause of death	OCHS Insurance Co Minnesota National Life	10/01/2025-09/30/2026
Life Insurance	\$10,000 to \$50,000 depending upon employee classification	OCHS Insurance Co Minnesota National Life	10/01/2025-09/30/2026
Long-Term Disability Insurance	60% of income up to a maximum of \$7,000 per month	OCHS Insurance Co National Insurance System (NIS)	10/01/2025-09/30/2026
Accident Medical for Parks & Recreation	\$100,000 per injury	National Union Fire Insurance Company of Pittsburgh, PA	12/17/2025-03/17/2026

Source: All information has been provided Walton County Board of County Commissioner Departments.

## COMPLIANCE SECTION

**This section is presented to demonstrate compliance with the Single Audit requirements of the United States Office of Management and Budget and related compliance reporting requirements of the Auditor General of the State of Florida, including the Florida Single Audit.**



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**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 Members of the  
Board of County Commissioners  
Walton 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 governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the proprietary and fiduciary fund types of Walton County, Florida (the “County”) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated March 9, 2026.

**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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 have not been identified.

## **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*.

### **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.*

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

Enterprise, Alabama

March 9, 2026



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

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

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

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

We have audited Walton County, Florida’s (the “County”) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements described in the 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 major state projects for the year ended September 30, 2025. The County’s major federal programs and major 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 major state projects for the year ended September 30, 2025.

***Basis for Opinion on Each Major Federal Program and Major 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; the audit requirements of *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General of the State of Florida. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, 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 major state project. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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, Rules of the Auditor General of the State of Florida 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 County'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, Rules of the Auditor General of the State of Florida, 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 County'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, Rules of the Auditor General of the State of Florida, 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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not been identified.

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.

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

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

Enterprise, Alabama  
March 9, 2026

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

Federal/State Agency Pass-Through Entity Federal Program/State Project	Assistance Listing/ CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Direct Program				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	FL110	\$ -	\$ 3,090,087
Mainstream Vouchers	14.879	FL110	-	151,405
Housing Voucher Cluster total				- 3,241,492
Family Self-Sufficiency Program	14.877	FL110	-	65,652
Department total				- 3,307,144
<b>U.S. Department of Health and Human Services</b>				
Pass-through Florida Department of Revenue				
Child Support Enforcement	93.563	CSU66	-	4,118
Child Support Enforcement - Title IV-D	93.563	COC66	-	186,945
Subtotal for ALN 93.563 and department total				- 191,063
<b>U.S. Department of Justice</b>				
Pass-through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Program				
Edward Byrne Memorial Justice Assistance Program	16.738	6N145	-	39,490
Edward Byrne Memorial Justice Assistance Program	16.738	6N043	-	7,916
Subtotal for ALN 16.738				- 47,406
Residential Substance Abuse Treatment for State Prisoners				
Residential Substance Abuse Treatment for State Prisoners	16.593	G4002	-	64,418
Residential Substance Abuse Treatment for State Prisoners	16.593	2N003	-	48,787
Subtotal for ALN 16.593				- 113,205
Total passed through Florida Department of Law Enforcement				- 160,611

*See Independent Auditor's Report and accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.*

**Walton County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**

Federal/State Agency Pass-Through Entity Federal Program/State Project	Assistance Listing/ CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
Direct Program				
Bullet Proof Vest Partnership Program	16.607	2021BUBX21025334	-	25,098
Overtime and Authorized Expens/Strategic Initiative Program	16.U01	N/A	-	24,048
Joint Law Enforcement Operations (JLEO)	16.111	FC/FLN_0328	-	10,131
COPS -Community Policing-De Escalations	16.710	15JCOPS-23-GG-01782-LEMH	-	67,487
COPS Hiring Grant	16.710	2020UMWX0224	-	323,350
Subtotal for ALN 16.710			-	390,837
Total Direct Programs			-	450,114
Department total			-	610,725
<b>U.S. Department of the Treasury</b>				
Direct Program				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19 SLT-1322	4,026,012	4,595,025
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR250060-01-00	-	143,000
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR250070-01-00	-	200
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR250116-01-00	-	1,587,644
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR250132-01-00	-	48,527
Subtotal for ALN 21.015			-	1,779,371

*See Independent Auditor's Report and accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.*

**Walton County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**

Federal/State Agency Pass-Through Entity Federal Program/State Project	Assistance Listing/ CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
Pass-through Florida Department of Environmental Protection COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19 22FRP94	-	475,464
Pass-through Florida Department of Transportation COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19 G2M78	-	824,948
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19 G2M73	-	109,935
Subtotal for ALN 21.027			4,026,012	6,005,372
Department total			4,026,012	7,784,743
<b>U.S. Department of Defense</b>				
Direct Program				
Community Investment Program	12.600	CIP2012-22-01	-	618,569
<b>U.S. Department of Homeland Security</b>				
Pass-through Florida Division of Emergency Management				
Emergency Management Performance	97.042	G0510	-	56,632
Emergency Management Performance	97.042	Z2593	-	10,823
Emergency Management Performance	97.042	G2N55	-	4,534
Emergency Management Performance	97.042	23-12	-	11,610
Subtotal for ALN 97.042			-	83,599

*See Independent Auditor's Report and accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.*

**Walton County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**

Federal/State Agency Pass-Through Entity Federal Program/State Project	Assistance Listing/ CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
Disaster Grants - Public Assistance	97.036	G2N55	-	27,201
Disaster Grants - Public Assistance	97.036	DR4828	-	10,406
Disaster Grants - Public Assistance	97.036	P13209	-	41,609
Disaster Grants - Public Assistance	97.036	Z2593	-	157,984
Subtotal for ALN 97.036			-	237,200
Homeland Security Grant Program	97.067	24-12	-	3,522
Hazard Mitigation Grant Program	97.039	RSA-01221, Mission 03207	-	44,526
Hazard Mitigation Grant Program	97.039	RSA-01224, Mission 01976	-	11,015
Subtotal for ALN 97.039			-	55,541
Port Security Grant Program	97.056	EMW-2023-PU-00165	-	32,668
Department total			-	412,530
<b>Total Expenditures of Federal Awards</b>			<b>\$ 4,026,012</b>	<b>\$ 12,924,774</b>

*See Independent Auditor's Report and accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.*

**Walton County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**

Federal/State Agency Pass-Through Entity Federal Program/State Project	Assistance Listing/ CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
<b>Executive Office of Governor</b>				
Emergency Management Programs	31.063	A0473	\$ -	\$ 26,452
Emergency Management Programs	31.063	A0400	-	105,806
Subtotal for CSFA 31.063			-	132,258
Emergency Management Projects	31.067	T0384	-	5,321
Department total			-	137,579
<b>Florida Department of Agriculture</b>				
Mosquito Control	42.003	30628	-	31,588
<b>Florida Housing Finance Corporation</b>				
SHIP Program	40.901	N/A	-	682,375
<b>Florida Department of Environmental Protection</b>				
Florida Recreation Development Assistance Program	37.017	P5029	-	379
Resilient Florida Program	37.098	23PLN70	-	190,744
Small County Consolidated Grants	37.012	CS531	-	93,750
Restoration Deepwater Horizon Oil Spill	37.081	DH008	-	9,341
Department total			-	294,214
<b>Florida Department of State</b>				
State Aid to Libraries	45.030	23.LSA.000.079	-	22,428
<b>Florida Department of Health</b>				
County Grant Awards	64.005	C2566	-	6,991
State EMS Grant Program	64.003	M2463	-	60,423
Department total			-	67,414

*See Independent Auditor's Report and accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.*

**Walton County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**

Federal/State Agency Pass-Through Entity Federal Program/State Project	Assistance Listing/ CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
<b>Florida Department of Transportation</b>				
County Incentive Grant Program (CIGP)	55.009	G2N55	-	278,673
Local Transportation Projects	55.039	G2R99	-	169,458
Local Transportation Projects	55.039	G2403	-	332,634
Local Transportation Projects	55.039	G1U64	-	270,116
Local Transportation Projects	55.039	G2B96	-	400,830
Subtotal for CSFA 55.039			-	1,173,038
Department total			-	1,451,711
<b>Florida Department of Children and Families</b>				
Outreach Program	60.153	V0089, V0203	-	65,074
Opioid Settlement	60.153	V0137	-	7,253
Subtotal for CSFA 60.153 and department total			-	72,327
<b>Florida Department of Law Enforcement</b>				
Law Enforcement Programs	71.103	FL004	-	49,645
Law Enforcement Programs	71.122	2023-SAFE-SF-056	-	7,816
Department total			-	57,461
<b>Florida Department of Education</b>				
Coach Aaron Feis Guardian Program	48.140	89H-90210-5D001	-	129,789
<b>Florida Department of Management Services</b>				
Wireless 911 Emergency System Telephone Grants:				
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S17-21-02-69	-	68,996
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S17-21-02-68	-	63,960
Subtotal for CSFA 72.003			-	132,956
Prepaid Next Generation 911 (NG911) State Grant Program	72.002	Special Training Disbursement	-	2,700
Department total			-	135,656
<b>Total Expenditures of State Financial Assistance</b>			\$ -	<b>\$ 3,082,542</b>

*See Independent Auditor's Report and accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.*

**Walton County, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**For the Year Ended September 30, 2025**

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

***Basis of Presentations***

The accompanying schedule of expenditures of federal awards and state financial assistance (Schedule) includes the federal and state spending of Walton 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 and the Florida Single Audit Act. 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**

The Uniform Guidance allows an organization to elect a de minimis indirect cost rate. For the year ended September 30, 2025, 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 ending September 30, 2025.

**Note 4: SUBRECIPIENTS**

During the year ended September 30, 2025, the County had no subrecipients other than the \$4,026,012 of Coronavirus State and Local Fiscal Recovery Funds that were passed through to the City of Freeport, Florida.

**Note 5: NONCASH ASSISTANCE AND OTHER**

The County did not receive any noncash assistance or federally funded insurance during the year ended September 30, 2025.

**Note 6: 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 experience, the County does not believe that such disallowance, if any, would have a material effect on the financial position of the County.

**Walton County, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**  
**For the Year Ended September 30, 2025**

**Note 7: FEDERAL PASS-THROUGH FUNDS**

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

**Note 8: FLORIDA STATE AID TO LIBRARIES**

The County received and expended \$22,428 in grant funding and interest from the Florida State Aid to Libraries grant for the fiscal year ended September 30, 2025.

**Walton County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2025**

**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?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 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?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                             | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None noted |
| 4. Identification of major programs  |            |

**Assistance Listing**

**Number**

**Federal Program**

	<b>Housing Vouchers Cluster</b>
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers
21.015	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast State

- |  |             |
|--|-------------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$1,000,000 |
| 6. Auditee qualified as low-risk under 2CFR 200.520                        | Yes         |

**State Projects**

- |  |            |
|--|------------|
| 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 not considered to be material weaknesses? | None noted |

**Walton County, Florida**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended September 30, 2025**

3. Any audit findings disclosed that are required to be reported in accordance with Florida Single Audit Act? None noted

4. Identification of major projects

CSFA Number	State Project
55.039	Local Transportation Projects
40.901	SHIP Program

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

**Section II: Financial Statement Findings**

There are no findings to report.

