Washington County, Florida

Financial Statements

September 30, 2018



WASHINGTON COUNTY, FLORIDA FINANCIAL STATEMENTS September 30, 2018

BOARD OF COUNTY COMMISSIONERS

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COUNTY ATTORNEY
Matthew Fuqua

AUDITOR Carr, Riggs & Ingram, LLC

Washington County, Florida Table of Contents September 30, 2018

Independent Auditors' Report	1
MANAGEMENT'S DISCUSSION AND ANALYSIS Management's Discussion and Analysis	4
BASIC FINANCIAL STATEMENTS Government-wide Financial Statements Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements Balance Sheet - Governmental Funds	7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budget and Actual	10
Statement of Revenues, Expenditures, and Changes in Fund Balance - Transportation Trust Fund - Budget and Actual	11
Statement of Revenues, Expenditures, and Changes in Fund Balance - Local Housing Assistance Trust (SHIP) - Budget and Actual	12
Statement of Fiduciary Net Position - Agency Funds	13
Notes to Financial Statements	14
COMBINING STATEMENTS Combining Balance Sheet - Nonmajor Governmental Funds	47
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	54
Combining Statement of Fiduciary Net Position - Agency Funds	61
REQUIRED SUPPLEMENTARY INFORMATION School Leaf Proportion to Share of Not Page ion Liability FRS	
Schedule of Proportionate Share of Net Pension Liability - FRS Last Six Fiscal Years	63
Schedule of Contributions - FRS Last Six Fiscal Years	64

Washington County, Florida Table of Contents (continued) September 30, 2018

Schedule of Proportionate Share of Net Pension Liability - HIS Last Six Fiscal Years	65
Schedule of Contributions - HIS Last Six Fiscal Years	66
Schedule of Changes in the Sponsor's Total OPEB Liability and Related Rations	67
COMPLIANCE SECTION Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	68
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General	70
Schedule of Expenditures of Federal Awards and State Financial Assistance	73
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	77
Schedule of Findings and Questioned Costs	78
Summary Schedule of Prior Audit Findings	87
Independent Auditors' Management Letter	89
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	92
Management's Response	93
FINANCIAL STATEMENTS	
Clerk of the Circuit Court	
Property Appraiser	
Sheriff	
Supervisor of Elections	

Tax Collector





INDEPENDENT AUDITORS' REPORT

To the Honorable Board of County Commissioners and Constitutional Officers of Washington County, Florida Chipley, Florida Carr, Riggs & Ingram, LLC 4267 Lafayette Street Marianna, FL 32446

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

(850) 526-3207 (850) 526-5322 (fax) www.cricpa.com

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the general fund and the major special revenue funds of Washington County, Florida (the County), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Basis for Qualified Opinion

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

Qualified Opinion

In our opinion, except for the possible effects of the matters discussed in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Washington County, Florida, as of September 30, 2018, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and the major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4.1 to 4.7 and other required supplementary information as listed in the table of contents to be presented to supplement the basic statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing and comparing and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Washington County, Florida's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are

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

not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied to 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Emphasis of Matter

As discussed in Note 21 and Note 22 of the financial statements, the 2017 financial statements have been restated to correct a misstatement related to inventory and for a change in accounting principle, the implementation of GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

Can, Rigge & Ingram, L.L.C.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 17, 2019, on our consideration of Washington County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Washington County, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Washington County, Florida's internal controls over financial reporting and compliance.

Marianna, Florida May 17, 2019



MANAGEMENTS DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2017-2018 fiscal year are as follows:

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$32,802,734.
- The County's total net position increased by \$91,907 which represents a .28% increase from the 2016-2017 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balances of \$16,596,370, a decrease of \$2,386,204.
- Non-Restricted fund balance for all governmental funds total \$9,530,695 as of September 30, 2018 compared to total governmental fund balances of \$16,616,148 at the same date.
- Non-restricted Governmental Fund Balance of \$9,530,695, is different from the Unrestricted Net Position amount on the Statement of Net Position of \$25,737,059 due to reporting requirements regarding long-term liabilities and capital assets which are not included on the Governmental Fund Balance Sheet.
- During the current year, General Fund Revenues exceeded Expenditures and Other Financing Sources (Uses) by \$181,977. This is primarily due to revenues exceeding the budget amount by \$824,874 and expenditures being less than the budgeted expenditures by \$12,197.
- Long-term liabilities decreased by \$2,311,625. This reduction was due to payments on revenue bonds, notes payable, leases payable and other payables as noted on Page 28 of the Financial Report.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

In addition, this report presents certain required supplementary information.

Government-Wide Financial Statements

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

- The statement of net position provides information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is strengthening or weakening.
- The statement of activities presents information showing how the County's net position changed during the 2018 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes earned, and earned but unused vacation leave).

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

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

Fund Financial Statements

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

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

Infrastructure Assets

While the County has implemented the major model portions of GASB #34, the County will defer implementing the infrastructure portion (related to general government activities until some future date to be determined). Historically, a government's largest group of assets (infrastructure-roads, bridges, traffic signals, and underground pipes) have not been reported nor depreciated in

government financial statements. This statement requires that these assets be valued and reported within the governmental column of the Government-wide statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category measures and demonstrates its maintenance of locally established levels of service standards, the government may record its maintenance of locally established levels of service standards, the Government may record its cost of maintenance in lieu of depreciation.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the County's net position as of September 30, 2018 and September 30, 2017.

	Governmental Activities	Governmental Activities
	September 30, 2018	September 30, 2017
Current and Other Assets	\$ 18,737,469	\$ 20,432,801
Capital Assets	32,851,953	31,728,019
Total Assets	51,589,422	52,160,820
Deferred Outflows,		
Pensions	6,846,513	7,102,926
Current Liabilities	2,141,099	4,996,656
Long Term Liabilities	21,374,881	20,100,521
Total Liabilities	23,515,980	25,097,177
Deferred Inflows, Pensions	2,117,221	1,455,742
Net Position		
Invested in Capital Position	31,103,919	27,737,762
Restricted	7,065,675	10,021,605
Unrestricted (deficit)	(5,366,860)	(5,048,540)
Total Net Position	\$ 32,802,734	\$ 32,710,827

At September 30, 2018 the largest portion of the County's net position reflected investment in capital assets (e.g. land, buildings, infrastructure and equipment), less any related outstanding debt used to acquire those assets in the amount of \$31,103,919. The County uses these capital assets to provide services to citizens consequently; these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves can't be used to liquidate these liabilities. An additional portion of the County's net position represent resources that are dedicated or subject to restrictions on how they may be used in the amount of \$7,065,675. The remaining balance of non-restricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities

		Governmental Activities September 30, 2018		Governmental Activities September 30, 2017
Revenues				
Program Revenues: Charges for Service	\$	4,809,007	\$	3,654,505
Operating Grants and Contributions	Ą	2,899,786	Ţ	7,321,752
Capital Grants and Contributions		487,295		308,583
General revenues:				
Property Taxes		8,234,981		8,215,139
Local Option Taxes		3,577,163		3,508,889
Sales Tax and Other Taxes		1,125,589		1,154,246
Intergovernmental and Shared		2,669,361		2,621,127
Investment Earnings		13,819		7,065
Miscellaneous		945,524		667,257
Total Revenues		24,762,525		27,458,563
Expenses:				
Program Activities:				
General Government		6,633,986		6,046,198
Public Safety		8,405,055		7,965,644
Physical Environment		381,236		352,336
Transportation		4,699,700		8,950,705
Economic Development		1,558,103		1,223,047
Human Services		715,127		671,546
Culture and Recreation		853,181		840,432
Court Related		1,044,812		981,965
Interest on Long-Term Debt		193,233		181,457
Total Expenses		24,484,433		27,213,330
Change in Net Position		278,092		245,233
Net Position, Beginning		32,710,826		32,465,594
Prior period adjustment and change in				
accounting principal		(186,184)		-
Net Position Beginning, as restated		32,524,642		
Net Position, Ending	\$	32,802,734	\$	32,710,827

Governmental activities increased the County's net position by \$278,092 or approximately .86%. Total revenues decreased by \$2,696,038 from the prior year due primarily to a decrease in revenue reported above. Total expenses decreased by \$2,728,897 from the prior year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

MAJOR GOVERNMENT FUNDS

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

At the end of the current fiscal year, the total non-restricted General Fund balance was \$7,956,206, while the total fund balance was \$8,021,846. As a measure of the General Fund's liquidity, it may be useful to compare both the non-reserved fund balance and the total fund balance to total General Fund expenditures. Non-reserved fund balance represents 59.53% of the total general fund expenditures, while total fund balance represents 60.02% of the same amount. The non-reserved total governmental fund balance increased by \$530,170 during 2017-2018 fiscal year due to a combination of revenues exceeding those budgeted and expenditures being less than budgeted.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2017-2018 fiscal year, the County amended its General Fund Budget one time to address a small increase in revenues and expenditures. Variances disclosed on the budget and actual statements are considered normal to the County's operations.

CAPITAL ASSETS

The County's investment in capital assets for its governmental activities as of September 30, 2018 amounted to \$32,851,953 net of accumulated depreciation. This investment in capital assets includes land, buildings and fixed equipment, furniture, fixtures, and equipment. Costs for past road and other infrastructure have not been included, but will be reflected in a future report when the information is collected.

LONG-TERM DEBT

At the end of fiscal year ended September 30, 2018, the County had long-term liabilities totaling \$21,374,881. Of this amount, interlocal agreement payables outstanding were \$161,000, Notes Payable were \$5,253,022, and Capital leases were 449,666. Also, there is \$688,443 to address compensated absences obligations, \$14,402,992 for pension liability (GASB 68), \$20,371 for landfill post closure costs and the remaining amount of \$399,387 for OPEB liabilities.

ECONOMIC FACTORS-WASHINGTON COUNTY, FLORIDA

The unemployment rate for County was 3.4% at September 2018. The rate was 5.0% at September 2017.

Population is estimated at 24,880 as of September 2018 and 25,184 as of September, 2017.

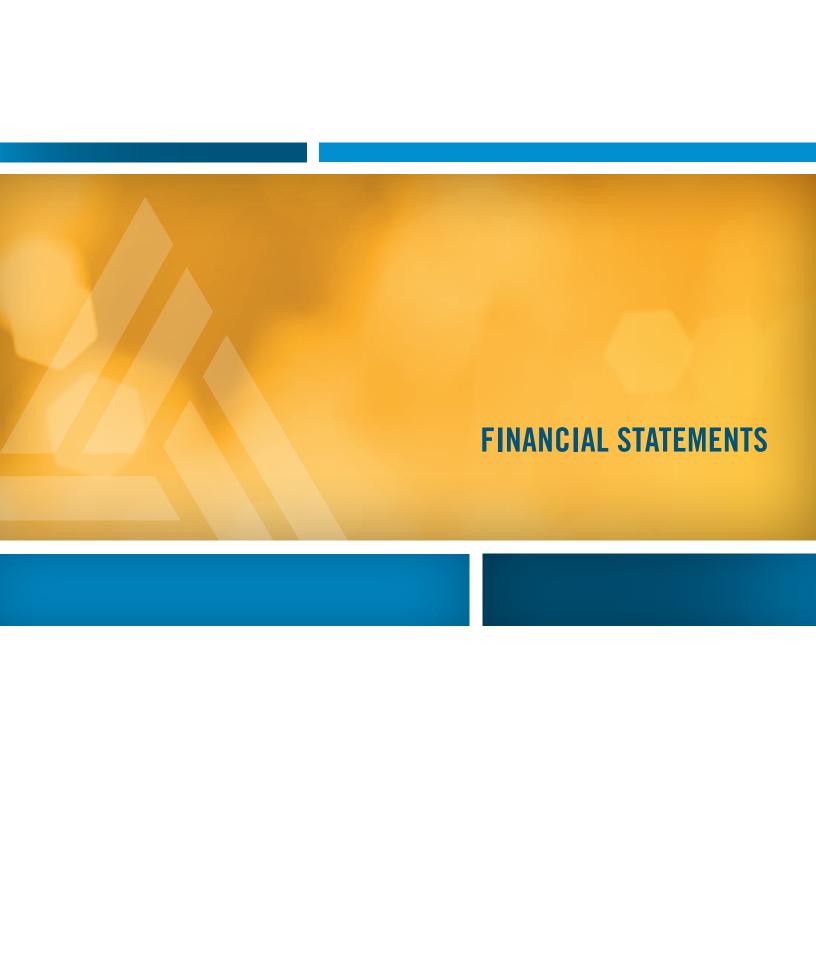
The taxable value for personal and real property in the County is \$832,972,081 for fiscal year ending September 30, 2018 and \$832,699,221 for the fiscal year ending September 30, 2017.

The general ad valorem tax mileage rate was 9.2235 for the fiscal year ending September 30, 2018 and 9.252 for the fiscal year ending September 30, 2017.

The budgeted expenditures for the fiscal year ending September 30, 2018 represents an increase of 5.36% over the September 30, 2017 budget.

REQUEST FOR INFORMATION

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



Washington County, Florida Statement of Net Position

September 30, 2018

	Primary Government Governmenta	<u> </u>	Component
Assets	Activities		Unit
Cash and cash equivalents	\$ 10,755,	914 \$	283
Restricted cash and cash equivalents	5 10,733, 697,		203
Accounts receivable, net	146,		-
•	•	792	-
Due from agency funds	•		-
Due from other governments	4,375,		-
Inventory	145,	526	-
Due from developer	20	-	774
Prepaid expenses	28,		2,995
Notes receivable	2,586,	490	-
Capital assets, net			
Nondepreciable capital assets	3,868,	214	1,770,313
Depreciable capital assets, net	28,983,	739	-
Total assets	51,589,	122	1,774,365
Deferred outflows of resources			
Other post-employment benefits	1	748	_
Pension	6,844,		
Total deferred outflows of resources	6,846,		
Total deletted outflows of resources	0,040,	<u> </u>	
Liabilities			
Accounts payable and accrued expenses	1,342,		774
Due to other governments	110,	567	-
Unearned revenue	688,	339	2,995
Long-term liabilities			
Portion due or payable within one year			
Notes payable	440,	992	-
Capital leases payable	74,	359	-
Interlocal agreement payable	4,	000	-
Compensated absences	172,		_
Landfill closure liability	20,		_
Portion due or payable after one year			
Notes payable	4,812,	ารก	_
Capital leases payable	375,		
· · · · · · · · · · · · · · · · · · ·	•		-
Interlocal agreement payable	157,		-
Compensated absences	516,		-
Pension Liability	14,402,		-
Other post-employment benefits	399,	387	-
Total liabilities	23,515,	980	3,769
Deferred inflows of resources			
Other post-employment benefits	7,	120	-
Pension	2,110,		-
Total deferred inflows of resources	2,117,		-
Not position			
Net position Net investment in capital assets	31,103,	210	1,770,313
Restricted			1,770,313
Unrestricted (deficit)	7,065,		283
om estricted (dentit)	(5,366,	300)	283
Total net position	\$ 32,802,	734 \$	1,770,596

Washington County, Florida Statement of Activities

roi the year ended september 30, 2018									Net (Expense) R Changes in Ne		
				Pro	ogram Revenues			•	Primary		
				Charges	Operating		Capital		Government		
				for	Grants and		Grants and		Governmental	(Component
Functions/Programs		Expenses		Services	Contributions		Contributions		Activities		Unit
Primary Government											
Governmental activities											
General government	\$	6,633,986	\$	2,663,948 \$	430,4:	a s	_	\$	(3,539,620)	\$	
Public safety	7	8,405,055	7	1,482,866	430,4		87,750	7	(6,403,982)	Ψ.	
Physical environment		381,236		1,482,800	90,90		87,730		(290,327)		
Transportation		4,699,700		6,250	626,62		399,545		(3,667,278)		
Economic environment		1,558,103		0,230	968,03		399,343		(5,007,278)		
Human services		715,127		-			-				
				-	21,8		-		(693,277)		
Culture and recreation		853,181		-	246,0		-		(607,106)		
Court related		1,044,812		655,943	85,4	.3	-		(303,456)		
Interest on long-term debt		193,233		-		-	-		(193,233)		
Total governmental activities		24,484,433		4,809,007	2,899,78	86	487,295		(16,288,345)		
Total primary government	\$	24,484,433	\$	4,809,007 \$	2,899,78	86 \$	487,295		(16,288,345)		
Component Unit	\$	21,107	\$	- \$	21,10	8 \$	<u>-</u>		-		
			General reve	enues							
			Taxes Property	taxes					8,234,981		
			Local opti						3,577,163		
				and other taxes					1,125,589		
				nmental and shared	revenue				2,669,361		
			Investment						13,819		
			Miscellane	J					945,524		
			Total g	general revenues					16,566,437		
									278,092		
				e in net position							
			Net position	, beginning as previ	ously reported				32,710,826		1,770,5
			Prior period	adjustment, Note 2	1				123,953		
			Change in ac	counting principle,	Note 22				(310,137)		
			Net position	, beginning as resta	ted				32,524,642		1,770,59
			Net position	, ending				\$	32,802,734	\$	1,770,59

Washington County, Florida Balance Sheet Governmental Funds

September 30, 2018

922 640 - 547 042 954 - 731 490 326	2,729,020 - 60,411 3,196,146 145,526 - - \$ 6,131,103	\$	656,571 - - - - - - - 656,571	\$	934,605 2,012,000 146,444 1,269 65,035 281,057 - 17,571 - 3,457,981	\$	5,989,527 5,463,231 146,444 1,816 507,488 4,376,157 145,526 28,302 2,586,490
640 - 547 042 954 - 731 490 326	2,729,020 - 60,411 3,196,146 145,526 - - \$ 6,131,103	\$	656,571 - - - - - - 656,571		2,012,000 146,444 1,269 65,035 281,057 - 17,571		5,463,231 146,444 1,816 507,488 4,376,157 145,526 28,302 2,586,490
640 - 547 042 954 - 731 490 326	2,729,020 - 60,411 3,196,146 145,526 - - \$ 6,131,103	\$	- - - - - - 656,571	\$	146,444 1,269 65,035 281,057 - 17,571	\$	5,463,231 146,444 1,816 507,488 4,376,157 145,526 28,302 2,586,490
042 954 - 731 490 326	\$ 6,131,103	\$		\$	1,269 65,035 281,057 - 17,571	\$	1,816 507,488 4,376,157 145,526 28,302 2,586,490
042 954 - 731 490 326	\$ 6,131,103 \$ 147,230	\$		\$	65,035 281,057 - 17,571	\$	507,488 4,376,157 145,526 28,302 2,586,490
954 - 731 490 326	\$ 6,131,103 \$ 147,230	\$		\$	281,057 - 17,571 -	\$	4,376,157 145,526 28,302 2,586,490
731 490 326	\$ 6,131,103 \$ 147,230	\$		\$	17,571 -	\$	145,526 28,302 2,586,490
490 326 268	\$ 6,131,103	\$		\$	-	\$	28,302 2,586,490
490 326 268	\$ 147,230	\$		\$	-	\$	2,586,490
326 268	\$ 147,230	\$		\$	3,457,981	\$	
268	\$ 147,230	\$		\$	3,457,981	\$	19,244,981
			8 85 <i>1</i>				
			2 25/				
997 -	3,084		0,007	\$	373,741	\$	1,342,093
-			2,403		393,004		507,488
	-		-		24		24
-	-		-		110,667		110,667
215	19,778		592,146		20,200		688,339
480	170,092		603,403		897,636		2,648,611
490	145,526		-		-		2,732,016
640	5,815,485		53,168		1,131,382		7,065,675
-	-		-		1,125,860		1,125,860
-	-		-		127,703		127,703
716	-				175,400		5,545,116
846	5,961,011		53,168		2,560,345		16,596,370
326	\$ 6131103	¢	656 571	¢	3 /157 QQ1		
		490 145,526 640 5,815,485 716 - 846 5,961,011	490 145,526 640 5,815,485 716 - 846 5,961,011	490 145,526 - 640 5,815,485 53,168 716 846 5,961,011 53,168 326 \$ 6,131,103 \$ 656,571	490 145,526 - 640 5,815,485 53,168 716 846 5,961,011 53,168	490 145,526	490 145,526 640 5,815,485 53,168 1,131,382 - 1,125,860 - 127,703 716 - 175,400 846 5,961,011 53,168 2,560,345

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

	General Fund	Transportation Trust	Local Housing Assistance Trust (SHIP)	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 10,445,123	\$ 1,941,037	\$ -	\$ 551,573	\$ 12,937,733
Licenses and permits	1,264,749	6,250	-	130,602	1,401,601
Intergovernmental	1,770,947	762,915	_	135,499	2,669,361
Charges for services	1,185,930	, 02,313	_	2,199,261	3,385,191
Fines and forfeitures	22,215	_	_	2,133,201	22,215
Grants	96,003	573,921	314,987	2,402,170	3,387,081
Investment earnings	1,726	8,308	3,638	147	13,819
Other fees and miscellaneous revenue	561,995	224,514	6,392	152,623	945,524
Total revenues	15,348,688	3,516,945	325,017	5,571,875	24,762,525
Expenditures					
Current					
General government	5,794,042	-	-	113,842	5,907,884
Public health and safety	5,025,637	-	-	2,516,308	7,541,945
Physical environment	177,803	-	-	176,966	354,769
Transportation	-	3,095,582	-	510,795	3,606,377
Economic environment	193,639	-	321,379	1,008,413	1,523,431
Human services	621,557	-	· -	21,851	643,408
Culture and recreation	111,719	-	_	709,246	820,965
Court related	44,264	-	-	929,396	973,660
Capital outlay	1,317,357	653,896	-	946,188	2,917,441
Debt service	,- ,	,		,	,- ,
Principal	79,587	3,033,173	_	395,544	3,508,304
Interest and other charges	-	44,737	-	148,496	193,233
Total expenditures	13,365,605	6,827,388	321,379	7,477,045	27,991,417
Excess (deficiency) of revenues over (under) expenditures	1,983,083	(3,310,443)	3,638	(1,905,170)	(3,228,892)
Other financing sources (uses)	_,,,,,,,,	(0,0=0,1.10)	2,000	(=,000,=00,	(0)==0)00=)
Transfers in	44,802	204,201	_	1,915,240	2,164,243
Transfers out	(2,019,996)		_	(140,828)	
Installment loan proceeds	174,088	387,115	-	117,977	679,180
Net other financing sources (uses)	(1,801,106)	587,897	-	1,892,389	679,180
Net changes in fund balances	181,977	(2,722,546)	3,638	(12,781)	(2,549,712)
Fund balances - beginning as previously reported	7,839,869	8,559,604	49,530	2,573,126	19,022,129
Prior period adjustment, Note 21	-	123,953	-	-	123,953
Fund balances - beginning as restated	7,839,869	8,683,557	49,530	2,573,126	19,146,082
Fund balances - ending	\$ 8,021,846	\$ 5,961,011	\$ 53,168	\$ 2,560,345	\$ 16,596,370

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

For the year ended September 30, 2018

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

Net change in fund balances - total governmental funds	\$	(2,549,712)
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.		2,917,441
Depreciation expense on governmental capital assets included in the governmental activities in the statement of net position.		(1,793,507)
Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net assets.		3,508,304
The issuance of long-term debt (notes payable) provides current financial resources to governmental funds, while it has no effect on the statement of activities.		(679,180)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures governmental funds. These expenses include:	s in	
Other post-employment benefits		(622)
Pension Expenses		(1,088,246)
Compensated absences		(36,386)
Change in net position of governmental activities	\$	278,092
	capital assets in the statement of net position. Depreciation expense on governmental capital assets included in the governmental activities in the statement of net position. Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net assets. The issuance of long-term debt (notes payable) provides current financial resources to governmental funds, while it has no effect on the statement of activities. Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures governmental funds. These expenses include: Other post-employment benefits Pension Expenses Compensated absences	Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position. Depreciation expense on governmental capital assets included in the governmental activities in the statement of net position. Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net assets. The issuance of long-term debt (notes payable) provides current financial resources to governmental funds, while it has no effect on the statement of activities. Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses include: Other post-employment benefits Pension Expenses Compensated absences

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues	Dauget	Duaget	Account	i illai baaget
Taxes	\$ 11,107,155	\$ 11,176,919	\$ 10,445,123	\$ (731,796)
Licenses and permits	18,000	248,000	1,264,749	1,016,749
Intergovernmental	1,664,789	1,764,682	1,770,947	6,265
Charges for services	991,855	1,179,594	1,185,930	6,336
Fines and forfeitures	4,000	21,595	22,215	620
Grants	75,630	80,150	96,003	15,853
Investment earnings	-	-	1,726	1,726
Other fees and miscellaneous revenues	293,169	703,725	561,995	(141,730)
Less 5% estimated revenues	(650,851)	(650,851)	-	650,851
Total revenues	13,503,747	14,523,814	15,348,688	824,874
Expenditures				
Current				
General government	5,510,340	5,726,652	5,794,042	(67,390)
Public safety	4,821,903	5,227,325	5,025,637	201,688
Physical environment	189,945	178,538	177,803	735
Economic environment	437,380	441,509	193,639	247,870
Human services	685,309	621,993	621,557	436
Culture and recreation	115,092	112,161	111,719	442
Court related	52,318	53,159	44,264	8,895
Capital outlay	12,222	951,965	1,317,357	(365,392)
Debt service	64,500	64,500	79,587	(15,087)
Total expenditures	11,889,009	13,377,802	13,365,605	12,197
Excess of revenues over expenditures	1,614,738	1,146,012	1,983,083	837,071
Other financing sources (uses)				
Transfers in	82,165	168,290	44,802	(123,488)
Transfers out	(1,958,887)	(2,128,381)	(2,019,996)	108,385
Installment loan proceeds	-		174,088	174,088
Net other financing sources (uses)	(1,876,722)	(1,960,091)	(1,801,106)	158,985
Net change in fund balance	\$ (261,984)	\$ (814,079)	\$ 181,977	\$ 996,056

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 1,953,011	\$ 1,953,011	\$ 1,941,037	\$ (11,974)
Licenses and permits	10,000	10,000	6,250	(3,750)
Intergovernmental	792,211	792,211	762,915	(29,296)
Grants	-	-	573,921	573,921
Investment earnings	-	-	8,308	8,308
Other fees and miscellaneous revenues	1,038,689	1,038,689	224,514	(814,175)
Less 5% estimated revenues	(138,812)	(138,812)	-	138,812
Total revenues	3,655,099	3,655,099	3,516,945	(138,154)
Expenditures				
Current				
Transportation	3,577,053	3,670,253	3,095,582	574,671
Capital Outlay	382,247	382,247	653,896	(271,649)
Debt Service - principal	-	3,000,000	3,033,173	(33,173)
Debt Service - interest	-	34,302	44,737	(10,435)
Total expenditures	3,959,300	7,086,802	6,827,388	259,414
Excess (deficiency) of revenues over (under) expenditures	(304,201)	(3,431,703)	(3,310,443)	121,260
Other financing sources (uses)				
Transfers in	204,201	204,201	204,201	-
Transfers out	-	-	(3,419)	(3,419)
Installment loan proceeds	-	-	387,115	387,115
Net other financing sources	204,201	204,201	587,897	383,696
Net change in fund balance	\$ (100,000)	\$ (3,227,502)	\$ (2,722,546)	\$ 504,956

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

	Original Budget	Final Budget	Actual	 riance with
Revenues				_
Grants	\$ 350,000	\$ 350,000	\$ 314,987	\$ (35,013)
Investment earnings	=	-	3,638	3,638
Other fees and miscellaneous revenues	=	=	6,392	6,392
Total revenues	350,000	350,000	325,017	(24,983)
Expenditures				
Economic environment	950,000	956,663	321,379	635,284
Total expenditures	950,000	956,663	321,379	635,284
Excess of revenues over expenditures	(600,000)	(606,663)	3,638	610,301
Net change in fund balance	\$ (600,000)	\$ (606,663)	\$ 3,638	\$ 610,301

Washington County, Florida Statement of Fiduciary Net Position Agency Funds

September 30, 2018

	Total		
Assets			
Cash	\$	735,254	
Due from other funds		24	
Due from others		163	
Total assets	\$	735,441	
Liabilities			
Due to others	\$	733,625	
Due to other funds		1,816	
Total liabilities	\$	735,441	

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2018.

Reporting Entity

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

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

Blended Component Unit

Northwest Florida Community Hospital District

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Discretely Presented Component Unit

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

Sunny Hills Units 12-15 Dependent District

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

The fiscal year end for all discretely presented component units is September 30.

Government-wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for Washington County, Florida, as a whole excluding fiduciary activities. For the most part, the effect of inter-fund activity has been removed from these statements. Individual funds are not displayed but the statement distinguishes governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, considered to be sixty days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

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

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

The County reports the following major governmental funds:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Budgets and Budgetary Accounting

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

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

Cash and Cash Equivalents

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

Receivables

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

Interfund Balances

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

Inventories

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

Prepaid Expenses

General fund expenditures for insurance and similar services extending over more than one accounting period are accounted for as expenditures in the period of acquisition.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

The County's infrastructure has not yet been reported but will be reported in a future year. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Machinery and equipment	3-20
Infrastructure	15-30

Major outlays for capital assets and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

Unearned Revenues

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

Accumulated Compensated Absences

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-Term Debt

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

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

Governmental Fund Balances

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

Encumbrances

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

Management Estimates and Assumptions

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

Net Position

For the year ended September 30, 2018, the County reports net position as restricted or unrestricted. Restricted net position has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is comprised of all other balances, including committed, assigned and unassigned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Board has evaluated subsequent events through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until a future time.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until a future time.