**Section III: Federal Award Findings and Questioned Costs**

There are no findings to report.

**Section IV: Major State Projects Findings and Questioned Costs**

The audit did not disclose any audit findings required to be reported pursuant to Section 10.557, Rules of the Auditor General. (Section 10.554(1)(I)1.f, Rules of the Auditor General).

**Section V: Summary Schedule of Prior Audit Findings**

There were no federal or state audit findings from the prior year to report.



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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SPECIFIED FLORIDA STATUTE SECTIONS**

Honorable Board of County Commissioners  
Walton County, Florida

We have examined Walton County, Florida’s (the “County”) compliance with the following Florida Statute sections during the fiscal year ended September 30, 2025:

- Section 365.172(10)                      Emergency communications number E911 system fund
- Section 365.173(2)(a)                Emergency communications number E911 system fund
- Section 218.415                         Investment guidelines

Management is responsible for the County’s compliance with those requirements. Our responsibility is to express an opinion on the County’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the County’s compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

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  
March 9, 2026



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## MANAGEMENT LETTER

Honorable Board of County Commissioners  
Walton County, Florida

### Report on the Financial Statements

We have audited the financial statements of Walton County, Florida (the County) as of and for the fiscal year ended September 30, 2025 and have issued our report thereon dated March 9, 2026.

### 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 March 9, 2026 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 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 Walton County, Florida

has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that Walton County, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes. Pursuant to sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures to Walton County, Florida. It is management's responsibility to monitor Walton County, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

### **Property Assessed Clean Energy (PACE) Programs**

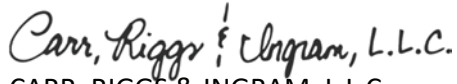
A PACE program authorized pursuant to Section 163.081 or 163.082, Florida Statutes, did not operate within the County's geographical boundaries during the fiscal year under audit.

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

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

Enterprise, Alabama  
March 9, 2026



## **FINANCIAL STATEMENTS AND COMPLIANCE REPORTS FOR CONSTITUTIONAL OFFICERS**

- **CLERK OF THE CIRCUIT COURT AND COMPTROLLER**
- **PROPERTY APPRAISER**
- **TAX COLLECTOR**
- **SUPERVISOR OF ELECTIONS**
- **SHERIFF**



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

**FINANCIAL STATEMENTS**

**September 30, 2025**





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## INDEPENDENT AUDITOR'S REPORT

Honorable Crystal Sconiers  
Clerk of the Circuit Court  
Walton County, Florida

### Opinions

We have audited the accompanying financial statements of each major fund, the proprietary fund, and the aggregate remaining fund information of the Walton County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2025, 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, the proprietary fund, and the aggregate remaining fund information for the Clerk as of September 30, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund, and Fine and Forfeiture Fund and, where applicable, cash flows thereof 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 *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 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 and nonmajor fund budget and actual schedules, 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 and nonmajor fund budget and actual schedules 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 February 20, 2026, 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.

Enterprise, Alabama  
February 20, 2026

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

<i>September 30, 2025</i>	General	Fine and Forfeiture
<b>Assets</b>		
Cash and cash equivalents	\$ 7,464,871	\$ 504,909
Due from other governments	22	15,020
<b>Total assets</b>	<b>\$ 7,464,893</b>	<b>\$ 519,929</b>
<b>Liabilities and Fund Balances</b>		
Liabilities		
Accounts payable	\$ 199,984	\$ 1,408
Wages and benefits payable	301,621	88,512
Deposits	272	-
Due to Board of County Commissioners	6,963,016	-
Due to other governments	-	430,009
<b>Total liabilities</b>	<b>7,464,893</b>	<b>519,929</b>
Fund balances		
Restricted for		
Court technology	-	-
Title IV-D	-	-
Record modernization	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,464,893</b>	<b>\$ 519,929</b>

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

Nonmajor Funds	Total Governmental Funds
\$ 1,362,436	\$ 9,332,216
47,877	62,919
<hr/>	
\$ 1,410,313	\$ 9,395,135
<hr/> <hr/>	
\$ 73	\$ 201,465
20,061	410,194
-	272
-	6,963,016
-	430,009
<hr/>	
20,134	8,004,956
390,766	390,766
278,803	278,803
720,610	720,610
<hr/>	
1,390,179	1,390,179
<hr/>	
\$ 1,410,313	\$ 9,395,135
<hr/> <hr/>	

**Walton 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, 2025</i>	General	Fine and Forfeiture
<b>Revenues</b>		
Intergovernmental	\$ -	\$ 560,249
Charges for services	2,046,660	1,193,248
Fines and forfeitures	-	622,527
Investment earnings	282,639	-
<hr/>		
Total revenues	2,329,299	2,376,024
<b>Expenditures</b>		
General government		
Personnel services	4,683,511	1,950,600
Operating	1,360,020	95,708
Capital outlay	42,538	-
Debt service		
Principal	269,424	-
Interest	15,576	-
<hr/>		
Total expenditures	6,371,069	2,046,308
<hr/>		
Excess (deficiency) of revenues over (under) expenditures	(4,041,770)	329,716
<b>Other Financing Sources (Uses)</b>		
Appropriations from Board of County Commissioners	4,783,890	-
Reversions		
Board of County Commissioners	(742,120)	-
Clerk of Courts Trust Fund	-	(329,716)
<hr/>		
Net other financing sources (uses)	4,041,770	(329,716)
<hr/>		
Net change in fund balances	-	-
<hr/>		
Fund balances, beginning of year	-	-
<hr/>		
Fund balances, end of year	\$ -	\$ -
<hr/> <hr/>		

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

	Nonmajor Funds	Total Governmental Funds
\$	186,945	\$ 747,194
	405,404	3,645,312
	-	622,527
	33,419	316,058
	625,768	5,331,091
	441,556	7,075,667
	136,682	1,592,410
	-	42,538
	-	269,424
	-	15,576
	578,238	8,995,615
	47,530	(3,664,524)
	-	4,783,890
	-	(742,120)
	-	(329,716)
	-	3,712,054
	47,530	47,530
	1,342,649	1,342,649
\$	1,390,179	\$ 1,390,179

**Walton 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, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 1,938,575	\$ 1,950,618	\$ 2,046,660	\$ 96,042
Investment earnings	194,343	194,343	282,639	88,296
<b>Total revenues</b>	<b>2,132,918</b>	<b>2,144,961</b>	<b>2,329,299</b>	<b>184,338</b>
<b>Expenditures</b>				
General government				
Personnel services	5,267,533	4,991,411	4,683,511	307,900
Operating	1,569,275	1,762,305	1,360,020	402,285
Capital outlay	80,000	175,135	42,538	132,597
Debt service				
Principal	-	-	269,424	(269,424)
Interest	-	-	15,576	(15,576)
<b>Total expenditures</b>	<b>6,916,808</b>	<b>6,928,851</b>	<b>6,371,069</b>	<b>557,782</b>
Excess (deficiency) of revenues over (under) expenditures	(4,783,890)	(4,783,890)	(4,041,770)	742,120
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	4,783,890	4,783,890	4,783,890	-
Reversion Board of County Commissioners	-	-	(742,120)	(742,120)
<b>Net other financing sources (uses)</b>	<b>4,783,890</b>	<b>4,783,890</b>	<b>4,041,770</b>	<b>(742,120)</b>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**Walton 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, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 496,697	\$ 497,832	\$ 560,249	\$ 62,417
Charges for services	903,800	903,800	1,193,248	289,448
Fines and forfeitures	639,078	675,621	622,527	(53,094)
<b>Total revenues</b>	<b>2,039,575</b>	<b>2,077,253</b>	<b>2,376,024</b>	<b>298,771</b>
<b>Expenditures</b>				
General government				
Personnel services	1,891,012	1,964,266	1,950,600	13,666
Operating	148,563	112,987	95,708	17,279
<b>Total expenditures</b>	<b>2,039,575</b>	<b>2,077,253</b>	<b>2,046,308</b>	<b>30,945</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	329,716	329,716
<b>Other Financing Sources (Uses)</b>				
Reversion				
Clerk of Courts Trust Fund	-	-	(329,716)	(329,716)
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(329,716)</b>	<b>(329,716)</b>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Net Position – Proprietary Funds**

	Governmental Activities
<i>September 30, 2025</i>	Internal Service Fund
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 1,299,037
<hr/>	
<b>Liabilities</b>	
Current liabilities	
Accrued compensated absences	198,688
Non-current liabilities	
Accrued compensated absences	1,100,349
<hr/>	
Total liabilities	1,299,037
<hr/>	
Total net position	\$ -
<hr/> <hr/>	

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

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Revenues, Expenses and Changes in Net Position –**  
**Proprietary Funds**

	Governmental Activities
<i>For the year ended September 30, 2025</i>	Internal Service Fund
<b>Operating Revenues</b>	
Charges for services	\$ 264,101
<b>Operating Expenses</b>	
Personnel services	264,101
Change in net position	-
Net position, beginning of year	-
Net position, end of year	\$ -

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

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Cash Flows – Proprietary Funds**

	Governmental Activities
<i>For the year ended September 30, 2025</i>	Internal Service Fund
<b>Cash Flows from Operating Activities</b>	
Funding of compensated absences liability	\$ 264,101
Cash payments to employees for compensated absences	(193,378)
<hr/>	
Net increase in cash and cash equivalents	70,723
Cash and cash equivalents, beginning of year	1,228,314
<hr/>	
Cash and cash equivalents, end of year	\$ 1,299,037
<hr/>	
<b>Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities</b>	
Change in net position	\$ -
Increase in liabilities	
Compensated absences payable	70,723
<hr/>	
Net cash provided by operating activities	\$ 70,723
<hr/>	

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

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

*September 30, 2025*

Custodial Funds

**Assets**

Cash and cash equivalents	\$ 7,396,319
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**Liabilities**

Due to other governments	\$ 1,034,916
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Deposits	3,945,846
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Due to individuals	2,415,557
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Total liabilities	7,396,319
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Total net position	\$ -
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*The accompanying notes are an integral part of these financial statements.*

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

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

<i>For the year ended September 30, 2025</i>	Custodial Funds
<b>Additions</b>	
Clerk of circuit and county courts revenue	\$ 75,920,985
<b>Deductions</b>	
Current	
Payments of clerk of circuit and county courts distributions to other governments	75,920,985
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 Walton 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 7.66. The Clerk's financial statements do not purport to reflect the financial position or the results of operations of Walton 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 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.

**Walton 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 an other-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.

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 measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for 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 measurable, except for accumulated sick and vacation compensation which is expensed when paid.

The proprietary fund (the internal service fund) is reported using the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principle operating revenues of the Clerk's internal service fund are charges to funds related to the Clerk's compensated absences activity. Operating expenses for the internal service fund include recognition of changes in the compensated absences liabilities. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Fiduciary 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.

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

***Fund Financial Statements (continued)***

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.

The following nonmajor governmental funds are reported:

*Court Technology* – A special revenue fund that accounts for an additional service charge for each recorded instrument reserved for the technology needs of the court system within the Clerk’s office.

*Title IV-D* – A special revenue fund that receives federal reimbursement for expenses related to the Title IV-D child support cases.

*Record Modernization* – 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 public records system.

The Clerk also reported the following fund types:

*Internal Service Fund* – The internal service fund (a proprietary fund) is used to report funded and accrued compensated absences.

*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 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.

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

***Budgetary Information (continued)***

*Budgetary Basis of Accounting (continued)*

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 seven parts:

- A. The budget relating to the state court system (Circuit and County), is filed with the Florida Clerk of the Court Operations Corporation;
- 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;
- C. The budget relating to the recording of official records;
- D. The budget related to the Records Modernization Fund;
- E. The budget related to the Court Technology Fund;
- F. The budget related to the Fine and Forfeiture Fund; and
- G. The budget related to the Title IV-D Fund.

***Excess Revenue and Expenditures***

Pursuant to Section 218.36(2), Florida Statutes, "...each county officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145." In accordance with the statute for fiscal year 2025, the Clerk remitted \$742,120 of excess revenues over expenditures to the Board.

Pursuant to Section 28.37(2), Florida Statutes, the Clerk shall retain all fees, service charges, court costs, and fines collected to fund the Clerk's court operations. Excess revenue over expenditures at September 30<sup>th</sup> 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, 2025, excess court revenues did exceed 1/12 of revenue projections in the amount of \$56,401 and all of these funds were remitted back to the Clerk of Courts Trust Fund. Court fund revenues from September 2025 were retained by the Clerk to fund October 2025 court operations in the amount of \$157,152.

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

***Employee Benefits***

*Compensated Absences*

It is the Clerk's policy to allow employees to accumulate a maximum of 1,000 hours of paid time off (PTO) at the end of the calendar year. Any PTO hours exceeding 1,000 will be forfeited by that employee. Upon separation, employees will receive pay for their unused accrued PTO up to a maximum payment of 500 hours. Expenditures for compensated absences in the internal service fund are those paid during the current fiscal year for employee separation, PTO buy back, and longevity pay. The amounts unpaid at the end of the reporting period are then accrued for future use.

*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 Clerk, 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 Fund Balance***

*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.

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

***Assets, Liabilities and Net Position or Fund Balance (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 significant and therefore, no amount has been reported.

*Capital Assets*

Capital assets, which include machinery and equipment and right-to-use subscription 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 County is retained by the Board 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 Net Position and Fund Balance*

*Net position flow assumption* – The Clerk funds outlays from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary 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 – net position to have been depleted before unrestricted – net position is applied.

*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.

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

***Assets, Liabilities and Net Position or Fund Balance (continued)***

*Categories and Classification of Net Position and Fund Balance (continued)*

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

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

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

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

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

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

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

***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, February 20, 2026 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 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. There were no significant impacts from implementing this statement.

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. There were no significant impacts from implementing this statement.

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

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

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

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

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

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Cash, Cash Equivalents, and Investments***

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

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

*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. The financial institutions in which the Clerk places its deposits are certified as “qualified public depositories,” as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the Clerk

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Cash, Cash Equivalents, and Investments (continued)***

will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

*Credit and interest rate risk* - The Clerk adheres to the investment policy adopted by the Board, thereby limiting its exposure to both credit and interest rate risk as noted below. Concentration of credit risk is the risk of loss attributable to the quantity of the Clerk's investments in a single issuer. The entire amount of the Clerk's demand deposits are held in a public fund net interest bearing checking account, paying interest at the current federal funds rate less (5) basis points, with no reserve requirements. This arrangement increases the liquidity of the Clerk's deposits and eliminates the fees paid on sweep accounts. Balances in the account are fully collateralized in compliance with applicable State statutes.

***Due From Other Governments***

The Clerk is due receivables from various other government sources, all of which are deemed collectible within 60 days of year-end.

Source	Amount
Other governments	\$ 62,919

**Note 3: RETIREMENT PLAN**

The Clerk 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 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.

**Note 3: RETIREMENT PLAN (Continued)**

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.

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 – 14.03%, DROP Program – 22.02%, senior management – 33.24% and elected officials – 54.57%. 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.

For the year ended September 30, 2025, total payroll for the Clerk's employees covered by the System was \$4,702,753 and total payroll was \$4,726,027. The Clerk's contributions to the plan for the years ended September 30, 2025, **2024**, and **2023** were \$924,164, \$883,658, and \$804,398, 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](http://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.

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

**Note 4: CONTINGENCIES (Continued)**

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.

Summary of changes in capital assets during the year ended September 30, 2025:

	Balance 10/1/24	Increases	Decreases	Balance 9/30/25
<i>Governmental Activities</i>				
Capital assets, being depreciated				
Machinery and equipment	\$ 2,271,697	\$ 42,538	\$ 1,154,992	\$ 1,159,243
Less accumulated depreciation for				
Machinery and equipment	(2,177,551)	(48,660)	(1,154,992)	(1,071,219)
Total capital assets being depreciated, net	94,146	(6,122)	-	88,024
Right-to-use subscription assets, being amortized				
Subscription-based information technology	808,485	-	-	808,485
Less accumulated amortization for				
Subscription-based information technology	(261,958)	(269,424)	-	(531,382)
Right-to-use subscription assets being amortized, net	546,527	(269,424)	-	277,103
<b>Total governmental activities capital assets, net</b>	<b>\$ 640,673</b>	<b>\$ (275,546)</b>	<b>\$ -</b>	<b>\$ 365,127</b>

**Walton 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)***

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

<i>Governmental Activities</i>	
General government	\$ 318,084

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***Long-Term Liabilities***

The internal service fund is designed to record the annual cost related to the Clerk’s compensated absences, to record the short-term and long-term components of such liabilities, and to collect and hold cash to liquidate such liabilities. The related cost associated with the fund will be recovered via charges to the General Fund.

Subscription liabilities that will not be liquidated with expendable available financial resources of the Clerk are the obligation of the County and are reported at the county-wide level.

The following is a summary of changes in long-term liabilities reported for the year ended September 30, 2025:

	Balance 10/1/24	Additions	Reductions	Balance 9/30/25	Due Within One Year
Subscription liabilities	\$ 546,527	\$ -	\$ 269,424	\$ 277,103	\$ 277,103
Compensated absences	1,228,314	70,723 *	-	1,299,037	198,688
<b>Total</b>	<b>\$ 1,774,841</b>	<b>\$ 70,723</b>	<b>\$ 269,424</b>	<b>\$ 1,576,140</b>	<b>\$ 475,791</b>

\* Net of reductions

***Subscription-Based Information Technology Arrangements***

The Clerk has one software arrangement that requires recognition under GASBC Section S:80, *Subscription-Based Information Technology Arrangements* (SBITAs). The Clerk now recognizes a subscription liability and an intangible right-to-use subscription asset for the Tourist Development Tax (TDT) software in Finance.

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

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

***Long-Term Liabilities (continued)***

*Subscription-Based Information Technology Arrangements (continued)*

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

<u>September 30,</u>	<u>Amount</u>
2026	\$ 285,000
Total minimum payments	285,000
Less: amount representing interest	(7,897)
Present value of minimum SBITA payments	<u>\$ 277,103</u>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

*Court Technology* – Accounts for an additional service charge on recorded documents. These funds are reserved for the technology needs of the court system.

*Title IV-D* – Accounts for federal reimbursement for expenses related to Title IV-D child support cases.

*Record Modernization* – Accounts for an additional service charge on recorded instrument. These funds are designated exclusively for improvements to the public records system.

**Walton County, Florida  
Clerk of the Circuit Court  
Combining Balance Sheet –  
Nonmajor Governmental Funds**

<i>September 30, 2025</i>	General	Fine and Forfeiture	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 7,464,871	\$ 504,909	\$ 1,362,436	\$ 9,332,216
Due from other governments	22	15,020	47,877	62,919
<b>Total assets</b>	<b>\$ 7,464,893</b>	<b>\$ 519,929</b>	<b>\$ 1,410,313</b>	<b>\$ 9,395,135</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 199,984	\$ 1,408	\$ 73	\$ 201,465
Wages and benefits payable	301,621	88,512	20,061	410,194
Deposits	272	-	-	272
Due to Board of County Commissioners	6,963,016	-	-	6,963,016
Due to other governments	-	430,009	-	430,009
<b>Total liabilities</b>	<b>7,464,893</b>	<b>519,929</b>	<b>20,134</b>	<b>8,004,956</b>
<b>Fund balances</b>				
<b>Restricted for</b>				
Court technology	-	-	390,766	390,766
Title IV-D	-	-	278,803	278,803
Record modernization	-	-	720,610	720,610
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>1,390,179</b>	<b>1,390,179</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,464,893</b>	<b>\$ 519,929</b>	<b>\$ 1,410,313</b>	<b>\$ 9,395,135</b>

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

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

<i>For the year ended September 30, 2025</i>	Court Technology	Title IV-D Fund	Record Modernization Fund	Total
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 186,945	\$ -	\$ 186,945
Charges for services	310,454	-	94,950	405,404
Investment earnings	-	-	33,419	33,419
<b>Total revenues</b>	<b>310,454</b>	<b>186,945</b>	<b>128,369</b>	<b>625,768</b>
<b>Expenditures</b>				
General government				
Personnel services	243,403	198,153	-	441,556
Operating	84,903	-	51,779	136,682
<b>Total expenditures</b>	<b>328,306</b>	<b>198,153</b>	<b>51,779</b>	<b>578,238</b>
Excess (deficiency) of revenues over (under) expenditures	(17,852)	(11,208)	76,590	47,530
Fund balances, beginning of year	408,618	290,011	644,020	1,342,649
<b>Fund balances, end of year</b>	<b>\$ 390,766</b>	<b>\$ 278,803</b>	<b>\$ 720,610</b>	<b>\$ 1,390,179</b>

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Court Technology Fund**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 280,000	\$ 280,000	\$ 310,454	\$ 30,454
<b>Expenditures</b>				
General government				
Personnel services	521,250	494,185	243,403	250,782
Operating	58,750	85,815	84,903	912
<b>Total expenditures</b>	<b>580,000</b>	<b>580,000</b>	<b>328,306</b>	<b>251,694</b>
Excess (deficiency) of revenues over (under) expenditures	(300,000)	(300,000)	(17,852)	282,148
Fund balance, beginning of year	408,618	408,618	408,618	-
<b>Fund balance, end of year</b>	<b>\$ 108,618</b>	<b>\$ 108,618</b>	<b>\$ 390,766</b>	<b>\$ 282,148</b>

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Title IV-D**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 135,000	\$ 183,375	\$ 186,945	\$ 3,570
<b>Expenditures</b>				
General government				
Personnel services	149,778	198,153	198,153	-
Excess (deficiency) of revenues over (under) expenditures	(14,778)	(14,778)	(11,208)	3,570
Fund balance, beginning of year	290,011	290,011	290,011	-
Fund balance, end of year	\$ 275,233	\$ 275,233	\$ 278,803	\$ 3,570