New Accounting Standards Adopted

In fiscal year 2018, the County adopted four new statements of financial accounting standards issued by the GASB:

- GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75)
- GASB Statement No. 81, Irrevocable Split-Interest Agreements (GASB 81)
- GASB Statement No. 85, Omnibus 2017 (GASB 85)
- GASB Statement No. 86, Certain Debt Extinguishment Issues (GASB 86)

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that is provided to employees of state and local governmental employers through OPEB Plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. It replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of this statement resulted in a restatement of the County's 2017 government-wide financial statements net position in the amount of (\$310,137) to reflect the reporting of the net OPEB liability. Changes in this liability from year to year will largely be reflected on the statement of activities, though certain amounts will be deferred and amortized over varying periods.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards Adopted (continued)

GASB 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the County's financial statements as a result of the implementation of GASB 81.

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The adoption of GASB 85 had no impact on the County's current accounting practices nor its financial reporting.

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the County's financial statements as a result of the implementation of GASB 86.

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the County upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB		Effective
Statement No.	GASB Accounting Standard	Fiscal Year
83	Certain Asset Retirement Obligations	2019
84	Fiduciary Activities	2020
87	Leases	2021
88	Certain Disclosures Related to Debt, including Direct	
	Borrowings and Direct Placements	2019
89	Accounting for Interest Cost Incurred before the End	
	of a Construction Period	2021
90	Majority Equity Interest an amendment of GASB	
	Statements No. 14 and No. 61	2020

NOTE 2 - PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2018 millage rate assessed by the County was 9.224 mills.

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

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

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

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

NOTE 3 - DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the County's deposits was \$12,188,631 and the bank balance was \$12,917,543. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2018, the net realizable value and the carrying value of these funds was \$11,699. The funds are carried as a cash equivalent on the balance sheet at September 30, 2018 (See Note 1 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at www.sbafla.com/prime.

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

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

Credit Risk

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the County investments are not evidenced by specific, identifiable investment securities. As of September 30, 2018, the County's investment in the Florida PRIME is rated by Standard and Poors and the current rating is AAAm.

Interest Rate Risk

The dollar weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2018, is 33 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2018, is 72 days.

Custodial Credit Risk

At September 30, 2018, the County did not hold any deposits or investments that were considered to have a custodial credit risk.

Concentration of Credit Risk

At September 30, 2018, the County did not hold any investments that were considered to have a concentration of credit risk.

Foreign Currency Risk

At September 30, 2018, the County did not hold any investments that were considered to have a foreign currency risk.

NOTE 4 - INTERFUND BALANCES

Interfund balances are generally used to meet cash demands necessary to pay operating expenses. Amounts are generally repaid during the next fiscal year. Interfund balances at September 30, 2018 consisted of the following:

Due to/from Other Funds:

Receivable Fund General fund	Payable Fund Transportation Trust Local Housing Assistance Trust Other Special Revenue Funds Agency Funds	\$ 834 2,403 378,805 547
Transportation Trust	General Fund Other Special Revenue Funds	58,804 1,607
Nonmajor Funds Other Special Revenue Funds Other Special Revenue Funds Other Special Revenue Funds	General Transportation Trust Other Special Revenue Funds Agency Funds	50,193 2,250 12,592 1,269
Agency Funds Clerk Child Support	Other Special Revenue Funds	24
<u>Total</u>		\$ 509,328

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

NOTE 4 - INTERFUND BALANCES (CONTINUED)

Interfund transfers for the year ended September 30, 2018, consisted of the following:

Transfers to General Fund from:				
Transporation Fund	\$	3,419		
Nonmajor Governmental funds		41,383		
Total				44,802
Transfers to Transportation Fund from:				
General Fund		204,201		
Total				204,201
Transfers to Nonmajor Governmental Funds from:				
Transporation Fund		1,815,795		
Nonmajor Governmental funds		99,445		
Total				1,915,240
	•	_	•	_
Total interfund transfers			\$	2,164,243

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

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

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

NOTE 5 - DUE FROM OTHER GOVERNMENTS

Due from other governments consists of funds earned as of September 30, 2018, but not yet received by the County. The majority of these amounts were received in October and November 2018.

NOTE 6 - ACCOUNTS RECEIVABLE

Accounts receivables of the EMS are accounted for in a special revenue fund. Accounts receivable in the EMS total \$1,123,523 and are shown net of allowance for doubtful accounts and contractual adjustments totaling \$977,079. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings.

NOTE 7 - NOTE RECEIVABLE

The Board of County Commissioners loaned Northwest Florida Healthcare, Inc (the Hospital) \$2,903,878 in December 2003. The agreement provides a non-interest bearing note with no payments due the first 10 years, and equal installments of \$95,796 thereafter for 30 years. An imputed interest rate for the note receivable was considered indeterminable by management. The Board forgave \$30,000 on the note due to the hospital's purchase of equipment in 2005. The balance outstanding at September 30, 2018, was \$2,586,490. See also Note 15.

NOTE 8 - CAPITAL ASSETS

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

Capital asset activity for the year ended September 30, 2018, was as follows:

	E	BEGINNING BALANCE		INCREASES	0	DECREASES		ENDING BALANCE
Governmental activities:								
Capital assets, not being								
depreciated:								
Land	\$	3,009,517	\$	779,600	\$	-	\$	3,789,117
Construction in progress		1,720,419		553,731		2,195,053		79,097
Total capital assets, not								
being depreciated		4,729,936		1,333,331		2,195,053		3,868,214
		,		,		,		
Capital assets, being								
depreciated:								
Buildings and improvements		24,743,790		984,979		-		25,728,769
Furniture and equipment		15,750,370		1,466,142		454,855		16,761,657
Roads		8,211,317		812,111		-		9,023,428
Infrastructure		1,472,629		515,931		-		1,988,560
Total capital assets,								
being depreciated		50,178,106		3,779,163		454,855		53,502,414
Less: Total accumulated		22 400 022		4 702 507		454.055		24 540 675
depreciation		23,180,023		1,793,507		454,855		24,518,675
Total capital assets,								
being depreciated, net		26,998,083		1,985,656		_		28,983,739
being depreciated, het		20,338,083		1,983,030		<u>_</u> _		28,383,733
Governmental activities								
capital assets, net	\$	31,728,019	\$	3,318,987	\$	2,195,053	\$	32,851,953
<u> </u>			-		_		_	, ,

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

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

NOTE 8 - CAPITAL ASSETS (CONTINUED)

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

Governmental activities:		
General government	\$	436,924
Public safety		186,324
Physical environment		20,516
Transportation		1,019,266
Economic environment		22,343
Human services		71,719
Culture and recreation		12,891
Court related		23,524
Total depreciation expense-governmental activities	Ś	1,793,507

NOTE 9 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2018, was as follows:

, ,	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Notes, lease and					
other payables:					
Interlocal agreement payable	\$ 165,000	\$ -	\$ 4,000	\$ 161,000	\$ 4,000
Capital leases	-	505,092	55,426	449,666	74,359
Notes payable	8,527,812	174,088	3,448,878	5,253,022	440,992
Total bonds, notes, capital					
leases and other payables	8,692,812	679,180	3,508,304	5,863,688	519,351
Other liabilities:					
Landfill closure and post-					
closure costs	20,371			20,371	20,371
	20,371	-	-	20,371	20,371
Other post employment	404,137		4,750	399,387	
benefit obligations Pension liability	14,227,266	175,726	4,730	14,402,992	-
Compensated absences	652,057	530,562	494,176	688,443	172,111
compensated absences	032,037	330,302	434,170	000,443	1/2,111
Total other liabilities	15,303,831	706,288	498,926	15,511,193	192,482
Total governmental activities	\$ 23,996,643	\$ 1,385,468	\$ 4,007,230	\$21,374,881	\$ 711,833

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

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

Debt service requirements on long-term debt at September 30, 2018 are as follows:

Gover	nmen	tal A	ctivitie	S

	Governmental Activities								
FISCAL YEAR ENDING	INTER	RLOCAL AGR	EEMI	NT PAYABLE		NOTES F	PAYA	BLE	
SEPTEMBER 30,	PRIN	CIPAL	INT	EREST	PRII	NCIPAL	INT	INTEREST	
2019	\$	4,000	\$	7,446	\$	440,992	\$	174,093	
2020		4,000		7,261		456,543		158,366	
2021		4,500		7,076		472,598		141,896	
2022		4,500		6,868		489,967		124,830	
2023		5,000		6,660		494,500		107,082	
2024-2028		28,000		30,919		2,564,398		284,020	
2029-2033		34,000		24,120		334,024		17,176	
2034-2038		39,500		16,026		-		-	
2039-2043		37,500		6,545		-		-	
Total	\$	161,000	\$	112,921	\$	5,253,022	\$	1,007,463	

Governmental Activities

FISCAL YEAR ENDING		CAPITAL LEASES PAYABLE						
SEPTEMBER 30,	PRI	NCIPAL	IN ⁻	ΓEREST		TOTAL		
2019	\$	74,359	\$,	\$	90,445		
2020 2021		77,152 80,058		13,292 10,386		90,444 90,444		
2022 2023		83,076 135,021		7,369 2,619		90,445 137,640		
Total	\$	449,666	\$	49,752	\$	499,418		

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED) Notes payable

\$934,000 Non-Ad Valorem Tax Revenue Promissor Note, Series 2016, Charte Bank, payable in annual installments ranging from \$39,000 to \$92,000, interest a 2.75% fixed, due 2032. Collateralized by pledged revenues.		895,000
\$5,500,000, Sales Tax promissory note Series 2015, SunTrust Bank, payable in monthly installments ranging from \$28,200 to \$43,000, interest at 3.28%, due 2028. Collateralized by pledged revenues.		4,224,521
\$174,088, Nationwide Capital, LLC, payable in annual installments of \$40,587, interest at 8.31%, due 2022. Collateralized by equipment with a net book value of \$142,172.	of	133,501
Total notes payable	\$	5,253,022
Capital Leases Payable		
\$387,115, Caterpillar Financial Services Corp., payable in monthly installments of \$5,451 and a final lease payment of \$124,651, interest at 4.2%, due 2022.	\$	353,942
Collateralized by equipment with a net book value of \$348,403.	Ş	333,942
\$117,977, U.S. Bancorp Government Leasing and Finance, Inc., payable in monthl installments of \$2,086, interest at 2.548%, due 2022. Collateralized by equipment	•	
with a net book value of \$106,179.		95,724
Total capital leases payable	\$	449,666
Interlocal Agreement Payable		
\$200,000, City of Chipley, Library Building. Payable in annual installments beginning 2004 including interest at 4.625%. The County agreed to pay half of the City of Chipley, Florida, Capital Improvement Revenue Bond, Series 2003		
payment and interest charges each year until 2042 to the City of Chipley, Florida.	\$	161,000
	_	
Total interlocal agreement payable	\$	161,000
Total governmental activities (excluding landfill closure costs, other post employment benefit obligations, pension liability and compensated absences)	\$	5,863,688

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

Long-term landfill closure and post-closure liability - The total estimated liability for post closure landfill costs totals \$20,371 as of September 30, 2018. This liability is estimated and the actual liability may be different due to inflation, deflation, changes in technology or changes in applicable laws and regulations. See also Note 16.

NOTE 10 - OPERATING LEASES

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

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

2019	\$ 50,676
2020	39,548
2021	6,163
2022	6,163
2023	6,163
<u>Thereafter</u>	191,048
<u>Total</u>	\$ 299,761

NOTE 11 - RISK MANAGEMENT

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

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

NOTE 11 - RISK MANAGEMENT (CONTINUED)

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

General liability
Automobiles
Money and securities coverage

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

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

NOTE 12 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY

Defined Benefit Plans

The County participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

NOTE 12 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings.

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2018, were as follows:

Class or Plan	FRS	HIS
Florida Retirement System:		
Regular	6.60%	1.66%
County Elected Officers	47.04%	1.66%
Senior Management Service Class	22.40%	1.66%
Special Risk	22.84%	1.66%
DROP	12.37%	1.66%

The employer's contributions for the year ended September 30, 2018, were \$1,120,355 to the FRS and \$131,274 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2018, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2018, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2018. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

NOTE 12 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

	FRS		HIS
Net Pension Liability at June 30, 2018	\$ 11,840,927	\$	2,562,065
Proportion at:			
Current measurement date	0.0003933	L	0.0002400
Prior measurement date	0.0003942	2	0.0002421
Pension expense (benefit)	\$ 2,159,533	\$	200,093

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		F	RS			H	IS	
		Deferred		Deferred		Deferred		Deferred
		Outflows		Inflows		Outflows		Inflows
Description	of	Resources	0	f Resources	0	f Resources	of	Resources
Differences between expected and								
actual experience	\$	1,003,104	\$	(36,409)	\$	39,224	\$	(4,353)
Change of assumption		3,869,039		-		284,933		(270,882)
Net difference between projected and								
actual investment earnings		-		(914,855)		1,545		-
Changes in proportion and difference		1,109,854		(706,802)		223,574		(176,800)
between employer contributions and								
proportionate share of contributions								
County contributions subsequent to								
the measurement date		282,161		-		31,331		
Total	\$	6,264,158	\$	(1,658,066)	\$	580,607	\$	(452,035)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2018. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

NOTE 12 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

Fiscal Year Ending June 30,	FRS	HIS
2019	\$ 1,618,745	\$ 44,279
2020	1,134,567	44,784
2021	246,705	32,633
2022	762,184	16,765
2023	484,536	(29,127)
Thereafter	77,193	(12,092)
Total	\$ 4,323,930	\$ 97,242

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2018, was determined by an actuarial valuation dated July 1, 2018, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.00%	N/A
Discount rate	7.00%	3.87%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2018 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2018:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.10% to 7.00%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.58% to 3.87%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

NOTE 12 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

		Annual	Annual	
	Target	Arithmetic	(Geometric)	Standard
Asset Class	Allocation	Return	Return	Deviation
Cash	1.00%	2.90%	2.9%	1.8%
Fixed Income	18.00%	4.40%	4.3%	4.0%
Global Equity	54.00%	7.60%	6.3%	17.0%
Real Estate (Property)	11.00%	6.60%	6.0%	11.3%
Private Equity	10.00%	10.70%	7.8%	26.5%
Strategic Investments	6.00%	6.00%	5.7%	8.6%
Total	100.00%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.00%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.87% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

NOTE 12 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

	FRS Net Pension Liability		
	Current		
	1% Decrease Discount Rate 1% Increase (6.00%) (7.00%) (8.00%)		
Governmental Employer's proportionate share of the net pension liability	\$ 21,610,188 \$11,840,927 \$ 3,726,978		
	HIS Net Pension Liability		
	Current		
	1% Decrease Discount Rate 1% Increase		
	(2.87%) (3.87%) (4.87%)		
Governmental Employer's proportionate			
share of the net pension liability	\$ 2,918,042 \$ 2,562,065 \$ 2,265,338		

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2018, totaled \$28,606.

NOTE 13 – GRANTS

The County participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2018, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined, although the County expects such amounts, if any, to be immaterial except as described in the schedule of findings and questioned costs.

NOTE 14 - FUND EQUITY

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

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

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

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

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

Unassigned – All amounts not included in other spendable classifications.

Nonspendable Fund Balance:

Fund General fund	Purpose		
General lund	Funding for: Long-term note receivable	Ś	2,586,490
	2018 201111020 100011020	•	_,555,155
Transportation fund	Funding for:		
	Inventory		145,526
	Total	\$	2,732,016

NOTE 14 - FUND EQUITY (CONTINUED)

Restricted Fund Balance:

Funds	Purpose	
General fund	Funding for:	
	Landfill closure	\$ 56,891
	Education and crime prevention	8,749
Transportation trust fund	Funding for:	
	Transportation	5,815,485
Local Housing Assitance Trust	Funding for:	
	Local housing assistance	53,168
Other governmental funds	Funding for:	
	Court innovations	596,928
	Emergency communications	29,521
	Law enforcement	131,135
	Probation	152,968
	Emergency management	77,651
	Road improvements	15,505
	Economic development	17,527
	Modernization of Public Records	27,695
	Crime prevention	41,793
	Court-related technology	40,659
	Total	\$ 7,065,675

Committed Fund Balance:

Funds	Purpose	
Other governmental funds	Funding for:	
	Fire operations	\$ 454,585
	Municipal service business unit	445,020
	Mosquito control	96,623
	Emergency management	28,804
	Boater improvement	62,587
	Building department	35,482
	Police education	2,759
	Total	\$ 1,125,860

NOTE 14 - FUND EQUITY (CONTINUED)

Assigned Fund Balance:

Funds	Purpose	
Other governmental funds	Funding for:	
	2018 Budget appropriations	\$ 127,703
	Total	\$ 127,703

NOTE 15 - COMMITMENTS AND CONTINGENCIES

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

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

NOTE 16 - LANDFILL CLOSURE/LONG-TERM CARE ESCROW

The County maintains a landfill management escrow account, as required by law, to ensure the availability of financial resources for closing the landfill. The County records the landfill closure/long-term care escrow as a reserved portion of the general fund's fund balance. The escrow balance at September 30, 2018, was \$56,891. The financial resources are presented in the statement of net position as restricted cash and cash equivalents and a corresponding amount is included in net position restricted for other purposes.

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for twenty years after closure. The estimated liability for landfill closure and postclosure care costs has a balance of \$20,371 as of September 30, 2018. The above estimate is based on current prices, actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 17 - RECLASSIFICATION

Certain 2017 amounts have been reclassified to conform with 2018 classifications. Such reclassifications had no effect on reported net income.

NOTE 18 - COOPERATIVE AGREEMENT

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$53,747.

NOTE 19 - OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

Medicare becomes the primary insurer and the Board's plan becomes secondary.

NOTE 19 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Membership – At September 30, 2018, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	212
Retirees and beneficiaries currently receiving benefits	6
Total Membership	218
Participating employers	1

Contributions and Funding Policy - A qualifying trust or agency fund has not been authorized by the Board. The Board negotiates the premium rates with BCBSFL. The required contribution is based on pay-as-you-go financing requirements. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs, which for fiscal year 2018 was \$10,529. The Board contributes the remainder to cover the costs of providing the benefits to the retirees.

OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB - At September 30, 2018, the County reported a liability of \$399,387 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2018, and was determined by an actuarial valuation as of October 1, 2018. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2018, the County recognized OPEB expense of \$39,624. At September 30, 2018, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Outflows of	Def	erred Inflows
	Resources	0	f Resources
Difference between expected and actual experience	\$ 1,748	\$	-
Changes of assumptions or other inputs	-		7,120
Net difference between projected and actual investments	-		-
Total	\$ 1,748	\$	7,120

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

Year ended September 30,	
2019	\$ (767)
2020	(767)
2021	(767)
2022	(767)
2023	(767)
Thereafter	(1,537)
Total	\$ (5,372)

NOTE 19 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The significant components of Other Postemployment Benefits follows:

	Total OPEB			Deferred		
	Liability	Deferred I	nflows	Outflows	OPEB	Expense
Balance at October 1, 2017	\$ 404,137	\$	-	\$ -	\$	-
Service Cost	26,894		-	-		26,894
Interest Cost	13,497		-	-		13,497
Changes in Benefit Terms	-		-	-		-
Differences between Expected and Actual Experience						
with Regard to Economic or Demographic Assumptions	1,998		-	1,748		250
Current Year Amortization of Experience Difference	-		-	-		-
Change in Assumptions About Future Economic or						
Demographic Factors or Other Inputs	(8,137)		7,120	-		(1,017)
Current Year Amortization of Change in Assumptions	-		-	-		-
Benefit Payments	(39,002)		-	-		-
Balance as of fiscal year ended September 30, 2018	\$ 399,387	\$	7,120	\$ 1,748	\$	39,624

Discount Rate - Given the County's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.83%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond General Obligation Bond Index consists of 20 general obligation bonds that mature in 20 years.

NOTE 19 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Method and Assumptions – The total OPEB liability in the October 1, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation Rate	2.40%
Salary Increase Rate(s)	Varies by Service
Discount Rate	3.83%
Rate of Growth in Real Income/GDP per capita	1.50%
Extra Trend due to Technology and Other Factors	1.20%
Health Share of GDP Resistance Point	25%
Year of Limiting Cost Growth to GDP Growth	2075

All mortality rates were based on the RP-2000 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2017 Florida Retirement System (FRS) valuation report.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net OPEB liability using a discount rate that is 1 percent lower (2.83%) or 1 percent point higher (4.83%) than the current discount rate:

	1	% Decrease (2.83%)	 rent Discount ate (3.83%)	1% increase (4.83%)				
Net OPEB Liability	\$	424,453	\$ 399,387	\$	375,617			

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

	19	% Decrease	Cur	rent Medical	1% increase
		(3.00%)	Tre	end (4.00%)	(5.00%)
Net OPEB Liability	\$	363,384	\$	399,387	\$ 442,586

NOTE 20 - SUBSEQUENT EVENTS

Subsequent to year end, the County sustained damages to property, equipment and infrastructure as a result of Hurricane Michael. The total loss sustained is still unknown. While the County is insured, there will be uninsured losses particularly related to infrastructure. The County is seeking assistance from disaster related federal and state agencies, including the Federal Emergency Management Agency (FEMA).

Subsequent to year end, the Board approved to permanently transfer the Section 8 Housing Choice Voucher Program to Northwest Florida Regional Housing Authority effective October 1, 2018.

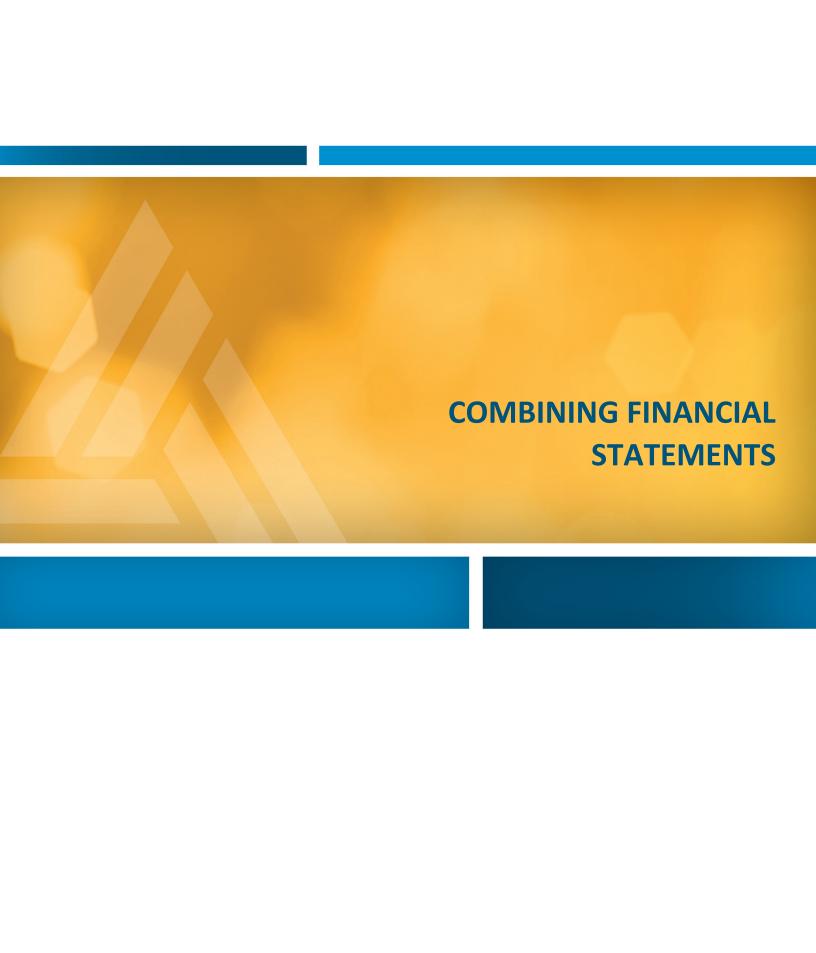
NOTE 21 – PRIOR PERIOD ADJUSTMENT

The beginning fund balance for the Transportation fund was restated by \$123,953 as of and for the year ended September 30, 2017 to correct an error related to inventory balances. Expenses on the Statement of Revenues, Expenditures, and changes in Fund Balance would decrease by \$123,953 for the year ended September 30, 2017.

NOTE 22 – CHANGE IN ACCOUNTING PRINCIPLE

The County restated the beginning net position of the governmental activities as follows to implement provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

	Gover	nmental Activities
Net position, beginning of the year, as previously reported		
after prior period adjustment, Note 21	\$	32,834,779
Restatement:		
Net OPEB liability		(310,137)
Net position, beginning of the year, as restated	\$	32,524,642



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

							Spe	ecial Reveni	ue Fu	unds			
		Public Library Fund		Small Counties Grant Fund	E 91	L1 Fund		Fines & orfeiture Fund	S	Fifteen Dollar Surcharge Fund		Kent Road	Obies Street
Assets													
Cash and cash equivalents	\$	17,546	\$	38,870	\$	-	\$	-	\$	-	\$	- 5	5
Restricted cash and cash equivalents	•	-	-	-	•	-	-	61,625	•	357,611	-	-	
Accounts receivable, net		-		-		-		-		-		-	
Due from agency funds		-		-		-		1,269		-		-	
Due from other funds		25,058		97		-		16,232		-		-	
Due from other governmental units		248		36,334		-		9,710		4,065		63,896	2,45
Prepaid expenses		-		-		-		17,571		-		-	
Total assets	\$	42,852	\$	75,301	\$	-	\$	106,407	\$	361,676	\$	63,896	2,45
Liabilities													
Accounts payable and accrued expenses	\$	39,325	\$	6,099	\$	-	\$	25,656	\$	6,477	\$	24,170	5
Due to other funds		182		37,495		-		405		-		39,726	2,45
Due to agency funds		-		-		-		24		-		-	
Due to other governmental units		-		-		-		70,740		-		-	
Unearned revenue		-		-		-		9,582		-		-	
Total liabilities		39,507		43,594		-		106,407		6,477		63,896	2,45
Fund balances													
Restricted		-		-		-		-		355,199		-	
Committed		-		-		-		-		-		-	
Assigned		3,345		31,707		-		-		-		-	
Unassigned		-		-		-		-		-		-	
Total fund balances		3,345		31,707		-		-		355,199		-	
Total liabilities and fund balances	Ś	42,852	Ś	75,301	Ś	_	\$	106,407	\$	361,676	Ś	63,896	5 2,45

Page 2 of 7 Washington County, Florida Combining Balance Sheet Nonmajor Governmental Funds

						S	peci	ial Revenue Fund	ls				
	Emergency Medical Service Fund		Municipal Service Business Unit		Fire Operation Fund		Radio Communication Fund		Bonnet Pond Road		Law Enforcement Trust Fund III		Special Projects - Impact
Assets													
Cash and cash equivalents	\$	94,707	\$	-	\$	510,546	\$	-	\$	-	\$	-	\$ -
Restricted cash and cash equivalents		-		582,416		-		29,150		5,309		45,904	19,020
Accounts receivable, net		146,444		-		-		-		-		-	-
Due from agency funds		-		-		-		-		-		-	-
Due from other funds		6,648		-		2,817		-		-		-	-
Due from other governmental units		-		1,352		2,298		1,371		-		-	-
Prepaid expenses		-		-		-		-		-		-	-
Total assets	\$	247,799	\$	583,768	\$	515,661	\$	30,521	\$	5,309	\$	45,904	\$ 19,020
Liabilities													
Accounts payable and accrued expenses	\$	8,370	\$	136,143	\$	60,050	\$	-	\$	-	\$	-	\$ 3,614
Due to other funds		-		2,605		1,026		1,000		5,309		-	-
Due to other governmental units		39,927		-		-		-		-		-	-
Unearned revenue		-		-		-		-		_		-	-
Total liabilities		48,297		138,748		61,076		1,000		5,309		-	3,614
Fund balances													
Restricted		-		-		-		29,521		-		45,904	15,406
Committed		-		445,020		454,585		-		-		-	-
Assigned		-		-		-		-		-		-	-
Unassigned		199,502		-		-		-		-		-	-
Total fund balances		199,502		445,020		454,585		29,521		-		45,904	15,406
Total liabilities and fund balances	\$	247,799	\$	583,768	\$	515,661	\$	30,521	\$	5,309	\$	45,904	\$ 19,020

Page 3 of 7 Washington County, Florida Combining Balance Sheet Nonmajor Governmental Funds

				Sp	ecia	al Revenue Func	ls				
	forcement und I	Cope Road	Arthropod Control Fund			Choose Life Tag Fund		SAFER Grant	E911	Edu	Police cation Fund
Assets											
Cash and cash equivalents Restricted cash and cash equivalents	\$ 421 -	\$ -	\$	119,568 -	\$	1,867 -	\$	- .	\$ - 54,296	\$	- 2,498
Accounts receivable, net Due from agency funds	-	-		-		-		-	-		-
Due from other funds Due from other governmental units	-	- 14,353		-		-		- 18,976	375 40,040		- 261
Prepaid expenses	-	-		-		-		-	-		-
Total assets	\$ 421	\$ 14,353	\$	119,568	\$	1,867	\$	18,976	\$ 94,711	\$	2,759
Liabilities											
Accounts payable and accrued expenses Due to other funds	\$ -	\$ 14,353	\$	82 12,245	\$	-	\$	6,154 12,822	\$ 2,326 1,939	\$	-
Due to other governmental units Unearned revenue	-	-		- 10,618		-		<u>-</u>	-		-
Total liabilities	-	14,353		22,945		-		18,976	4,265		-
Fund balances											
Restricted	421	-		-		-		-	-		-
Committed	-	-		96,623		-		-	-		2,759
Assigned	-	-		-		1,867		-	90,446		-
Unassigned	-	-		-		-		-	-		-
Total fund balances	421	-		96,623		1,867		-	90,446		2,759
Total liabilities and fund balances	\$ 421	\$ 14,353	\$	119,568	\$	1,867	\$	18,976	\$ 94,711	\$	2,759