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Record Modernization**

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 90,000	\$ 90,000	\$ 94,950	\$ 4,950
Investment earnings	25,000	25,000	33,419	8,419
Total revenues	115,000	115,000	128,369	13,369
<b>Expenditures</b>				
General government Operating	115,000	115,000	51,779	63,221
Excess (deficiency) of revenues over (under) expenditures	-	-	76,590	76,590
Fund balance, beginning of year	644,020	644,020	644,020	-
Fund balance, end of year	\$ 644,020	\$ 644,020	\$ 720,610	\$ 76,590

### **Fiduciary Funds**

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

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

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

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

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

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

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

<i>September 30, 2025</i>	General Agency	Juror and Witness
<hr/>		
<b>Assets</b>		
Cash and cash equivalents	\$ 2,663,661	\$ 13,816
<hr/>		
<b>Liabilities</b>		
Due to other governments	\$ 925,641	\$ 13,816
Deposits	1,736,483	-
Due to individuals	1,537	-
<hr/>		
Total liabilities	2,663,661	13,816
<hr/>		
Total net position	\$ -	\$ -
<hr/>		

Registry of Court	Child Support	Appearance Bonds	Tax Redemption	Total
\$ 2,217,487	\$ 169	\$ 559,491	\$ 1,941,695	\$ 7,396,319
\$ 8,124	\$ 169	\$ 83,725	\$ 3,441	\$ 1,034,916
2,209,363	-	-	-	3,945,846
-	-	475,766	1,938,254	2,415,557
2,217,487	169	559,491	1,941,695	7,396,319
\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2025</i>	General Agency	Juror and Witness
<b>Additions</b>		
Clerk of circuit and county courts revenue	\$ 71,529,814	\$ -
<b>Deductions</b>		
Current		
Payments of clerk of circuit and county courts distributions to other governments	71,529,814	-
Net increase (decrease) in fiduciary net position	-	-
Net position, beginning of year	-	-
Net position, end of year	\$ -	\$ -

Registry of the Court	Child Support	Appearance Bonds	Tax Redemption	Total
\$ 2,899,863	\$ 111,186	\$ 619,449	\$ 760,673	\$ 75,920,985
2,899,863	111,186	619,449	760,673	75,920,985
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -



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**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 Crystal Sconiers  
Clerk of the Circuit Court  
Walton 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, the proprietary and fiduciary fund types, and the remaining nonmajor governmental funds of the Walton County, Florida Clerk of the Circuit Court (the “Clerk”), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Clerk’s basic financial statements, and have issued our report thereon dated February 20, 2026.

**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 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.

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

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

Enterprise, Alabama  
February 20, 2026



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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SPECIFIED FLORIDA STATUTE SECTIONS**

Honorable Crystal Sconiers  
Clerk of the Circuit Court  
Walton County, Florida

We have examined the Walton 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, 2025:

- |                          |                                    |
|--------------------------|------------------------------------|
| Sections 28.35 and 38.36 | Performance Standards and Budget   |
| Section 61.181           | Alimony and Child Support Payments |
| Section 218.415          | 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, 2025.

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  
February 20, 2026



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

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## **MANAGEMENT LETTER**

Honorable Crystal Sconiers  
Clerk of Circuit Court  
Walton County, Florida

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

We have audited the financial statements of the Walton County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 20, 2026.

### **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 on 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 February 20, 2026, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings and recommendations 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.

*Carr, Riggs & Ingram, L.L.C.*  
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
February 20, 2026



**Property Appraiser  
Walton County, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2025**



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## INDEPENDENT AUDITOR'S REPORT

Honorable Gary J. Gregor  
Property Appraiser  
Walton County, Florida

### ***Opinion***

We have audited the accompanying financial statements of the major fund of the Walton County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2025, 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, 2025, 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 *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 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 February 20, 2026 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, L.L.C.

Enterprise, Alabama  
February 20, 2026

**Walton County, Florida**  
**Property Appraiser**  
**Balance Sheet – Governmental Funds**

*September 30, 2025*

General Fund

**Assets**

Cash and cash equivalents	\$	257,071
Other assets		64,321

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Total assets	\$	321,392
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**Liabilities and Fund Balance**

Liabilities

Due to Board of County Commissioners	\$	200,115
Due to other governments		25,841
Wages and benefits payable		95,436

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Total liabilities		321,392
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Fund balance		-
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Total liabilities and fund balance	\$	321,392
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*The accompanying notes are an integral part of these financial statements.*

**Walton County, Florida**  
**Property Appraiser**

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

<i>For the year ended September 30, 2025</i>	General Fund
<b>Revenues</b>	
Intergovernmental	\$ 511,408
<b>Expenditures</b>	
General government	
Personnel services	3,547,256
Operating	662,032
Capital outlay	40,356
Total expenditures	4,249,644
Excess (deficiency) of revenues over (under) expenditures	(3,738,236)
<b>Other Financing Sources (Uses)</b>	
Appropriations from Board of County Commissioners	3,960,442
Proceeds from sale of equipment	3,750
Reversion to Board of County Commissioners	(200,115)
Return of excess fees to other taxing authorities	(25,841)
Net other financing sources (uses)	3,738,236
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	\$ -

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

**Walton 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, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 564,767	\$ 564,767	\$ 511,408	\$ (53,359)
<b>Expenditures</b>				
Current				
General government				
Personnel services	3,844,190	3,907,083	3,547,256	359,827
Operating	564,767	564,767	662,032	(97,265)
Capital outlay	-	-	40,356	(40,356)
<b>Total expenditures</b>	<b>4,408,957</b>	<b>4,471,850</b>	<b>4,249,644</b>	<b>222,206</b>
Excess (deficiency) of revenues over (under) expenditures	(3,844,190)	(3,907,083)	(3,738,236)	168,847
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners				
Proceeds from sale of equipment	-	-	3,750	3,750
Reversion to Board of County Commissioners	-	-	(200,115)	(200,115)
Return of excess fees to other taxing authorities	-	-	(25,841)	(25,841)
<b>Net other financing sources (uses)</b>	<b>3,844,190</b>	<b>3,907,083</b>	<b>3,738,236</b>	<b>(168,847)</b>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**Walton County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

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

The financial statements of the Walton 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 7.66. The Property Appraiser’s financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the “County”) taken as a whole. 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 Walton 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 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

**Walton 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)***

are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The operations of the Property Appraiser are funded by the Board 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.

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

***Budgetary Information (continued)***

*Budgetary Basis of Accounting (continued)*

Budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Department and Board.

*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*

It is the Property Appraiser's policy to allow employees to accumulate earned but unused paid time off benefits, which are eligible for payment upon separation of government service. Employees are allowed to accumulate up to a maximum of 500 working hours. Accumulated paid time off is payable on termination up to 500 hours. If the employee retires, the full value of the hours accumulated will be paid out up to 500 hours. 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 Property Appraiser are the obligation of the County and are reported at the county-wide level.

*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 Annual Comprehensive Financial Report. Assets, liabilities and cash inflows/outflows related to the Property Appraiser are combined with all the County's participants 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

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

***Employee Benefits (continued)***

*Other Postemployment Benefits (OPEB) (continued)*

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.

***Assets, Liabilities, and Fund Balance***

*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 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 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.

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

***Assets, Liabilities, and Fund Balance (continued)***

*Categories and Classification of Fund Balance*

*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).

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.

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

***Use of Estimates***

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 20, 2026, and determined there were no events that occurred that required disclosure.

***Recently Issued Accounting Pronouncements***

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. There were no significant impacts from implementing this statement.

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. There were no significant impacts from implementing this statement.

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

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;

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

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

- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

**Note 2: DETAILED NOTES TO GENERAL FUND**

***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.

***Due to Board of County Commissioners***

Represents the excess revenues over expenditures of \$200,115 remitted to the Board after year end in accordance with Section 218.36(2) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues, Expenditures and Changes in Fund Balance.

**Note 3: RETIREMENT PLAN**

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

**Note 3: RETIREMENT PLAN (Continued)**

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 – 14.03%, DROP Program – 22.02%, senior management – 33.24%, and elected officials – 54.57%. 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 Property Appraiser's employees covered by the System was \$2,307,753 for the year ended September 30, 2025. The Property Appraiser's total payroll was \$2,341,598 for the same period. The Property Appraiser's contributions to the plan for the years ended September 30, 2025, 2024, and 2023 were \$492,983, \$458,068, and \$404,759, respectively and were paid by the due date for the contribution.

The Property Appraiser has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://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.

**Walton County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

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

***Capital Assets***

Title in all capital assets owned by the County is retained by the Board 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, 2025:

	Balance 10/01/24	Increases	Decreases	Balance 9/30/25
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 967,343	\$ 35,857	\$ 21,245	\$ 981,955
Less: accumulated depreciation	312,597	97,244	21,245	388,596
Total governmental activities				
Capital assets, net	\$ 654,746	\$ (61,387)	\$ -	\$ 593,359

Depreciation expense to be reported by the County was charged to the functions of the government as follows:

General government	\$ 97,244
--------------------	-----------

***Long-Term Debt***

Accrued compensated absences and leases 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, 2025:

	Balance 10/01/24	Net Change	Balance 9/30/25	Due In One Year
Compensated absences	\$ 177,424	\$ 18,007	\$ 195,431	\$ 19,543



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**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 Gary J. Gregor  
Property Appraiser  
Walton 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 Walton County, Florida Property Appraiser (the “Property Appraiser”) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Property Appraiser’s financial statements, and have issued our report thereon dated February 20, 2026.

**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. 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 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*.

### 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.*

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

Enterprise, Alabama  
February 20, 2026



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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH  
LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Gary J. Gregor  
Property Appraiser  
Walton County, Florida

We have examined the Walton 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, 2025. Management of the Property Appraiser is responsible for the Property Appraiser’s 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, 2025.

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  
February 20, 2026



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## MANAGEMENT LETTER

Honorable Gary J. Gregor  
Property Appraiser  
Walton County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Walton County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 20, 2026.

### 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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 20, 2026, 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 significant 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 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, L.L.C.