Page 4 of 7 Washington County, Florida Combining Balance Sheet Nonmajor Governmental Funds

					Spe	ecial	Revenue Funds	5				
	HUD Section 8	-	ourist	Emergene Manageme Enhanceme	ent	E	MPG Grant		Criminal ucation Fund	Cost of Incarceration	1	Crimes Prevention
Assets												
Cash and cash equivalents	\$ -	\$	-	¢	_	Ś	45,155	¢	_	Ś	- :	Ė.
Restricted cash and cash equivalents	- -	ب	13,300		205	۲	43,133	۲	3,646	16,83		24,277
Accounts receivable, net	_		13,300	90,	-		_		3,040	10,63	_	24,277
Due from agency funds	_		_		_		_		_		_	
Due from other funds	_		_	2.	507		1,226		_		_	
Due from other governmental units	_		8,372	-,	_		14,614		312	29	0	637
Prepaid expenses	-		-		-						-	
Total assets	\$ -	\$	21,672	\$ 92,	712	\$	60,995	\$	3,958	\$ 17,12	1	\$ 24,914
Liabilities												
Accounts payable and accrued expenses	\$ -	\$	3,739	\$ 1,	363	\$	-	\$	-	\$	- :	\$
Due to other funds	-		406	56,	009		85,097		-		-	4,200
Due to other governmental units	-		-		-		-		-		-	
Unearned revenue	-		-		-		-		-		-	
Total liabilities	-		4,145	57,	372		85,097		-		-	4,200
Fund balances												
Restricted	-		17,527	35,	340		-		3,958	17,12	1	20,714
Committed	-		-		-		-		-		-	
Assigned	-		-		-		-		-		-	
Unassigned			-		-		(24,102)		-		-	
Total fund balances	-		17,527	35,	340		(24,102)		3,958	17,12	1	20,714
Total liabilities and fund balances	\$ -	\$	21,672	\$ 92.	712	Ś	60,995	Ś	3,958	\$ 17,12	1	\$ 24,914

Page 5 of 7 Washington County, Florida Combining Balance Sheet Nonmajor Governmental Funds

				Special Revenu	e Funds			
	Article V Technology	Sixty-Five lar Surcharge	EMPA Grant	Probation	Kirkland Road	Recreational Facilities	Boat Ramp Fund	Wilderness Road
Assets								
Cash and cash equivalents	\$ _	\$ -	\$ -	\$ - \$	-	\$ -	\$ 62,015	\$ -
Restricted cash and cash equivalents	40,590	241,235	104,343	136,849	-	-	-	1
Accounts receivable, net	_	-	-	-	-	-	-	-
Due from agency funds	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	9,975	98	2	-	-
Due from other governmental units	2,310	1,860	17,690	9,847	-	336	572	-
Prepaid expenses	-	-	-	-	-	-	-	-
Total assets	\$ 42,900	\$ 243,095	\$ 122,033	\$ 156,671 \$	98	\$ 338	\$ 62,587	\$ 1
Liabilities								
Accounts payable and accrued expenses	\$ _	\$ 1,366	\$ 6,437	\$ 3,361 \$	-	\$ -	\$ -	\$ -
Due to other funds	2,241	-	86,792	342	-	-	-	-
Due to other governmental units	-	-	-	-	-	-	-	-
Unearned revenue	-	-		-	-	-	-	-
Total liabilities	2,241	1,366	93,229	3,703	-	-	-	-
Fund balances								
Restricted	40,659	241,729	-	152,968	98	-	-	1
Committed	-	-	28,804	-	-	-	62,587	-
Assigned	-	-	-	-	-	338	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	40,659	241,729	28,804	152,968	98	338	62,587	1
Total liabilities and fund balances	\$ 42,900	\$ 243,095	\$ 122,033	\$ 156,671 \$	98	\$ 338	\$ 62,587	\$ 1

Page 6 of 7 Washington County, Florida Combining Balance Sheet Nonmajor Governmental Funds

						Spe	ecia	l Revenue Fund	ls				
	С	Building Department		Homeland Security		EMS Impact Fees		2010 Homeland Security		Culpepper Landing	South Boulevard Sidewalk	Mo	blic Records odernization Trust Fund
Assets													
Cash and cash equivalents	\$	43,910	\$	-	\$	-	\$	-	\$	-	\$ -	\$	-
Restricted cash and cash equivalents		-		46,096		2,864		-		-	-		49,124
Accounts receivable, net		-		-		-		-		-	-		-
Due from agency funds		-		-		-		-		-	-		-
Due from other funds		-		-		-		-		-	-		-
Due from other governmental units		1,647		-		-		866		15,200	7,108		-
Prepaid expenses		-		-		-		-		-	-		-
Total assets	\$	45,557	\$	46,096	\$	2,864	\$	866	\$	15,200	\$ 7,108	\$	49,124
Liabilities													
Accounts payable and accrued expenses	\$	6,879	\$	6,649	\$	-	\$	-	\$	5,700	\$ 630	\$	4,311
Due to other funds		3,196		-		-		866		9,500	6,478		17,118
Due to other governmental units		-		-		-		-		-	-		-
Unearned revenue		-		-		-		-		-	-		
Total liabilities		10,075		6,649		-		866		15,200	7,108		21,429
Fund balances													
Restricted		-		39,447		2,864		-		-	-		27,695
Committed		35,482		-		-		-		-	-		-
Assigned		-		-		-		-		-	-		-
Unassigned		-		-		-		-		-	=		-
Total fund balances		35,482		39,447		2,864		-		-	-		27,695
Total liabilities and fund balances	\$	45,557	\$	46,096	\$	2,864	\$	866	\$	15,200	\$ 7,108	Ś	49,124

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

September 30, 2018		Sp	ecia	l Revenue Fun	ds		D	ebt Service Funds				
	Law Enforcement Trust Fund II			Highway 79 Corridor	Supervisor of Elections Grant Fund			Series 2009 A & B Debt Service	-	Total Nonmajor Governmental Funds		
Assets												
Cash and cash equivalents	\$	_	Ś	_	\$	_	\$	_	\$	934,605		
Restricted cash and cash equivalents	Ψ	84,810	Ψ	_	Ψ	_	7	_	Ψ	2,012,000		
Accounts receivable, net				_		-		_		146,444		
Due from agency funds		_		_		-		-		1,269		
Due from other funds		_		_		-		-		65,035		
Due from other governmental units		-		4,037		-		-		281,057		
Prepaid expenses		-		-		-		_		17,571		
Total assets	\$	84,810	\$	4,037	\$	-	\$	-	\$	3,457,981		
Liabilities												
Accounts payable and accrued expenses	\$	_	\$	487	Ś	-	\$	-	\$	373,741		
Due to other funds	•	_	•	3,550	•	-	•	-	•	393,004		
Due to agency funds		-		, -		-		-		24		
Due to other governmental units		-		-		-		-		110,667		
Unearned revenue		-		-		-		-		20,200		
Total liabilities		-		4,037		-		-		897,636		
Fund balances												
Restricted		84,810		-				-		1,131,382		
Committed		-		-		-		-		1,125,860		
Assigned		-		-		-		-		127,703		
Unassigned		-		-		-		-		175,400		
Total fund balances		84,810		-		-		-		2,560,345		
Total liabilities and fund balances	\$	84,810	\$	4,037	\$	-	\$	-	\$	3,457,981		

Page 1 of 7

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

For the year ended September 30, 2018

	Special Revenue Funds									
	Public Library Fund	Small Counties Grant Fund	E 911 Fund	Fines & Forfeiture Fund	Fifteen Dollar Surcharge Fund	Kent Road	Obies Street			
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Licenses and permits	· ·	· -	· -	-	· -	-	-			
Intergovernmental	_	_	-	123,499	_	-	-			
Charges for services	_	_	-	441,676	63,814	-	_			
Fines and forfeitures	_	_	_	-	-	_	_			
Grants	246,075	90,909	_	85,413	_	63,896	13,529			
Investment earnings	2.10,075	-	_	-	_	-	10,525			
Other fees and miscellaneous revenues	33,162	38,621	-	-	40	-				
Total revenue	279,237	129,530	-	650,588	63,854	63,896	13,529			
E condition on										
Expenditures										
Current										
General government	-	-	-	-	-	-	-			
Public health and safety	-	-	-	-	-	-	-			
Physical environment	-	176,966	-	-	-	-	-			
Transportation	-	-	-	-	-	-	13,529			
Economic environment	-	-	-	-	-	-	-			
Human services	-	-	-	-	-	-	-			
Culture and recreation	582,129	-	-	-	-	-	-			
Court related	-	-	-	653,617	129,873	-	-			
Capital outlay	9,950	-	-	-	-	63,896	-			
Debt service										
Principal	4,000	-	-	-	-	-	-			
Interest and other charges	7,631	-		-	-					
Total expenditures	603,710	176,966	-	653,617	129,873	63,896	13,529			
Excess (deficiency) of revenues over (under) expenditures	(324,473)	(47,436)	-	(3,029)	(66,019)	-				
Other financing sources										
Transfers in	319,366	39,916	_	3,029	_	_	_			
Transfers out	-	-	(98,366)	-	-	-	-			
Net other financing sources	319,366	39,916	(98,366)	3,029	-	-	-			
Net change in fund balances	(5,107)	(7,520)	(98,366)	-	(66,019)	-	-			
Fund balances - beginning	8,452	39,227	98,366	_	421,218	-	-			
Fund balances - ending	\$ 3,345	\$ 31,707	\$ -	\$ -	\$ 355,199	\$ -	\$ -			

Page 2 of 7

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

For the year ended September 30, 2018

For the year ended September 30, 2018	_		S	pecial Revenue Fund	ds		
	Emergency Medical Service Fund	Municipal Service Business Unit	Fire Operation Fund	Radio Communication Fund	Bonnet Pond Road	Law Enforcement Trust Fund III	Special Projects - Impact
Revenues							
Taxes	\$ -	\$ 458,560	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	=	-	-	=	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	1,247,171	-	-	21,654	-	-	-
Fines and forfeitures	-	-	-	· -	-	-	-
Grants	89,368	_	5,948	_	136,252	_	-
Investment earnings	-	_	-	_	-	_	-
Other fees and miscellaneous revenues	-	2,719	1,856	-	-	-	-
Total revenue	1,336,539	461,279	7,804	21,654	136,252	-	
Expenditures							
Current							
General government	_	_	_	_	_	_	_
Public health and safety	1,689,187	_	354,362	24,340	_	_	_
Physical environment	1,005,107		334,302	24,340			
•	_	_	-	_	-	_	2.614
Transportation	-	244.074	-	-	426.252	-	3,614
Economic environment	-	211,074	-	-	136,252	-	-
Human services	-	-	-	-	-	-	-
Culture and recreation	=	-	-	-	-	-	-
Court related	=	-	-	-	-	-	-
Capital outlay	242,941	117,968	6,900	49,529	-	-	-
Debt service							
Principal	22,253	-	-	=	-	-	-
Interest and other charges	2,779	-	-	-	-	-	-
Total expenditures	1,957,160	329,042	361,262	73,869	136,252	-	3,614
Excess (deficiency) of revenues over (under) expenditures	(620,621)	132,237	(353,458)	(52,215)	-	-	(3,614
Other financing sources							
Transfers in	429,649	-	414,045	-	-	1,079	-
Transfers out	(12,533)	-	-	_	_	-	-
Installment loan proceeds	117,977	-	-	-	-	-	-
Net other financing sources	535,093	-	414,045	-	-	1,079	-
Net change in fund balances	(85,528)	132,237	60,587	(52,215)	-	1,079	(3,614
Fund balances - beginning	285,030	312,783	393,998	81,736	-	44,825	19,020
Fund balances - ending	\$ 199,502	\$ 445,020	\$ 454,585	\$ 29,521	\$ -	\$ 45,904	\$ 15,406

Page 3 of 7
Washington County, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

For the year ended September	ลก	2012

For the year ended September 30, 2018	Special Revenue Funds								
		orcement and I	Cope Road	Arthropod Control Fund	Choose Life Tag Fund	SAFER Grant	E911	Police Education Fund	
Revenues									
Taxes	\$	- \$	-	\$ -	\$ -	\$ - \$	-	\$ -	
Licenses and permits		-	-	-	-	-	-	-	
Intergovernmental		-	-	12,000	-	-	-	-	
Charges for services		-	-	=	-	-	118,391	4,533	
Fines and forfeitures		-	=	=	-	=	-	=	
Grants		-	127,117	21,850	-	204,830	68,263	-	
Investment earnings		-	-	-	-	-	-	-	
Other fees and miscellaneous revenues		-	-	-	-	-	5,454	-	
Total revenue		-	127,117	33,850	-	204,830	192,108	4,533	
Expenditures									
Current									
General government		-	-	-	-	-	-		
Public health and safety		-	=	=	-	=	152,926		
Physical environment		-	-	-	-	-	, -		
Transportation		-	=	=	-	204,830	-	=	
Economic environment		-	-	-	-	, -	-	-	
Human services		-	-	21,851	-	-	-	-	
Culture and recreation		-	127,117	, -	-	=	-		
Court related		-	· -	=	-	=	-		
Capital outlay		-	-	-	-	-	49,738		
Debt service									
Principal		-	-	-	-	-	-		
Interest and other charges		-	-	-	-	-	-		
Total expenditures		-	127,117	21,851	-	204,830	202,664	-	
Excess (deficiency) of revenues over (under) expenditures		-	-	11,999	-	-	(10,556)	4,533	
Other financing sources									
Transfers in		-	-	-	-	-	107,750	-	
Transfers out		-	-	-	-	-	(6,773)	(4,920	
Net other financing sources		-	-	-	-	-	100,977	(4,920	
Net change in fund balances		-	-	11,999	-	-	90,421	(387	
Fund balances - beginning		421	-	84,624	1,867	-	25	3,146	
Fund balances - ending	\$	421 \$	-	\$ 96,623	\$ 1,867	\$ - \$	90,446	\$ 2,759	

Page 4 of 7
Washington County, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