Enterprise, Alabama  
February 20, 2026





**Tax Collector  
Walton County, Florida**

**Financial Statements**

**September 30, 2025**



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## INDEPENDENT AUDITOR'S REPORT

Honorable Rhonda Skipper  
Tax Collector  
Walton County, Florida

### Opinions

We have audited the accompanying financial statements of the major fund and the fiduciary fund type of the Walton County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2025, 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, 2025, and the respective changes in financial position, the budgetary comparison for the General Fund, and, where applicable, cash flows thereof 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, 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 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 Tax Collector'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 fiduciary fund statements 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 fiduciary fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2026 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 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 Tax Collector's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama  
February 20, 2026

**Walton County, Florida**  
**Tax Collector**  
**Balance Sheet – Governmental Funds**

*September 30, 2025*

General Fund

**Assets**

Cash and cash equivalents	\$	5,080,696
Due from individuals		448,482

Total assets	\$	5,529,178
--------------	----	-----------

**Liabilities and Fund Balance**

Liabilities

Accounts payable	\$	91,211
Wages and benefits payable		119,954
Due to Board of County Commissioners		4,764,001
Due to other governments		554,012

Total liabilities		5,529,178
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Fund balance		-
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Total liabilities and fund balance	\$	5,529,178
------------------------------------	----	-----------

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

**Walton County, Florida**  
**Tax Collector**

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

<i>For the year ended September 30, 2025</i>	General Fund
<b>Revenues</b>	
Charges for services	\$ 9,660,397
<b>Expenditures</b>	
General government	
Personnel services	3,720,037
Operating	605,332
Capital outlay	13,663
Debt service	
Principal	3,348
Interest	4
Total expenditures	4,342,384
Excess (deficiency) of revenues over (under) expenditures	5,318,013
<b>Other Financing Sources (Uses)</b>	
Return of excess fees to other taxing authorities	(554,012)
Reversion to Board of County Commissioners	(4,764,001)
Net other financing sources (uses)	(5,318,013)
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	\$ -

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

**Walton 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, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 4,715,418	\$ 4,723,189	\$ 9,660,397	\$ 4,937,208
<b>Expenditures</b>				
General government				
Personnel services	4,065,755	4,073,526	3,720,037	353,489
Operating	645,663	635,663	605,332	30,331
Capital outlay	4,000	14,000	13,663	337
Debt service				
Principal	-	-	3,348	(3,348)
Interest	-	-	4	(4)
<b>Total expenditures</b>	<b>4,715,418</b>	<b>4,723,189</b>	<b>4,342,384</b>	<b>380,805</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	5,318,013	5,318,013
<b>Other Financing Sources (Uses)</b>				
Return of excess fees to other taxing authorities	-	-	(554,012)	(554,012)
Reversion to Board of County Commissioners	-	-	(4,764,001)	(4,764,001)
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(5,318,013)</b>	<b>(5,318,013)</b>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**Walton County, Florida**  
**Tax Collector**  
**Statement of Fiduciary Net Position – Fiduciary Funds**

<u>September 30, 2025</u>	<u>Custodial Funds</u>
<b>Assets</b>	
Cash	\$ 3,468,930
<b>Liabilities</b>	
Due to other governments	603,759
Deposits	2,865,171
<hr/>	
Total liabilities	3,468,930
<hr/>	
<b>Net Position</b>	<b>\$ -</b>
<hr/> <hr/>	

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

**Walton County, Florida**  
**Tax Collector**

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

<i>For the year ended September 30, 2025</i>	Custodial Funds
<b>Additions</b>	
Tax collections, auto tag fees, and other fees for other governments	\$ 452,448,125
<b>Deductions</b>	
Payments of tax, auto tag fees, and other fees to other governments	452,448,125
<hr/>	
Changes in net position	-
Net position, beginning of year	-
<hr/>	
Net position, end of year	\$ -
<hr/>	

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

**Walton County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

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

The financial statements of the Walton 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 7.66. The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the "County") taken as a whole. Although the Tax Collector's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. 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 other elected constitutional officers 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 Tax Collector 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 leases are reported as other financing sources.

The operations of the Tax Collector are funded by the Board and other taxing authorities in the County. At year-end, excess revenue and other financial sources over expenditures are remitted to the Board and other taxing authorities in proportion to the amounts received from each taxing authority.

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

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

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

Fiduciary fund (custodial fund) statements are prepared using the economic resource 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 financial statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented reconciliations to the government-wide financial statements, 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:

*General Fund* – The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Tax Collector that are not required either legally or by GAAP to be accounted for in another fund.

The Tax Collector also reported the following fiduciary fund type:

*Custodial Funds* – Custodial 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.

***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.

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

***Budgetary Information (continued)***

*Budgetary Basis of Accounting (continued)*

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

*Excess Revenue over Expenditures*

Pursuant to Section 218.36(2), Florida Statutes, whenever a tax collector has excess revenues over expenditures as 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."

***Employee Benefits***

*Compensated Absences*

The Tax Collector's policy allows the accumulation of annual leave up to 240 hours as of the first day of each calendar year for non-exempt employees, and 480 hours for exempt employees. There is no limitation on the amount of sick leave accumulation. However, upon separation from employment, all accumulated sick leave up to 240 hours (480 hours for exempt employees), regardless of length of employment, and all accumulated annual leave up to 240 hours (480 hours for exempt employees), pending one full year of employment, will be paid provided one of the following conditions are met:

- Resignation of position, with notice and in good standing
- Elimination of position due to staff cutbacks and layoffs
- Retirement
- Death

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.

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

***Employee Benefits (continued)***

*Retirement Plan*

The Tax Collector 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 Tax Collector are combined with all the County's participates 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 the County's 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 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 Fund Balance***

*Cash and Cash Equivalent*s

Cash and cash equivalent 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 significant and therefore no amount has been reported.

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

***Assets, Liabilities, and Net Position or Fund Balance (continued)***

*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 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.

*Lease Obligations*

Lease contracts that provide the Tax Collector with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. Any contract not meeting the twelve-month period requirement is recognized as rental expense. 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. The Tax Collector uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Tax Collector uses its estimated incremental borrowing rate as the discount rate for leases.

*Categories and Classification of Fund Balance*

*Fund balance flow assumptions* – The Tax Collector 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 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.

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

***Assets, Liabilities, and Net Position or Fund Balance (continued)***

*Categories and Classification of Fund Balance (continued)*

*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 itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the 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.

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

***Use of Estimates***

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

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 20, 2026, and determined there were no events that occurred that required disclosure.

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

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 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. There were no significant impacts from implementing this statement.

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. There were no significant impacts from implementing this statement.

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

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;

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

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

- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, 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.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Cash and Cash Equivalents (continued)***

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

Excess revenues over expenditures were returned to the various taxing authorities as required by Florida Statutes Section 218.36(2), and are accrued and reported as other financing uses. For fiscal year 2025, \$5,318,013 of excess fees was remitted to various taxing authorities including \$4,764,001 to the Board.

***Due from Individuals***

Due from individuals consists of credit card payments made by individuals for services provided by the Tax Collector that have not been remitted to the Tax Collector as of year-end.

**Note 3: RETIREMENT PLAN**

The Tax Collector and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan 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

**Note 3: RETIREMENT PLAN (Continued)**

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 – 14.03%, DROP Program – 22.02%, senior management – 33.24% and elected officials – 54.57%. 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 Tax Collector's employees covered by the System was \$2,453,858 for the year ended September 30, 2025. The Tax Collector's total payroll was \$2,509,395 for the same period. The Tax Collector's contributions to the plan for the years ended September 30, 2025, 2024, and 2023 were \$470,165, \$456,194, and \$360,954, respectively. These contributions were paid by the due date for the contribution. 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, P O Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**Note 4: COMMITMENTS AND CONTINGENCIES**

The Tax Collector is involved in several litigations and claims arising in the normal course of operations. Potential recoveries or liabilities in excess of insurance coverage, if any, are not determinable. No accruals for loss contingencies have been made in these financial statements.

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

***Capital Assets***

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

**Walton County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

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

***Capital Assets (continued)***

Capital asset activity for the fiscal year is as follows:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 1,039,358	\$ -	\$ (54,243)	\$ 985,115
Less: accumulated depreciation	(723,581)	(39,747)	54,243	(709,085)
Total governmental activities capital assets, net	\$ 315,777	\$ (39,747)	\$ -	\$ 276,030

Depreciation expense to be reported by the County was charged to the functions of the government as follows:

**Governmental Activities**

General government	\$ 39,747
--------------------	-----------

***Long-Term Debt***

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

The following is a summary of changes in long-term debt:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025	Due in One year
Leases	\$ 7,282	\$ -	\$ 3,348	\$ 3,934	\$ 1,687
Compensated absences	397,692	7,576 *	-	405,268	40,527
Total	\$ 404,974	\$ 7,576	\$ 3,348	\$ 409,202	\$ 42,214

\* Net of deletions.

**Walton County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

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

***Long-Term Debt (continued)***

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2025 are as follows:

*For the fiscal year ended September 30,*

2026	\$	1,687
2027		1,687
2028		560
Total minimum lease payments		3,934
Less: amount representing interest		-
Present value of future minimum lease payments		\$ 3,934

### **Fiduciary Funds**

*License* – To account for collection and subsequent remittance of licenses and permits.

*Tag* – To account for collection of motor vehicle registration receipts and subsequent disbursement.

*Tax* – To account for the collection and disbursement of local property taxes.

**Walton County, Florida**  
**Tax Collector**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**

<i>September 30, 2025</i>	License	Tag	Tax	Total
<b>Assets</b>				
Cash	\$ 2,657	\$ 552,002	\$ 2,914,271	\$ 3,468,930
<b>Liabilities</b>				
Due to other governments	2,657	552,002	49,100	603,759
Deposits	-	-	2,865,171	2,865,171
Total liabilities	2,657	552,002	2,914,271	3,468,930
<b>Net Position</b>				
Restricted	\$ -	\$ -	\$ -	\$ -

**Walton County, Florida**  
**Tax Collector**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**

<i>For the year ended September 30, 2025</i>	License	Tag	Tax	Total
<b>Additions</b>				
Tax collections, auto tag fees, and other fees for other governments	\$ 141,929	\$ 16,923,546	\$ 435,382,650	\$ 452,448,125
<b>Deductions</b>				
Payments of tax, auto tag fees, and other fees to other governments	141,929	16,923,546	435,382,650	452,448,125
Changes in net position	-	-	-	-
Net position, beginning of the year	-	-	-	-
Net position, end of year	\$ -	\$ -	\$ -	\$ -



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**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 Rhonda Skipper  
Tax Collector  
Walton 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 fiduciary fund type of the Walton County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated February 20, 2026.

**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 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.

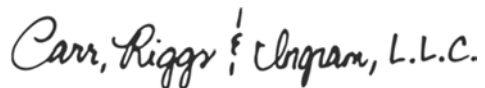
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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



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

Enterprise, Alabama  
February 20, 2026



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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH  
LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Rhonda Skipper  
Tax Collector  
Walton County, Florida

We have examined the Walton County, Florida Tax Collector’s (the “Tax Collector”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* during the year ended September 30, 2025. Management of the Tax Collector is responsible for the Tax Collector’s compliance with the specific requirements. Our responsibility is to express an opinion on the Tax Collector’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector’s compliance with specified requirements.

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 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, 2025.

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  
February 20, 2026



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

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

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## **MANAGEMENT LETTER**

Honorable Rhonda Skipper  
Tax Collector  
Walton County, Florida

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

We have audited the financial statements of the Walton County, Florida Tax Collector (the “Tax Collector”), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 20, 2026.

### **Auditor’s Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 20, 2026, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings 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 that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## **Purpose of this Letter**

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

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

Enterprise, Alabama  
February 20, 2026



**Supervisor of Elections  
Walton County, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2025**



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## INDEPENDENT AUDITOR'S REPORT

Honorable Ryan Messer  
Supervisor of Elections  
Walton County, Florida

### Opinions

We have audited the accompanying financial statements of the major fund and proprietary fund type of the Walton County, Florida Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2025, 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 and proprietary fund type of the Supervisor of Elections as of September 30, 2025, and the respective changes in financial position, the budgetary comparison for the General Fund, and, where applicable, cash flows thereof 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 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 the 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 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 February 20, 2026, 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.

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

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

Enterprise, Alabama  
February 20, 2026

**Walton County, Florida**  
**Supervisor of Elections**  
**Balance Sheet – Governmental Funds**

<i>September 30, 2025</i>	General Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 400,396
<b>Total assets</b>	<b>\$ 400,396</b>
<b>Liabilities and Fund Balance</b>	
Liabilities	
Accounts payable	\$ 16,064
Due to Board of County Commissioners	337,585
Wages and benefits payable	46,747
<b>Total liabilities</b>	<b>400,396</b>
Fund balance	-
<b>Total liabilities and fund balance</b>	<b>\$ 400,396</b>

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

**Walton County, Florida**  
**Supervisor of Elections**

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

<i>For the year ended September 30, 2025</i>	General Fund
<b>Revenues</b>	
Miscellaneous revenues	\$ 147,092
<hr/>	
Total revenues	147,092
<b>Expenditures</b>	
General government	
Personnel services	941,302
Operating	361,121
<hr/>	
Total expenditures	1,302,423
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(1,155,331)
<b>Other Financing Sources (Uses)</b>	
Appropriations from Board of County Commissioners	1,492,916
Reversion to Board of County Commissioners	(337,585)
<hr/>	
Net other financing sources (uses)	1,155,331
<hr/>	
Net change in fund balance	-
Fund balance, beginning of year	-
<hr/>	
Fund balance, end of year	\$ -
<hr/> <hr/>	

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

**Walton County, Florida**  
**Supervisor of Elections**

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

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Miscellaneous revenues	\$ 25,000	\$ 25,000	\$ 147,092	\$ 122,092
Total revenues	25,000	25,000	147,092	122,092
<b>Expenditures</b>				
General government				
Personnel services	994,828	1,083,331	941,302	142,029
Operating	339,225	388,190	361,121	27,069
Capital outlay	91,420	46,395	-	46,395
Total expenditures	1,425,473	1,517,916	1,302,423	215,493
Excess (deficiency) of revenues over (under) expenditures	(1,400,473)	(1,492,916)	(1,155,331)	337,585
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	1,400,473	1,492,916	1,492,916	-
Reversion to Board of County Commissioners	-	-	(337,585)	(337,585)
Net other financing sources (uses)	1,400,473	1,492,916	1,155,331	(337,585)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

**Walton County, Florida**  
**Supervisor of Elections**  
**Statement of Net Position – Proprietary Funds**

		Governmental Activities
<i>September 30, 2025</i>		Internal Service Fund
<b>Assets</b>		
Cash and cash equivalents	\$	47,094
<b>Liabilities</b>		
Current liabilities		
Accrued compensated absences		7,064
Non-current liabilities		
Accrued compensated absences		40,030
Total liabilities		47,094
Total net position	\$	-

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

**Walton County, Florida**  
**Supervisor of Elections**  
**Statement of Revenues, Expenses and Changes in Net Position –**  
**Proprietary Funds**

		Governmental Activities
<i>For the year ended September 30, 2025</i>		Internal Service Fund
<b>Operating Revenues</b>		
Charges for services	\$	15,628
<b>Operating Expenses</b>		
Personnel services		15,628
Change in net position		-
Net position, beginning of year		-
Net position, end of year	\$	-

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

**Walton County, Florida**  
**Supervisor of Elections**  
**Statement of Cash Flows – Proprietary Funds**

	Governmental Activities
<i>For the year ended September 30, 2025</i>	Internal Service Fund
<b>Operating Activities</b>	
Cash received from funding of compensated absences liability	\$ 15,628
Cash payments on compensated absences liability	(27,234)
<hr/>	
Net increase (decrease) in cash and cash equivalents	(11,606)
Cash and cash equivalents, beginning of year	58,700
<hr/>	
Cash and cash equivalents, end of year	\$ 47,094
<hr/>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities</b>	
Change in net position	\$ -
Increase (decrease) in liabilities	
Compensated absences payable	(11,606)
<hr/>	
Net cash used in operating activities	\$ (11,606)
<hr/>	

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

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

The financial statements of the Walton 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 7.66. 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 Walton 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 proprietary fund (internal service fund) is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund’s

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

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

principle ongoing operations. The principle operating revenues of the Supervisor of Elections' internal service fund are charges to funds related to the Supervisor of Elections compensated absences activity. Operating expenses for the internal service fund include recognition of changes in the compensated absences liabilities. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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

The operations of the Supervisor of Elections are primarily funded by the Board of County Commissioners and appropriations from the Board are reported as other financing source. At year-end, excess revenue and other financing sources over expenditures are remitted to the Board and reported as reversion to Board of County Commissioners.

***Fund Financial Statements***

The Supervisor of Elections' financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Supervisor of Elections has not presented reconciliations to the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide 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.

The Supervisor of Elections reports the following proprietary fund type:

The *Internal Service Fund* is used to report funded and accrued compensated absences.

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

***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.

***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 700 hours of annual leave and an unlimited amount of sick leave, 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. Liabilities and expenses for compensated absences are recorded in the internal service fund.

*Retirement Plan*

The Supervisor of Elections and all qualified County employees participates in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Annual Comprehensive Financial Report. Assets, liabilities and cash inflows/outflows related to the Supervisor of Elections are combined with all the County's participates and reported in the County's government-wide financial statements.

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

***Employee Benefits (continued)***

*Other Postemployment Benefits (OPEB)*

The Supervisor of Elections, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in its group health plan while employed. Employees of the Supervisor of Elections are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County, recognize an OPEB liability on the Statement of Net Position of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

***Assets, Liabilities, and Net Position or Fund Balance***

*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 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 donation. Title in all capital assets owned by the County is retained by the Board and the Supervisor of Elections' capital assets are reported on the county-wide financial statements. The Supervisor of Elections maintains custodial responsibility for the capital assets used by his office.

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

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

***Assets, Liabilities, and Net Position or Fund Balance (continued)***

*Compensated Absences*

The internal service fund is designed to record the annual cost related to the Supervisor of Elections’ compensated absences, to record the short-term and long-term components of such liabilities, and to collect and hold cash to liquidate such liabilities. The related cost associated with the fund will be recovered via charges to the General Fund.

Summary of changes in compensated absences for the year ended September 30, 2025:

	Balance 10/1/24	Net Change	Balance 9/30/25	Due Within One Year
Compensated absences	\$ 58,700	\$ (11,606)	\$ 47,094	\$ 7,064

*Categories and Classification of Net Position and Fund Balance*

*Net position flow assumption* – The Supervisor of Elections funds outlays from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary 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 – net position to have been depleted before unrestricted – net position is applied.

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

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

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

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

***Assets, Liabilities, and Net Position or Fund Balance (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 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, February 20, 2026, and determined there were no events that occurred that required disclosure.

***Recently Issued Accounting Pronouncements***

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

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

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

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. There were no significant impacts from implementing this statement.

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. There were no significant impacts from implementing this statement.

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

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

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

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, 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.

The Supervisor of Elections adheres to the investment policy adopted by the Board, thereby limiting its exposure to both credit and interest rate risk as noted below. The investment program is established in accordance with the Supervisor of Elections' investment policy, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the Supervisor to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Cash, Cash Equivalents and Investments (continued)***

*Custodial credit 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 Sections 280, Florida Statutes.

*Interest rate risk* - Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Board's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements.

*Credit risk* - Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. Concentration of credit risk is the risk of loss attributable to the quantity of the Supervisor of Elections' investments in a single issuer. The Supervisor of Elections' deposits are held in a public funds net interest bearing checking account, paying interest at the current federal funds rate less five (5) basis points with no reserve requirements. Balances in the account are fully collateralized in compliance with applicable State statutes.

***Due to Board of County Commissioners***

Represents the excess revenues over expenditures of \$337,585 remitted to the Board after year end in accordance with Florida Statutes Section 129.202(1)(f). This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

**Note 3: RETIREMENT PLAN**

The Supervisor of Elections and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Supervisor of Elections' employees are not determinable.

The System 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,

**Note 3: RETIREMENT PLAN (Continued)**

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 – 14.03%, DROP Program – 22.02%, senior management – 33.24% and elected officials – 54.57%. 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 Supervisor of Elections' employees covered by the System was \$505,464 for the year ended September 30, 2025. The Supervisor of Elections' total payroll was \$650,164 for the same period. The Supervisor of Elections' contributions to the plan for the years ended September 30, 2025, 2024, and 2023 were \$148,915, \$143,367, and \$128,858, 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](http://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.

**Walton County, Florida  
Supervisor of Elections  
Notes to Financial Statements**

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

***Capital Assets***

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

Summary of changes in capital assets during the year ended September 30, 2025:

	Balance 10/1/24	Increases	Decreases	Balance 9/30/25
<i>Governmental Activities</i>				
Capital assets, being depreciated				
Machinery, equipment, and improvements	\$ 692,585	\$ -	\$ -	\$ 692,585
Less accumulated depreciation for				
Machinery, equipment, and improvements	(645,907)	(13,511)	-	(659,418)
Capital assets, net	\$ 46,678	\$ (13,511)	\$ -	\$ 33,167

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

<i>Governmental Activities</i>	
General government	\$ 13,511



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**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 Ryan Messer  
Supervisor of Elections  
Walton 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 Walton County, Florida Supervisor of Elections (the “Supervisor of Elections”) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections’ financial statements, and have issued our report thereon dated February 20, 2026.

**Report on 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 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 Supervisor of Elections' 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.

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

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

Enterprise, Alabama

February 20, 2026



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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH  
LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Ryan Messer  
Supervisor of Elections  
Walton County, Florida

We have examined the Walton 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, 2025. Management of the Supervisor of Elections is responsible for the Supervisor of Elections’ compliance with the specific 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 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 engagement.

Our examination does not provide a legal determination on the Supervisor of Elections’ compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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  
February 20, 2026



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## MANAGEMENT LETTER

Honorable Ryan Messer  
Supervisor of Elections  
Walton County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Walton County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 20, 2026.

### 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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 20, 2026, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings 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 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

February 20, 2026



**Sheriff  
Walton County, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2025**





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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Michael A. Adkinson, Jr.  
Sheriff  
Walton County, Florida

### **Opinions**

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Walton County, Florida Sheriff (the "Sheriff"), as of and for the fiscal year ended September 30, 2025, 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 financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2025, and the respective changes in financial position and 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 Sheriff, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's

ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **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 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 and individual fund financial 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 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 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 on February 20, 2026 on our consideration of the Sheriff'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 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 Sheriff's internal control over financial reporting and compliance.