Special Revenue Funds									
HUD Section 8	Tourist Development Tax	Emergency Management Enhancement	EMPG Grant	Criminal Education Fund	Cost of Incarceration	Crimes Prevention			
\$ -	\$ 93.013	\$ -	\$ -	\$ -	\$ -	Ś			
· -	-	· -		· -	· -	•			
_	_	_	_	_	_				
_	_	_	_	5.079	2.498	9,10			
_	_	_	_	-	-	,			
516.798	_	_	41.569	_	_				
-	_	-	.2,505	_	_				
-	-	-	-	-	-	-			
516,798	93,013	-	41,569	5,079	2,498	9,109			
-	_	-	-	-	-				
-	_	44,442	-	-	-				
-	-	· -	-	-	-				
-	-	_	-	-	-				
516,798	98,683	-	41,569	-	-				
	· -	-	· -	-	-				
-	-	-	-	-	-				
-	-	_	-	-	-				
-	-	38,451	-	-	-				
		,							
-	-	_	-	-	-				
-		-			-				
516,798	98,683	82,893	41,569	-	-				
-	(5,670)	(82,893)		5,079	2,498	9,109			
-	_	61.675	-	_	_				
-	-	-	-	(4,867)	-	(4,200			
		61,675		(4,867)		(4,200			
	\$ 516,798 516,798	\$ 93,013	Name	HUD Section 8 Tourist Development Tax Management Enhancement EMPG Grant \$ 93,013 \$ \$ \$ 93,013 \$ \$ \$ 16,798 \$ \$ \$ 16,798 \$ 93,013 \$ \$ \$ 16,798 \$ 93,013 \$ \$ \$ 16,798 \$ 98,683 \$ \$ \$ 16,798 \$ 98,683 \$ \$ \$ 16,798 \$ 98,683 \$ \$ \$ 16,798 \$ 98,683 \$ \$ \$ 16,798 \$ 98,683 \$ \$ \$ 16,798 \$ 98,683 \$ \$ \$ 16,798 \$ 98,683 \$ \$ \$ 16,798 \$ 98,683 \$ \$ \$ 16,798 \$ 98,683 \$ \$ \$ 16,675 \$ \$ \$ \$ 16,675 \$ \$ \$ \$ 16,675 \$ \$ \$	Name	Name			

(5,670)

23,197

17,527 \$

(21,218)

56,558

35,340 \$

(24,102)

(24,102) \$

212

3,746

3,958 \$

2,498

14,623

17,121 \$

4,909

15,805

20,714

Net change in fund balances

Fund balances - beginning

Fund balances - ending

Page 5 of 7 Washington County, Florida Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

For the year ended September 30, 2018

	Special Revenue Funds									
	Article V Technology	Sixty-Five Dollar Surcharge	EMPA Grant	Probation	Kirkland Road	Recreational Facilities	Boat Ramp Fund	Wilderness Road		
Revenues										
Taxes	\$ -	\$ -	\$ - \$	- \$	-	\$ -	\$ -	\$		
Licenses and permits	=	-	=	-	=	-	=			
Intergovernmental	-	=	-	-	-	=	-			
Charges for services	32,923	25,325	-	107,781	-	=	-			
Fines and forfeitures	-	-	-	-	-	-	-			
Grants	-	-	108,229	-	232,509	-	-			
Investment earnings	-	-	-	-	-	-	-			
Other fees and miscellaneous revenues	-	-	-	-	56,411	-	8,161			
Total revenue	32,923	25,325	108,229	107,781	288,920	-	8,161			
Expenditures										
Current										
General government	_	_	108,229	_	_	_	_			
Public health and safety	_	_	100,223	_	_	_	_			
Physical environment	_	_	_	_	_	_	_			
Transportation	_	_	_	_	288,822	_	_			
Economic environment	_	_		_	200,022	_	_			
Human services	_	_		_	_	_	_			
Culture and recreation										
Court related	15,992	10,805		102,236		_				
Capital outlay	13,332	10,803	_	102,230	_	_	_			
Debt service	_	_	-	_	_	_	_			
Principal										
Interest and other charges	-	- -	-	-	-	-	-			
	15.003	10.005	100 220	102.226	200.022					
Total expenditures	15,992	10,805	108,229	102,236	288,822		-			
Excess (deficiency) of revenues over (under) expenditures	16,931	14,520	=	5,545	98	-	8,161			
Other financing sources										
Transfers in	-	-	-	-	-	=	-			
Transfers out	-	-	-	-	-	-	-			
Net other financing sources	-	-	-	=	-	-	-			
Net change in fund balances	16,931	14,520	-	5,545	98	-	8,161			
Fund balances - beginning	23,728	227,209	28,804	147,423	-	338	54,426	:		
Fund balances - ending	\$ 40,659	\$ 241,729	\$ 28,804 \$	152,968	\$ 98	\$ 338	\$ 62,587	\$		

Page 6 of 7 Washington County, Florida **Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds**

For the	vear endea	September	· 30. 2018	3

For the year enaea september 30, 2018			S	pecial Revenue Fund	s		
	Building Department	Homeland Security	EMS Impact Fees	2010 Homeland Security	Culpepper Landing	South Boulevard Sidewalk	Public Records Modernization Trust Fund
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ - !	\$ -	\$ -
Licenses and permits	129,558	-	1,044	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	=	76,929	-	-	=	-	42,378
Fines and forfeitures	=	-	-	-	=	-	=
Grants	-	-	-	-	15,200	328,929	-
Investment earnings	-	131	-	_	-	-	16
Other fees and miscellaneous revenues	604	477	-	-	-	1,081	-
Total revenue	130,162	77,537	1,044	-	15,200	330,010	42,394
Expenditures							
Current							
General government	_	_	_	_	_	_	_
Public health and safety	173,294	77,757	_	_	_	_	_
Physical environment	173,234	77,737	_		_		_
Transportation							
Economic environment		-	-	_		_	_
Human services	_	_	_	_	_	_	_
Culture and recreation	-	-	-	-	-	-	-
Court related	-	-	-	-	-	-	16.072
	-	-	-	-	15,200	330,011	16,873 21,604
Capital outlay Debt service	-	-	-	-	15,200	330,011	21,604
Principal Interest and other charges	-	-	-	-	-	-	-
interest and other charges							
Total expenditures	173,294	77,757	-	-	15,200	330,011	38,477
Excess (deficiency) of revenues over (under) expenditures	(43,132)	(220)	1,044	-	-	(1)	3,917
Other financing sources							
Transfers in	40,982	-	-	-	-	-	-
Transfers out	-	(9,169)	-	-	-	=	
Net other financing sources	40,982	(9,169)	-	-	-	-	-
Net change in fund balances	(2,150)	(9,389)	1,044	-	-	(1)	3,917
Fund balances - beginning	37,632	48,836	1,820	-	-	1	23,778
Fund balances - ending	\$ 35,482	\$ 39,447	\$ 2,864	\$ -	\$ - :	\$ -	\$ 27,695

Page 7of 7 Washington County, Florida **Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds**

,					2010
For the	vear i	enaea	Septemi	oer 30	. 2018

Tot the year ended september 30, 2018		Special Revenue Fund	ds	Debt Service Funds	
	Law Enforcement Trust Fund II	Highway 79 Corridor	Supervisor of Elections Grant Fund	Series 2009 A & B Debt Service	Total Nonmajor Governmental Funds
Revenues					
Taxes	\$ -	- \$ -	\$ -	\$ -	\$ 551,573
Licenses and permits	· -		-	-	130,602
Intergovernmental	_	_	_	_	135,499
Charges for services					2,199,261
Fines and forfeitures	_	·	-	-	2,199,201
	-	-		-	2 402 470
Grants	-	-	5,486	-	2,402,170
Investment earnings	-	-	-	-	147
Other fees and miscellaneous revenues	-	4,037	-	-	152,623
Total revenue		4,037	5,486	-	5,571,875
Expenditures					
Current					
General government	_	_	5,613	_	113,842
Public health and safety			3,013		2,516,308
·	_	-	-	-	
Physical environment	-	-	-	-	176,966
Transportation	-	· -	=	-	510,795
Economic environment	-	4,037	-	-	1,008,413
Human services	-	-	-	-	21,851
Culture and recreation	-	-	-	-	709,246
Court related	-	=	-	-	929,396
Capital outlay	-	-	-	-	946,188
Debt service					
Principal	<u>-</u>	_	_	369,291	395,544
Interest and other charges	-		_	138,086	148,496
Total expenditures	-	4,037	5,613	507,377	7,477,045
Excess (deficiency) of revenues over (under) expenditures		<u>-</u>	(127)	(507,377)	(1,905,170)
Other financing sources					
Transfers in	63	-	=	497,686	1,915,240
Transfers out		-	-		(140,828)
Net other financing sources	63	-	-	497,686	1,892,389
Net change in fund balances	63	-	(127)	(9,691)	(12,781)
Fund balances - beginning	84,747	·	127	9,691	2,573,126
Fund balances - ending	\$ 84,810	. \$ -	\$ -	\$ -	\$ 2,560,345

Page 1 of 2
Washington County, Florida
Combining Statement of Fiduciary Net Position
Agency Funds

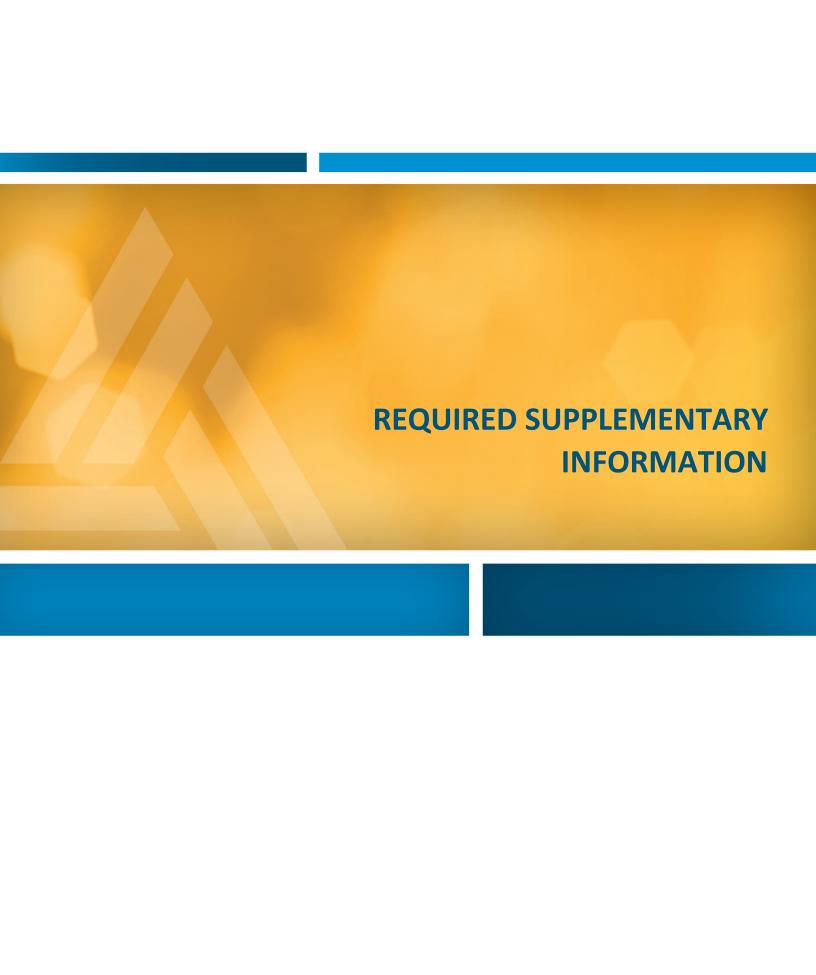
September 30, 2018

				(Clerk of the	Circ	uit Court		
	 General		Child	,	Jury and		Tax	Cash	Registry
	Trust		Support		Witness		Deeds	Bonds	of Court
Assets									
Cash	\$ 108,668	\$	6,035	\$	4,763	\$	57,310	\$ 73,738	\$ 250,333
Due from other funds	-		24		-		-	-	-
Due from others	136		-		_		-	-	
Total assets	\$ 108,804	\$	6,059	\$	4,763	\$	57,310	\$ 73,738	\$ 250,333
Liabilities									
Due to others	\$ 108,456	\$	4,850	\$	4,763	\$	57,310	\$ 73,685	\$ 250,127
Due to other funds	 348	•	1,209		-	•	-	 53	 206
Total liabilities	\$ 108,804	\$	6,059	\$	4,763	\$	57,310	\$ 73,738	\$ 250,333

Page 2 of 2
Washington County, Florida
Combining Statement of Fiduciary Net Position
Agency Funds

September 30, 2018

	(Clerk		Sheriff						
	Depe	Dependency		nmate						
	Me	diation	We	fare Trust		Escrow		Tag	Tax	Total
Assets										
Cash	\$	2,376	\$	37,422	\$	176,680	\$	52 \$	17,877	\$ 735,254
Due from other funds		-		-		-		-	-	24
Due from others		-		-		-		27	-	163
Total assets	\$	2,376	\$	37,422	\$	176,680	\$	79 \$	17,877	\$ 735,441
Liabilities										
Due to others	\$	2,376	\$	37,422	\$	176,680	\$	79 \$	17,877	\$ 733,625
Due to other funds	<u> </u>	-	Ψ	-	· ·	-		- -	-	 1,816
Total liabilities	\$	2,376	\$	37,422	\$	176,680	\$	79 \$	17,877	\$ 735,441



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

		2018		2017		2016		2015		2014		2013
County's proportion of the net pension liability (asset)	0	.039311830%	C).039421864%	(0.037700000%	C	0.035800000%	C	0.034600000%	0	.033900000%
County's proportionate share of the net pension liability (asset)	\$	11,840,927	\$	11,660,723	\$	9,508,368	\$	4,618,120	\$	2,113,210	\$	5,839,069
County's covered payroll	\$	8,297,505	\$	7,956,177	\$	7,837,732	\$	7,571,054	\$	7,380,629	\$	7,361,194
County's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll		142.70%		146.56%		121.32%		61.00%		28.63%		79.32%
FRS Plan fiduciary net position as a percentage of the total pension liability		84.26%		83.89%		84.88%		92.00%		96.09%		N/A

Note: Data was unavailable prior to 2013

Notes to schedules:

The amounts presented for each fiscal year for the FRS were determined as of the measurement date, which was June 30th of the current fiscal year.

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

	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 1,120,355 \$	1,028,157 \$	918,321 \$	871,715 \$	758,641 \$	456,455
Contributions in relation to the contractually required contribution	(1,120,355)	(1,028,157)	(918,321)	(871,715)	(758,641)	(456,455)
Contribution deficiency (excess)	\$ - \$	- \$	- \$	- \$	- \$	
County's covered payroll	\$ 8,251,801 \$	7,956,177 \$	7,837,732 \$	7,571,054 \$	7,380,629 \$	7,361,194
Contributions as a percentage of covered payroll	13.58%	12.92%	11.72%	11.51%	10.28%	6.20%

Notes to schedules:

The amounts presented for each fiscal year for the FRS were determined as of the measurement date, which was June 30th of the current fiscal year.