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

Enterprise, Alabama  
February 20, 2026

**Walton County, Florida**  
**Sheriff**  
**Balance Sheet – Governmental Funds**

<i>September 30, 2025</i>	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 33,785,774	\$ 1,528,218	\$ 35,313,992
Accounts receivable, net	5,596,891	45,242	5,642,133
Interfund receivable	11	1,454	1,465
Due from Board of County Commissioners	562,930	-	562,930
Due from other governments	170,359	-	170,359
<b>Total assets</b>	<b>\$ 40,115,965</b>	<b>\$ 1,574,914</b>	<b>\$ 41,690,879</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 832,928	\$ 89,466	\$ 922,394
Wages and benefits payable	3,841,032	-	3,841,032
Interfund payable	1,454	11	1,465
Unearned revenue	19,893	-	19,893
Due to Board of County Commissioners	35,418,491	9,936	35,428,427
Due to other governments	-	11,458	11,458
Inmate deposits	-	11,976	11,976
Due to individuals	2,167	-	2,167
<b>Total liabilities</b>	<b>40,115,965</b>	<b>122,847</b>	<b>40,238,812</b>
<b>Fund balances</b>			
Restricted for			
Public Safety - Law Enforcement	-	1,452,067	1,452,067
<b>Total liabilities and fund balances</b>	<b>\$ 40,115,965</b>	<b>\$ 1,574,914</b>	<b>\$ 41,690,879</b>

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

**Walton County, Florida**  
**Sheriff**

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

<i>For the year ended September 30, 2025</i>	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>			
Fines and forfeitures	\$ -	\$ 45,057	\$ 45,057
Intergovernmental	5,910,724	-	5,910,724
Miscellaneous	-	444,101	444,101
<b>Total revenues</b>	<b>5,910,724</b>	<b>489,158</b>	<b>6,399,882</b>
<b>Expenditures</b>			
Public safety			
Personnel services	69,286,959	-	69,286,959
Operating	16,116,509	469,464	16,585,973
Capital outlay	13,926,593	59,315	13,985,908
Debt service			
Principal	772,896	-	772,896
Interest	62,483	-	62,483
<b>Total expenditures</b>	<b>100,165,440</b>	<b>528,779</b>	<b>100,694,219</b>
Excess revenues over (under) expenditures	(94,254,716)	(39,621)	(94,294,337)
<b>Other Financing Sources (Uses)</b>			
Appropriations from Board of County Commissioners	126,854,012	45,000	126,899,012
Reversion to Board of County Commissioners	(33,784,211)	-	(33,784,211)
Transfers in	8,022	-	8,022
Transfers out	-	(8,022)	(8,022)
Proceeds from issuance of debt	1,176,893	-	1,176,893
<b>Net other financing sources (uses)</b>	<b>94,254,716</b>	<b>36,978</b>	<b>94,291,694</b>
Net change in fund balances	-	(2,643)	(2,643)
Fund balances, beginning of year	-	1,454,710	1,454,710
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 1,452,067</b>	<b>\$ 1,452,067</b>

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

**Walton County, Florida  
Sheriff**

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

<i>For the year ended September 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 5,918,746	\$ 5,910,724	\$ (8,022)
<b>Expenditures</b>				
Public safety				
Personnel services	73,272,396	69,286,959	69,286,959	-
Operating	16,914,198	16,951,888	16,116,509	835,379
Capital outlay	15,982,487	12,749,700	13,926,593	(1,176,893)
Debt service				
Principal	-	-	772,896	(772,896)
Interest	-	-	62,483	(62,483)
<b>Total expenditures</b>	<b>106,169,081</b>	<b>98,988,547</b>	<b>100,165,440</b>	<b>(1,176,893)</b>
Excess revenues over (under) expenditures	(106,169,081)	(93,069,801)	(94,254,716)	(1,184,915)
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	106,169,081	126,854,012	126,854,012	-
Reversion to Board of County Commissioners	-	(33,784,211)	(33,784,211)	-
Transfers in	-	-	8,022	8,022
Proceeds from issuance of debt	-	-	1,176,893	1,176,893
<b>Net other financing sources (uses)</b>	<b>106,169,081</b>	<b>93,069,801</b>	<b>94,254,716</b>	<b>1,184,915</b>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**Walton County, Florida**  
**Sheriff**  
**Statement of Fiduciary Net Position – Fiduciary Funds**

<u>September 30, 2025</u>	<u>Custodial Funds</u>
<b>Assets</b>	
Cash	\$ 1,263
Due from other governments	11,458
<hr/>	
Total assets	12,721
<hr/>	
<b>Liabilities</b>	
Due to individuals	11,458
<hr/>	
<b>Net Position</b>	
Restricted for	
Public Safety - Law Enforcement	1,263
<hr/>	
Total net position	\$ 1,263
<hr/> <hr/>	

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

Walton County, Florida  
Sheriff

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

<i>For the year ended September 30, 2025</i>	Custodial Funds
<b>Additions</b>	
Donations	\$ 131,285
Interest	35
<hr/>	
Total additions	131,320
<b>Deductions</b>	
Current	
Disbursement to employees	131,285
<hr/>	
Net increase (decrease) in fiduciary net position	35
Net position, beginning of year	1,228
<hr/>	
Net position, end of year	\$ 1,263
<hr/> <hr/>	

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

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

The financial statements of the Walton 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 7.66. The Sheriff's financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the “County”) taken as a whole. Although the Sheriff's office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. 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 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 Sheriff 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

**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 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 measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for 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 measurable, except for accumulated sick and vacation compensation which is expensed when paid.

Fiduciary fund (custodial fund) statements are prepared using the *economic resource 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 financial 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, 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 Sheriff reports the following major governmental fund:

*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.

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

***Fund Financial Statements (continued)***

The Sheriff has seven additional special revenue 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. 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 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 Chapters 30.49 and 129.03 details the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for the general fund which displays the revenues available to the office and the functions for which the money is to be expended and submits it to the Board for approval. Major special revenue funds are not budgeted. By June 1 of 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. The Board 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 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. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board.

***Excess Revenue 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 Board of County Commissioners as required by Florida Statutes are accrued and reported as other financing (uses). All excess revenues over expenditures in special revenue funds remain with the Sheriff.

***Excess of Expenditures over Appropriations***

For the year ended September 30, 2025, expenditures exceeded appropriations within the capital outlay and debt service functions of the General Fund by \$1,176,893 and \$835,379, respectively. The excess expenditures were funded with lease proceeds and unanticipated revenues.

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

***Employee Benefits***

*Compensated Absences*

It is the Sheriff's policy to allow employees to accumulate unlimited unused sick time. Accumulated annual leave is limited to 240 hours per year for hourly employees and 480 hours per year for Senior Executive Service employees (SES employees). Accumulated annual leave up to a maximum of 240 hours is payable upon termination to hourly employees and up to a maximum of 480 hours for SES employees. Additionally, employees who retire from the Sheriff with a minimum of ten years continuous service will be paid for 25% of their unused sick leave hours up to a maximum of 2,000 hours. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Sheriff are the obligation of the County and are reported at the county-wide level.

*Retirement Plan*

The Sheriff and all qualified County employees participate in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the 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 Sheriff are combined with all the County's participates and reported in the County's government-wide financial statements.

*Other Postemployment Benefits (OPEB)*

The Sheriff, 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 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 Fund Balance***

*Cash and Cash equivalents*

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

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

***Assets, Liabilities and Net Position or Fund Balance (continued)***

*Receivables*

Receivables consist primarily of accounts receivable for ambulance billings, contractual reimbursements for inmate canteen operations, and reimbursements from federal and state funding sources. An allowance for uncollectibles is determined for ambulance billings based on the County's historical rate of collection of such receivables.

*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 donation. Title in all capital assets owned by the County is retained by the Board and the Sheriff's capital assets are reported on the county-wide financial statements. The Sheriff maintains custodial responsibility for the capital assets used by his office.

The Sheriff maintains a \$5,000 threshold for capitalization of machinery and equipment and a \$25,000 threshold for land, buildings and improvements. Additionally, the Sheriff 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.

*Lease Obligations*

Lease contracts that provide the Sheriff with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. Any contract not meeting the materiality threshold or the twelve month period requirement is recognized as rental expense. 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. The Sheriff uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Sheriff uses its estimated incremental borrowing rate as the discount rate for leases.

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

***Assets, Liabilities, and Net Position or Fund Balance (continued)***

*Categories and Classification of Fund Balance*

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

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

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

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

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Sheriff's highest level of decision-making authority. The Sheriff 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 Sheriff for specific purposes but do not meet the criteria to be classified as committed. The Sheriff 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

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

***Assets, Liabilities, and Net Position or Fund Balance (continued)***

*Categories and Classification of Fund Balance (continued)*

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, February 20, 2026, and determined there were no events that occurred that required disclosure.

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

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. There were no significant impacts from implementing this statement.

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. There were no significant impacts from implementing this statement.

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

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

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

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, 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 depositories 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.

***Receivables***

*Accounts receivable, net* – Accounts receivable primarily consists of ambulance billings in the General Fund and commissions of \$87,605 due from vendors who provide concessions, phone, internet and tablet services to inmates in the Inmate Canteen Fund. Also, accounts receivable consists of grant funding of \$4,678,944 due from Triumph Gulf Coast, Inc., a nonprofit corporation, for reimbursed equipment for vocational/technical training program run by the Walton County Sheriff's Office. All accounts receivable are considered collectible and no allowance for uncollectibles is deemed necessary, except for ambulance billings which had a balance of \$1,154,667 and an allowance of \$279,083.

*Due from Board of County Commissioners* – The amount due from the Board of \$562,930 represents \$45,518 of expenditures reimbursable to the Sheriff from an E911 and EMS grant received by the Board, \$1,756 of expenditures reimbursable to the Sheriff from Opioid Settlement Funds received by the Board, \$1,036 of expenditures reimbursable to the Sheriff from a US Department of Justice grant received by the Board, \$183,166 of expenditures reimbursable to the Sheriff from the Tourist Development Council received by the Board, \$62,782 of expenditures reimbursable to the Sheriff from a Florida Department of Law Enforcement's Residential Substance Abuse Treatment grant received by the Board, \$55,540 of expenditures reimbursable to the Sheriff from the Federal Emergency Management Agency received by the Board, and a \$213,132 final budget request from the Board.

**Walton County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Receivables (continued)***

*Interfund balances* – Receivables (due from other funds) and payables (due to other funds) resulting from various interfund transactions are as follows:

	Due		Net
	To	From	
General Fund	\$ 11	\$ (1,454)	\$ (1,443)
Other governmental funds	1,454	(11)	1,443
<b>Total</b>	<b>\$ 1,465</b>	<b>\$ (1,465)</b>	<b>\$ -</b>

The amounts due to the General Fund from Other Governmental Funds are for reimbursements of expenditures on the Triumph Grant projects. Amounts due to Other Governmental Funds from the General Fund are for matching requirements and donation collections for the animal shelter.

***Due from Other Governments***

Due from other governments at September 30, 2025 consisted of the following:

	General Fund
Federal Inmate Housing	\$ 147,672
Federal Grants	1,455
State of Florida Grants	8,841
Miscellaneous	12,391
<b>Total</b>	<b>\$ 170,359</b>

***Due to Board of County Commissioners***

The amount due to the Board at September 30, 2025 is comprised of the following fees collected for the Board and excess appropriations from the Board over expenditures.