Washington County, Florida Schedule of Proportionate Share of Net Pension Liability – HIS Last Six Fiscal Years

		2018		2017		2016		2015		2014		2013
Country's proportion of the not pension liability (asset)	0	.024206707%		0.024003295%	,	0.024000000%	_	0.023300000%	0	.012800000%	,	0.023500000%
County's proportion of the net pension liability (asset)	U	.024206707%	·	1.024003293%		0.024000000%	·	0.023300000%	U	.012800000%		7.023300000%
County's proportionate share of the net pension liability (asset)	\$	2,562,065	\$	2,566,543	\$	2,792,437	\$	2,375,636	\$	2,212,590	\$	2,046,241
County's covered payroll	\$	8,297,505	\$	7,956,177	\$	7,837,732	\$	7,571,054	\$	7,380,629	\$	7,361,194
County's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll		30.88%		32.26%		35.63%		31.38%		29.98%		27.80%
HIS Plan fiduciary net position as a percentage of the total pension liability		2.15%		1.64%		0.97%		0.50%		0.99%		N/A

Note: Data was unavailable prior to 2013

Notes to schedules:

The amounts presented for each fiscal year for the HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

Washington County, Florida Schedule of Contributions – HIS Last Six Fiscal Years

	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 131,274 \$	125,880 \$	122,810 \$	89,045 \$	81,063 \$	76,988
Contributions in relation to the contractually required contribution	(131,274)	(125,880)	(122,810)	(89,045)	(81,063)	(76,988)
Contribution deficiency (excess)	\$ - \$	- \$	- \$	- \$	- \$	_
County's covered payroll	\$ 8,251,801 \$	7,956,177 \$	7,837,732 \$	7,571,054 \$	7,380,629 \$	7,361,194
Contributions as a percentage of covered payroll	1.59%	1.58%	1.57%	1.18%	1.10%	1.05%

Notes to schedules:

The amounts presented for each fiscal year for the HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

Washington County, Florida Schedule of Changes in the Sponsor's Total OPEB Liability and Related Ratios

Reporting Period	9/30/2018
Measurement Period	10/1/2018
	_
Total OPEB Liability	
Service Cost	\$ 26,894
Interest	13,497
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	1,998
Changes of Assumptions	(8,137)
Benefit Payments	(39,002)
Net Change in Total OPEB Liability	(4,750)
Total OPEB Liability - Beginning	404,137
Total OPEB Liability - Ending	\$ 399,387





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the fiduciary funds and the aggregate remaining fund information of Washington County, Florida (the "County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Washington County, Florida's basic financial statements and have issued our report thereon dated May 17, 2019.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency listed as BCC1997-001 described in the accompanying schedule of findings and questioned costs to be a material weakness.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in schedule of findings and questioned costs as BCC2018-003 and BCC2018-004 and in the summary schedule of prior audit findings as items PA2003-003, SH2003-001, SOE2003-003, and TC2003-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the summary of findings and questioned costs at BCC2018-001, BCC2018-002, and BCC2018-005.

We also noted certain other matters that we reported to the management of the County in a separate letter dated May 17, 2019.

Washington County's Response to Findings

Can, Rigge & Ingram, L.L.C.

Washington County, Florida's written response to the findings identified in our audit is described in the accompanying letter. We did not audit the County's response and, accordingly, we express no opinion on it.

Purpose of this Report

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

Marianna, Florida May 17, 2019



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND CHAPTER 10.550 RULES OF THE FLORIDA AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program and State Project

We have audited of Washington County, Florida's (The "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services*' State Projects Compliance Supplement, that could have a direct and material effect on its major federal program and state projects for the year ended September 30, 2018. The County's major federal program and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditors' Responsibility

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

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2018.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.550 Rules of the Florida Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2018-001, 2018-002 and 2018-05, which we considered to be significant deficiencies.

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

Can, Rigge & Ingram, L.L.C.

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 Uniform Guidance and Chapter 10.550, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.

Marianna, Florida May 17, 2019

Page 1 of 4 Washington County, Florida Schedule of Expenditures of Federal Awards And State Financial Assistance

For the	year ended Se	ptember 30, 2018
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Federal Agency			
Pass through entity	Contract/Grant	CFDA/	
Federal Program	Number	CSFA	Expenditures
United States Department of Housing and Urban Development			
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	FL109	14.871	\$ 516,798
Total United States Department of Housing and Urban Developm		14.071	516,798
			0_0,:00
United States Department of Homeland Security, Federal Emergen	cy Management Agency		
Passed through Department of Community Affairs and Florida Div	ision		
of Emergency Management			
Emergency Management Performance Grants (EMPG)	18-FG-7A-02-77-01-176	97.042	41,569
Total EMPG Programs			41,569
Staffing for Adequate Fire and Emergency Response (SAFER)	EMW-2014-FF-00339	97.083	204,831
Total SAFER Grant Program			204,831
			245 400
Total United States Department of Homeland Security			246,400
United States Department of Justice			
Office for Victims of Crime			
Passed through Executive Office of the Governor	VOCA-2016-WASHINGTON		
Crime Victims Assistance - Victims of Crime Act (VOCA)	COUNTYSHERIFF-00906	16.575	42,472
Total Office for Victims of Crime	COONTISTIENT -00900	10.575	42,472
Total office for victims of crime			72,772
United States Department of Justice			
Passed through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grants	2019-JAGC-WASH-1-N2-041	16.738	31,391
Total Department of Law Enforcement			31,391
Total United States Department of Justice			73,863
United States Federal Highway Administration			
Passed through Florida Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction			
Federal-Aid Highway Program-LAP-Sidewalk	G0K20/438135-2-68-01	20.205	307,729
Federal-Aid Highway Program-LAP-Sidewalk	G0K10/440732-1-38-01	20.205	21,200
Total United States Federal Highway Administration			328,929

Page 2 of 4 Washington County, Florida Schedule of Expenditures of Federal Awards And State Financial Assistance

For the year ended September 30, 2018			
United States Department of Health and Human Services			
Passed through Florida Department of Revenue			
Child Support Enforcement Progrram Title IV Part D (CSE)	CST-67	93.563	85,413
Total United States Department of Health and Human Services			85,413
Election Assistance Commission			
Passed through Florida Department of State			
Help America Vote Requirements Payment -			
Albert Network Monitoring Solutions	19.E.AN.000.031	90.401	9,420
Help America Vote Requirements Payment - Election Security	MOA-2018-2019-001	90.401	12,720
Help America Vote Requirements Payment - Ballot of Demand	MOA-2016-2017-0001-WAS	90.401	5,613
Total Help American Vote Requirements Payments			27,753
Total Election Assistance Commission			27,753
Heitad Chata Danatara ta f Aminakana Office of Farant Camina			
United States Department of Agriculture, Office of Forest Service			
Cooperative Forestry Assistance Program - Fire	\/FA000	10.664	2.650
Services - Sunny Hills	VFA889	10.664	3,650
Cooperative Forestry Assistance Program - Fire Services			
Services - Sunny Hills	VFA910	10.664	2,298
Total United States Department of Agriculture, Office of Forest Se	ervice		5,948
Total ayranditures of Fodoral Ayrands		ė	1 205 104
Total expenditures of Federal Awards		\$	1,285,104

Page 3 of 4 Washington County, Florida Schedule of Expenditures of Federal Awards And State Financial Assistance

For the year ended September 30, 2018 State Financial Assistance	Contract/Grant	CFDA/	
State Program	Number	CSFA	Expenditures
Florida Department of Transportation			
Highway Operations			
Small County Road Assistance Program (SCRAP) - Obies St	438296-1-54-01	55.016	\$ 13,529
Small County Road Assistance Program (SCRAP) - Bonnett Pond Rd	440864-1-54-01	55.016	136,252
Small County Road Assistance Program (SCRAP) - Cope Rd	442432-1-34-01	55.016	127,117
Total Small County Road Assistance Program (SCRAP)			276,898
County Incentive Grant Program (CIGP)	440657-1-54-01	55.008	232,509
Small County Outreach Program (SCOP) - Ken Road	436841-1-A8-01	55.009	63,896
Total Florida Department of Transportation			573,303
Executive Office of the Governor, Division of Emergency Management			
Emergency Management Program			
Emergency Management Preparedness Assistance (EMPA)	18-BG-W9-02-77-01-078	31.063	108,229
Total Executive Office of the Governor, Division of Emergency Manage		31.003	108,229
Total Executive Office of the Governor, Division of Emergency Manage	ment		100,223
Florida Housing Finance Corporation			
Florida Housing Finance Corporation Program			
State Housing Initiatives Partnership Program (SHIP)	N/A	40.901	321,379
Total Florida Housing Finance Corporation			321,379
Florida Department of Environmental Protection			
Waste Management Program			
Small County Grants	SC-833	37.012	90,909
Total Florida Department of Environmental Protection			90,909
Florida Department of State and Secretary of State			
Library and Information Services Program			
State Aid to Libraries	18-ST-90	45.030	243,236
Total Florida Department of State and Secretary of State	200.00	.5.000	243,236
			•
Florida Department of Management Services			
Technology Program			
E911 State Grant Program - E911 Maintenance	17-11-22	72.002	29,204
E911 State Grant Program - E911 Maintenance	18-04-32	72.002	33,413
E911 State Grant Program - E911 Maintenance	17-04-24	72.002	5,646
Total Florida Department of Management Services			68,263
Florida Department of Agriculture and Consumer Services			
Consumer Protection			
Mosquito Control	na	42.003	21,850
Total Florida Department of Agriculture and Consumer Services	na	42.003	21,850

Page 4 of 4 Washington County, Florida Schedule of Expenditures of Federal Awards And State Financial Assistance

For the year ended September 30, 2018			
Fish and Wildlife Conservation Commission			
Law Enforcement			
Florida Boating Improvement Program	17210	77.006	15,200
Total Fish and Wildlife Conservation Committee			15,200
Florida Department of Health			
Community Public Health			
County Grant Awards	C6067	64.005	1,618
Emergency Medical Services (EMS) Matching Awards	M5021	64.003	87,750
Total Florida Department of Health			89,368
Total Expenditures of State Financial Assistance			1,531,737
Total Expenditures of Federal Awards and State Financial Assistance		\$	2,816,841

Note: The County passed funds from the Florida Housing Finance Corporation's State Housing Initiative Program to West Florida Regional Planning Council, a subrecipient, in the amount of \$321,379.

Washington County, Florida Notes to Schedule of Expenditures of Federal Award Programs And State Financial Assistance Projects For the year ended September 30, 2018

NOTE 1 - BASIS OF ACCOUNTING

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

NOTE 2 - REPORTING ENTITY

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

NOTE 3 - PASS-THROUGH AWARDS

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

NOTE 4 - INDIRECT COST

The County has not elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5 – OTHER TYPES OF FINANCIAL ASSISTANCE

There were no other types of financial assistance to include endowments, insurance in effect, non-cash assistance, donated property, or free rent received or included in the schedule of expenditures of federal awards and state financial assistance.

A. SUMMARY OF AUDIT RESULTS

- 1. The Independent Auditors' Report expresses a qualified opinion on the financial statements of Washington County, Florida.
- 2. Material weaknesses and significant deficiencies disclosed during the audit of the financial statements are reported in the "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." The finding listed as BCC1997-001 is a material weaknesses. In addition, the findings listed as BCC2018-003, BCC2018-004, PA2003-003, SH2003-001, SOE2003-003 and TC2003-003 are significant deficiencies.
- 3. No instances of noncompliance material to the financial statements of Washington County, Florida, Board of County Commissioners were disclosed during the audit.
- 4. Significant deficiencies relating to the audit of the major federal award program and state financial assistance projects are reported in the "Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550 Rules of the Auditor General."
- 5. The "Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550 Rules of the Florida Auditor General" for Washington County, Florida expresses an unmodified opinion.
- 6. Audit findings relative to the major federal award programs and state financial assistance projects for Washington County, Florida are reported in this schedule.
- 7. The programs/projects tested as major programs/projects included the following:

Federal Programs	CFDA No.
United States Federal Highway Administration	
Highway Planning and Construction Cluster	20.205
Department of Homeland Security	
Staffing for Adequate Fire & Emergency Response	97.083

A. SUMMARY OF AUDIT RESULTS (CONTINUED)

State Program	CSFA No.
Florida Department of Transportation	
Highway Operations - County Incentive Grant Program	55.008
Florida Housing Finance Corporation	
State Housing Initiatives Partnership Program (SHIP)	40.901
Department of State and Secretary of State	
Library and Information Services	45.030

- 8. The threshold for distinguishing Type A and Type B programs/projects was \$750,000 for major federal award programs and \$300,000 for major state financial assistance projects.
- 9. Washington County, Florida did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

INVENTORY, FINDING BCC2018-003

CRITERIA: All material assets should be reported on the financial statements.

CONDITION: Inventory of fuel, parts, and supplies in the Transportation fund totaling \$123,954 was not recorded at September 30, 2017.

CAUSE: Inventory balances have not been material in previous years causing it to be overlooked once the balance became material.

EFFECT: Assets were understated.

RECOMMENDATION: Inventory balances should be recorded and adjusted to actual each year.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 93.

LEASE-PURCHASE OF EQUIPMENT, FINDING BCC2018-004

CRITERIA: The purchase of fixed assets under a lease-purchase financial arrangement should be recorded at the gross purchase price with a corresponding liability based on the conditions of the lease.

CONDITION: Equipment purchased through lease-purchase financing arrangements was not properly recorded. Payments on this debt were not properly charged to principal and interest.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

LEASE-PURCHASE OF EQUIPMENT, FINDING BCC2018-004 (CONTINUED)

CAUSE: Accounting staff was unfamiliar with the requirements related to recording lease-purchase transactions.

EFFECT: The expenditures for capital outlay and related liabilities were understated and payments were not properly recorded to principal and interest.

RECOMMENDATION: All lease-purchase debt and related capital outlay should be properly recorded and payments changed to principal and interest.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 93.

CAPITAL ASSETS RECORDS, FINDING BCC1997-001

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

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

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

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

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

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

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 93.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

NEED FOR SEGREGATION OF DUTIES, SH2003-001

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

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

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

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

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

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 93.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

NEED FOR SEGREGATION OF DUTIES, SH2003-001 (CONTINUED)

STATUS: This condition continues to exist.

NEED FOR SEGREGATION OF DUTIES, PA2003-003

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

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

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

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

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

STATUS: This condition continues to exist.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 93.

NEED FOR SEGREGATION OF DUTIES, SOE 2003-003

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

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

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

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

NEED FOR SEGREGATION OF DUTIES, SOE 2003-003 (CONTINUED)

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

STATUS: This condition continues to exist.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 93.

NEED FOR SEGREGATION OF DUTIES, TC2003-003

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

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

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

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

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

STATUS: This condition continues to exist.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 93.

C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AND STATE PROJECTS

BCC2018-001 - ALLOWABLE COSTS - COMPLIANCE AND CONTROLS

STATE AGENCY: FLORIDA HOUSING FINANCE CORPORATION

PROJECT: STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM (SHIP) 40.901

FINDING TYPE: SIGNIFICANT DEFICIENCY

QUESTIONED COST: \$61

CRITERIA: Costs should be reviewed and approved and only costs noted as allowed under State Housing Initiatives Partnership Program (SHIP) Rules, Chapter 67-37.007(7) Florida Administrative Code, should be charged to program.

CONDITION: There was an invoice for \$61 for a gift card charged to this program that is not an allowable cost. The population of cost for testing in this area was a total of six, two were selected for testing with the one exception noted above. This was not a statistically valid sample.

CAUSE: The personnel administering the program approved the cost in error due to lack of knowledge related to allowable costs under the program.

EFFECT: The application of costs to the program led to noncompliance with the requirements of the state project.PG

RECOMMENDATION: We recommend that all costs be reviewed and compared to allowable costs per SHIP Rules; and the costs be approved by personnel with knowledge of the allowable costs under this state project.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 93.