Excess fees pursuant Section 30.50(6), Florida Statutes	\$ 33,784,211
Emergency medical services	1,377,207
Inmate housing	147,672
Other fees	119,337
<b>Total</b>	<b>\$ 35,428,427</b>

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Fund Balance***

At September 30, 2025, fund balance is comprised of the following:

*Restricted Fund Balance*

Inmate Canteen Fund	\$ 545,567
Law Enforcement Education and Automation	295,980
Suspense	14,636
Crime Prevention	182,060
Traffic and Parking Enforcement	401,928
Abandoned Property	11,896
<hr/>	
<b>Total restricted fund balance</b>	<b>\$ 1,452,067</b>

**Note 3: RETIREMENT PLAN**

The Sheriff and all full-time employees are participants in the Florida Retirement System (the “System”), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Sheriff’s employees are not determinable.

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

**Note 3: RETIREMENT PLAN (Continued)**

is age 55 with at least eight years of Special Risk service, or twenty-five 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 – 14.03%, DROP Program – 22.02%, senior management – 33.24%, special risk – 35.19% and elected officials – 54.57%. 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 \$42,923,559, for the year ended September 30, 2025. The Sheriff's total payroll was \$43,972,610 for the same period. The Sheriff's contributions to the plan, net of accrued contributions, for the years ended September 30, 2025, 2024, and 2023 were \$11,959,079, \$10,712,089, and \$8,717,925, respectively. These contributions were paid by the due date for the contribution. 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](http://dms.myflorida.com).

**Note 4: CONTINGENCIES**

At September 30, 2025, 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 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.

**Walton County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

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

**Capital Assets**

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

Capital asset activity for the fiscal year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated				
Construction in progress	\$ 1,563,169	\$ 7,300,510	\$ -	\$ 8,863,679
Capital assets, being depreciated				
Machinery and equipment	51,616,590	4,991,925	(1,861,364)	54,747,151
Buildings and improvements	5,267,833	516,580	-	5,784,413
Right of use assets - equipment	2,457,434	130,612	-	2,588,046
Right of use assets - buildings	353,165	1,046,281	-	1,399,446
Capital assets, being depreciated	59,695,022	6,685,398	(1,861,364)	64,519,056
Less accumulated depreciation for				
Machinery and equipment	(33,111,548)	(6,271,713)	1,663,057	(37,720,204)
Buildings and improvements	(1,940,161)	(579,589)	-	(2,519,750)
Right of use assets - equipment	(496,452)	(573,509)	-	(1,069,961)
Right of use assets - buildings	(138,634)	(161,817)	-	(300,451)
Total accumulated depreciation	(35,686,795)	(7,586,628)	1,663,057	(41,610,366)
Total capital assets being depreciated, net	24,008,227	(901,230)	(198,307)	22,908,690
<b>Governmental activities capital assets, net</b>	<b>\$ 25,571,396</b>	<b>\$ 6,399,280</b>	<b>\$ (198,307)</b>	<b>\$ 31,772,369</b>

Depreciation expense to be reported by the Board was charged to the function of government as follows:

**Governmental Activities**

Public safety	\$ 7,586,628
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**Walton County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

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

***Long-Term Debt***

Accrued compensated absences and capital leases 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.

The following is a summary of changes in long-term debt:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Compensated absences	\$ 3,353,404	\$ 876,470 *	\$ -	\$ 4,229,874	\$ 422,987
Leases	2,035,720	1,176,893	772,896	2,439,717	782,128
<b>Total</b>	<b>\$ 5,389,124</b>	<b>\$ 2,053,363</b>	<b>\$ 772,896</b>	<b>\$ 6,669,591</b>	<b>\$ 1,205,115</b>

\* Net of reductions

*Leases*

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

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

<i>September 30,</i>	Amount
2026	\$ 850,656
2027	679,548
2028	474,321
2029	148,278
2030-2039	520,806
Total minimum payments	2,673,609
Less: amount representing interest	(233,892)
Present value of minimum lease payments	<b>\$ 2,439,717</b>

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

*Inmate Canteen Fund* – To account for revenues restricted to the welfare of inmates.

*Triumph Grant Fund* – To account for grant activity related to the Triumph grant.

*Law Enforcement Education and Automation* – To account for appropriations restricted to educating law enforcement officers and the automation of law enforcement operations.

*Suspense* – To account for the collections and remittance of miscellaneous receipts.

*Crime Prevention* – To account for funds used for public related education in crime prevention.

*Traffic and Parking Enforcement* – To account for fines collected by the Clerk of the Circuit Court for traffic and parking enforcement.

*Abandoned Property* – To account for state and local forfeitures restricted to law enforcement.

**Walton County, Florida**  
**Sheriff**  
**Combining Balance Sheet –**  
**Nonmajor Governmental Funds**

<i>September 30, 2025</i>	Inmate Canteen Fund	Triumph Grant Fund	Law Enforcement Education and Automation
<b>Assets</b>			
Cash and cash equivalents	\$ 580,522	\$ 11	\$ 295,980
Accounts receivable	45,242	-	-
Interfund receivable	-	-	-
<b>Total assets</b>	<b>\$ 625,764</b>	<b>\$ 11</b>	<b>\$ 295,980</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 58,285	\$ -	\$ -
Interfund payable	-	11	-
Due to Board of County Commissioners	9,936	-	-
Due to other governments	-	-	-
Inmate deposits	11,976	-	-
<b>Total liabilities</b>	<b>80,197</b>	<b>11</b>	<b>-</b>
<b>Fund balances</b>			
Restricted for			
Public Safety - Law Enforcement	545,567	-	295,980
<b>Total liabilities and fund balances</b>	<b>\$ 625,764</b>	<b>\$ 11</b>	<b>\$ 295,980</b>

Suspense	Crime Prevention	Traffic and Parking Enforcement	Abandoned Property	Total
\$ 14,636	\$ 198,816	\$ 401,928	\$ 36,325	\$ 1,528,218
-	-	-	-	45,242
-	1,454	-	-	1,454
<u>\$ 14,636</u>	<u>\$ 200,270</u>	<u>\$ 401,928</u>	<u>\$ 36,325</u>	<u>\$ 1,574,914</u>
\$ -	\$ 6,752	\$ -	\$ 24,429	\$ 89,466
-	-	-	-	11
-	-	-	-	9,936
-	11,458	-	-	11,458
-	-	-	-	11,976
-	18,210	-	24,429	122,847
<u>14,636</u>	<u>182,060</u>	<u>401,928</u>	<u>11,896</u>	<u>1,452,067</u>
<u>\$ 14,636</u>	<u>\$ 200,270</u>	<u>\$ 401,928</u>	<u>\$ 36,325</u>	<u>\$ 1,574,914</u>

**Walton County, Florida**  
**Sheriff**

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

<i>For the year ended September 30, 2025</i>	Inmate Canteen Fund	Triumph Grant Fund	Law Enforcement Education and Automation
<b>Revenues</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Miscellaneous	310,008	-	17,037
<b>Total revenues</b>	<b>310,008</b>	<b>-</b>	<b>17,037</b>
<b>Expenditures</b>			
Public safety			
Operating	296,691	-	695
Capital outlay	34,315	-	-
<b>Total expenditures</b>	<b>331,006</b>	<b>-</b>	<b>695</b>
Excess revenues over (under) expenditures	(20,998)	-	16,342
<b>Other Financing Sources (Uses)</b>			
Appropriations from Board of County Commissioners	-	-	-
Transfers out	-	(8,022)	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>(8,022)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(20,998)</b>	<b>(8,022)</b>	<b>16,342</b>
<b>Fund balances, beginning of year</b>	<b>566,565</b>	<b>8,022</b>	<b>279,638</b>
<b>Fund balances, end of year</b>	<b>\$ 545,567</b>	<b>\$ -</b>	<b>\$ 295,980</b>

Suspense	Crime Prevention	Traffic and Parking Enforcement	Abandoned Property	Total
\$ -	\$ -	\$ 45,057	\$ -	\$ 45,057
4,924	97,473	10,549	4,110	444,101
4,924	97,473	55,606	4,110	489,158
4,434	162,513	-	5,131	469,464
-	25,000	-	-	59,315
4,434	187,513	-	5,131	528,779
490	(90,040)	55,606	(1,021)	(39,621)
-	45,000	-	-	45,000
-	-	-	-	(8,022)
-	45,000	-	-	36,978
490	(45,040)	55,606	(1,021)	(2,643)
14,146	227,100	346,322	12,917	1,454,710
\$ 14,636	\$ 182,060	\$ 401,928	\$ 11,896	\$ 1,452,067

### **Fiduciary Funds**

*Posse* – To account for the collection and disbursement of posse funds.

*Employee Donations* – To account for the collection and disbursement of employee donations.

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

<i>September 30, 2025</i>	Posse	Employee Donations	Total
<b>Assets</b>			
Cash	\$ 1,263	\$ -	\$ 1,263
Due from other governments	-	11,458	11,458
<b>Total assets</b>	<b>1,263</b>	<b>11,458</b>	<b>12,721</b>
<b>Liabilities</b>			
Due to individuals	-	11,458	11,458
<b>Net Position</b>			
Restricted for Public Safety - Law Enforcement	1,263	-	1,263
<b>Total net position</b>	<b>\$ 1,263</b>	<b>\$ -</b>	<b>\$ 1,263</b>

**Walton County, Florida**  
**Sheriff**

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

<i>For the year ended September 30, 2025</i>	Posse	Employee Donations	Total
<b>Additions</b>			
Donations	\$ -	\$ 131,285	\$ 131,285
Interest	35	-	35
Total additions	35	131,285	131,320
<b>Deductions</b>			
Current			
Disbursement to employees	-	131,285	131,285
Net increase (decrease) in fiduciary net position	35	-	35
Net position, beginning of year	1,228	-	1,228
Net position, end of year	\$ 1,263	\$ -	\$ 1,263



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**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 Michael A. Adkinson, Jr.  
Sheriff  
Walton County, Florida

We have audited, 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, the financial statements of each major fund, the fiduciary fund types and aggregate remaining nonmajor governmental funds of the Walton County, Florida Sheriff (the “Sheriff”) as of and for the year ended September 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated February 20, 2026.

**Report 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.

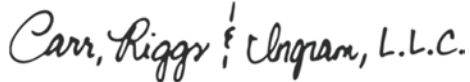
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 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  
February 20, 2026



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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH  
LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Michael A. Adkinson, Jr.  
Sheriff  
Walton County, Florida

We have examined the Walton County, Florida Sheriff’s (the “Sheriff”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management is responsible for the Sheriff’s compliance with those requirements. Our responsibility is to express an opinion on the Sheriff’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 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 judgement, 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 examination engagement.

In our opinion, the Sheriff complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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  
February 20, 2026



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## MANAGEMENT LETTER

Honorable Michael A. Adkinson, Jr.  
Sheriff  
Walton County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Walton County, Florida Sheriff (the “Sheriff”) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 20, 2026.

### 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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 20, 2026, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no 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, Sheriff, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*  
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
February 20, 2026