BCC2018-002 - ALLOWABLE COSTS - COMPLIANCE AND CONTROLS

STATE AGENCY: FLORIDA HOUSING FINANCE CORPORATION

PROJECT: STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM (SHIP) 40.901

FINDING TYPE: SIGNIFICANT DEFICIENCY

QUESTIONED COST: \$5,000

CRITERIA: Costs charged should be reviewed and agreed to contracted amounts as noted in West Florida Regional Planning Council (WFRPC) and Washington County, Florida Agreement for services to be performed by WFRPC dated April 19, 2017.

C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AND STATE PROJECTS (CONTINUED)

BCC2018-002 – ALLOWABLE COSTS – COMPLIANCE AND CONTROLS (CONTINUED)

STATE AGENCY: FLORIDA HOUSING FINANCE CORPORATION

PROJECT: STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM (SHIP) 40.901

FINDING TYPE: SIGNIFICANT DEFICIENCY

QUESTIONED COST: \$5,000

CONDITION: The amount charged of \$2,000 for fees by WFRPC exceeded the contracted amount of \$1,500 per applicant. The total amount overcharged for the year ended September 30, 2018 is \$5,000. The population of costs for testing in this area was a total of nineteen, six were selected for testing. This was not a statistically valid sample.

CAUSE: An agreement was reached between the parties to increase the cap from \$1,500 to \$2,000. However, neither party is able to provide a copy of this agreement.

EFFECT: The use of costs in excess of the Agreement resulted in noncompliance with allowable costs under the requirements of the state project.

RECOMMENDATION: We recommend that all costs charged to Programs agree with contractual amounts and all changes to contracts be in writing.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 93.

BCC2018-005 – ALLOWABLE COSTS – COMPLIANCE AND CONTROLS

STATE AGENCY: FLORIDA HOUSING FINANCE CORPORATION

PROJECT: STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM (SHIP) 40.901

FINDING TYPE: SIGNIFICANT DEFICIENCY

QUESTIONED COST: NONE

CRITERIA: Sub-recipients should be monitored to insure compliance of all SHIP funded activities.

CONDITION: The County does not monitor or oversee the administration of the SHIP program application process to ensure only eligible applicants are admitted and that eligible applicants are not improperly excluded; to insure that process for moving applicants through wait list to completion are in compliance with LHAP; and that computation of income level is in compliance with LHAP and SHIP Rules/Florida Statutes. This was not a statistically valid sample.

BCC2018-005 - ALLOWABLE COSTS - COMPLIANCE AND CONTROLS (CONTINUED)

STATE AGENCY: FLORIDA HOUSING FINANCE CORPORATION

PROJECT: STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM (SHIP) 40.901

FINDING TYPE: SIGNIFICANT DEFICIENCY

QUESTIONED COST: NONE

CAUSE: The County does not have the staff available to monitor West Florida Regional Planning Council due to size as well as due to distance of West Florida Regional Planning Council offices nor do they have staff with knowledge and experience to monitor or administer program. However, the County accepts the monitoring provided by Florida Finance Housing Corporation and is involved in the resolution to findings. The County also is responsible for making payments related to the program, submitting payments to vendors based on supporting documents and requests for payments remitted to them from West Florida Regional Planning Council.

EFFECT: Non-compliance related to sub-recipient monitoring could result in loss of program income to the County should any significantly material non-compliance result from West Florida Regional Planning Council's administration of program due to error, lack of knowledge or fraud.

RECOMMENDATION: We recommend the County make additional inquiries related to the program during the year to ensure compliance related to issues noted in this audit as well as in monitoring, as performed by Florida Finance Housing Corporation, to ensure changes discussed through corrective action plan are indeed implemented.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 93.

Washington County, Florida Summary Schedule of Prior Audit Findings For the year ended September 30, 2018

D. PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS

BANK ACCOUNT RECONCILIATIONS, CC 2017-001 - RESOLVED

CRITERIA: Bank accounts should be reconciled and agreed to the recorded balances on a timely basis. All reconciling items should be reviewed for proper recording, particular attention should be given to outstanding items between accounts.

CONDITION: Outstanding items between accounts and checks written but unreleased were not accurately recorded, resulting in the understatement of balances in the trust accounts totaling approximately \$388,000.

CAUSE: Accounting staff overlooked the transfers and held checks in preparing bank reconciliations at year end.

EFFECT: Bank account balances and related liabilities were significantly understated.

RECOMMENDATION: All significant balances should be reconciled each month, including bank accounts and outstanding liabilities. All reconciling items should be reviewed for proper recording, particular attention should be given to outstanding items between accounts.

STATUS: This condition was resolved in the current year.

FINANCIAL REPORTING, CC 2017-002 - RESOLVED

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

CONDITION: Certain expenditure accounts were initially recorded as assets on the balance sheet rather than as expenditures.

CAUSE: New items added to the chart of accounts were not properly entered into the trial balance software, causing them to be misclassified at close out.

EFFECT: Expenditures were understated and the liability to the board was misstated at year end. Spending in excess of budgeted amounts was not detected until after year end, budgets were not properly amended and repayments to the board were not made timely.

Washington County, Florida Summary Schedule of Prior Audit Findings For the year ended September 30, 2018

D. PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)

FINANCIAL REPORTING, CC 2017-002 - RESOLVED (CONTINUED)

RECOMMENDATION: Financial reports should be reconciled to supporting documentation for all significant accounts. Operating results should be monitored for budgetary compliance and accuracy. Budget amendments should be made on a timely basis, as needed. All reports should be carefully reviewed for mathematical accuracy after any changes to the chart of accounts to insure proper recording.

STATUS: This condition was resolved in the current year.

MAJOR FEDERAL PROGRAMS AND STATE PROJECTS

No prior year findings related to major federal programs or state projects.



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

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

(850) 526-3207 (850) 526-5322 (fax) www.cricpa.com

INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Washington County, Florida (the "County") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 17, 2019. That report has a modified opinion.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance For Each Major Federal Program and State Project and on Internal Control over Compliance Required By Uniform Guidance and Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; Independent Accountants' Report on an examination conducted in accordance with *AICPA Profession Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 17, 2019, 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 significant findings and recommendations made in the preceding annual financial audit report except as noted under the heading "Schedule of Findings and Questioned Costs."

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we have no recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but, which warrants the attention of those charges with governance. We noted certain instances of noncompliance that we reported to the management of the County in a separate letter dated May 17, 2019.

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

Can, Rigge & Ingram, L.L.C.

Purpose of this Letter

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

Marianna, Florida May 17, 2019



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

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

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

(850) 526-3207 (850) 526-5322 (fax) www.cricpa.com

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

We have examined Washington County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2018. Management is responsible for the Washington County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Washington County, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about the County's 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 our examination provides 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 Washington County, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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.

Marianna, Florida May 17, 2019

Can, Rigge & Ingram, L.L.C.

LORA C. BELL

Clerk of Court and Comptroller

Washington County, Florida | Fourteenth Judicial Circuit



May 13, 2018

To whom it may concern:

I am in receipt of the audit report for the Washington County, Florida, Board of County Commissioners, for the fiscal year ending September 30, 2018, and offer my response to the audit findings noted in the Independent Auditors' Report on Internal Control Over Financial Reporting and the Schedule of Findings and Questioned Costs. Accordingly, the following comments are provided.

BCC 1997-001 - Capital Assets Records:

The County has designated an employee to take an inventory of all County-owned property and much progress has been made in this area. Establishing such records, while not impossible, is a very significant undertaking for a small rural County with limited resources. Compiling a list of the assets owned by the County, and determining a cost or estimated historical cost, has required much time and effort. Nonetheless, we are committed to seeing this project to its completion. We do expect that this audit finding will remain until we complete our work in this area.

BCC 2018-003 - Inventory:

This finding resulted from the failure to record the cost of fuel, parts and supplies on hand in inventory at year-end as an asset. These cost are associated with the Transportation fund, and the County has recorded these costs as an operating expense for many years believing the amount held in inventory at any given time was not material to their overall financial position. The Independent auditors have asserted that these costs have now increased to such levels as to warrant inclusion as an asset on the County's Balance Sheet. As such, we are currently in the process of developing adequate accounting procedures to compute and record the amount held in inventory at the end of each fiscal year.

BCC 2018-004 - Lease-Purchase of Equipment:

This finding relates to the recording of a transaction that is considered both infrequent and technical in nature. We are in the process of providing additional training to the appropriate staff so that such purchases of assets under "lease-purchase" arrangements in the future will be properly recorded.

A Public Office is a Public Trust

Office Location: 1331 South Boulevard Chipley, FL 32428 Mailing Address: Post Office Box 647 Chipley, FL 32428-0647 Telephone: 850-638-6285 Fax: 850-638-6288 Ibell@washingtonclerk.com www.washingtonclerk.com

BCC 2018-001, 2018-002, & 2018-005:

These three items are discussed together as they all relate to the State Housing Initiative Partnership Program (SHIP). The County does not have the resources to exercise proper Administration of this program. As such, a contract was executed with the West Florida Regional Planning Council to provide these services and it is believed that the finding noted in comment 2018-001 is isolated in nature and not an indication of a systemic failure on the part of the County or the Planning Council. It is acknowledged that the item noted in comment 2018-002 was due to a failure to properly document a modification to an agreement for services, and additional procedures are being developed to ensure future compliance with such matters. The item noted in comment 2018-005 was due to a lack of follow up with West Florida Regional Planning Council to ensure a finding from another agency's monitoring was corrected. We will ensure any findings are corrected in a timely manner in the future.

Respectfully submitted,

Honorable Lora Bell, Clerk of Court

Washington County



KEVIN CREWS, Sheriff washington county

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

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

Dear Sirs/Madam:

Please accept this letter in response to the Independent Auditor's Report to management included in the audit report for the Washington County Sheriff's Office for the fiscal year September 30, 2018.

Due to the size of the office and the daily workload we are limited in personnel to currently assist in the duties of the finance department, however, we will continue to monitor the responsibilities of the Finance Clerks to ensure that all procedures are adhered to. This condition is being corrected.

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

Sincerely,

Kevin Crews

Sheriff, Washington County



Fax: (850) 638-6027

GIL CARTER, CFA WASHINGTON COUNTY PROPERTY APPRAISER

1331 South Blvd., Suite 300 P. O. Box 695 Chipley, FL 32428



Email: gil.carter a washcofl.com Website: www.washcofl.com.pa

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

To Whom It May Concern:

We are in receipt of the Washington County Property Appraiser's audit report for the fiscal year ended September 30, 2018. In response to the internal control and compliance the following applies:

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

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

Sincerely,

Gil Carter, CFA

Washington County Property Appraiser



Carol Finch Rudd

Supervisor of Elections Washington County Mailing Address: 1331 South Blvd., Suite 900 Chipley, FL 32428

> Telephone No. 850-638-6230

Fax No. 850-638-6238

To Whom it May Concern:

Subject: Washington County, Florida Supervisor of Elections-Management's Response

I am in receipt of the audit report for the Washington County Supervisor of Elections for the fiscal year ending in September 2018. I have reviewed the letter regarding compliance and internal control, the schedule of findings and questioned costs and the management letter. Concerning the items noted, the following applied:

This is a small office with employees who have overlapping job duties. I will continue to ensure there are checks and balances in the daily work and the ledger is balanced on a monthly basis.

If I can be of further assistance, please don't hesitate to contact my office at (850)638-6230.

Sincerely,

Carol F. Rudd

Supervisor of Elections

Revolt Rudd

Washington County, Florida



Main Office Hours

Monday - Friday 8:00am - 4:00pm Ph: (850) 638-6275 Fx: (850) 638-6067

Drivers License Hours

Monday - Friday 8:00am - 3:30pm Ph: (850) 638-6284

To Whom It May Concern:

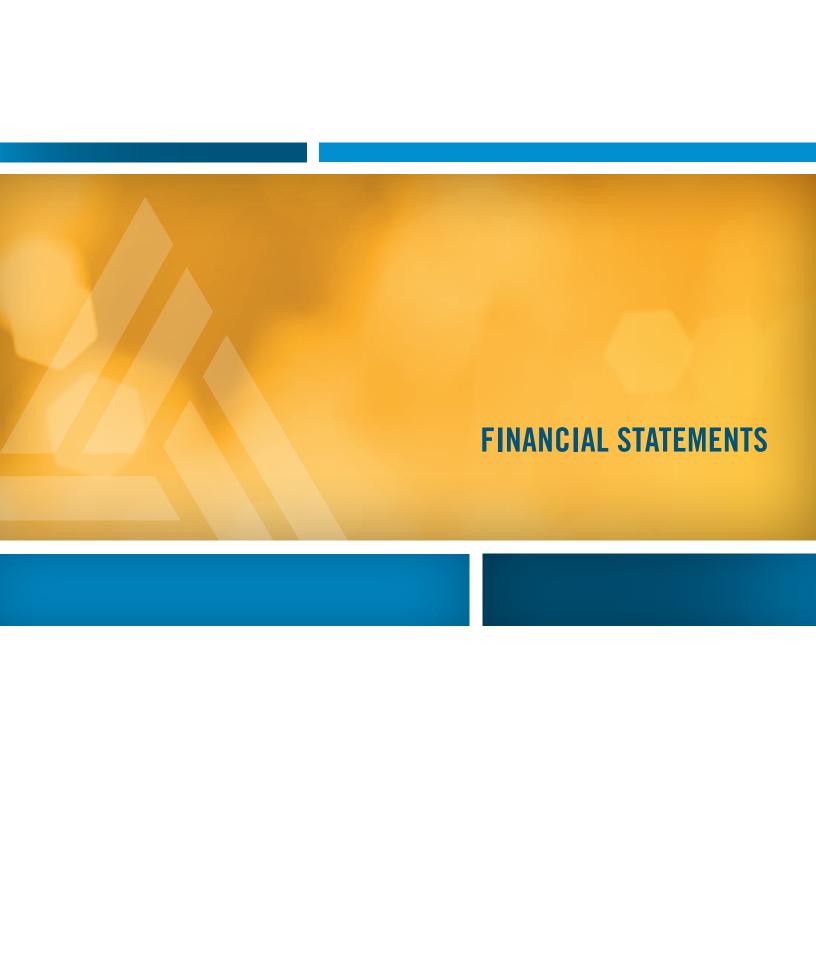
I am in receipt of the audit report for the Washington County, Florida, Tax Collector for the fiscal year ending September 30, 2018. I have reviewed the letter regarding compliance and internal control, the schedule of findings and questioned costs and the management letter. Concerning the items noted, the following apply:

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

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

Sincerely,

Ken Naker, CFC Tax Collector



Washington County, Florida Clerk of the Circuit Court

Financial Statements

September 30, 2018



Washington County, Florida Clerk of the Circuit Court Table of Contents September 30, 2018

REPORT

Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	5
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	6
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Fine and Forfeiture Fund	7
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Public Records Modernization Trust Fund	8
Statement of Fiduciary Net Position - Agency Funds	9
Notes to Financial Statements	10
SUPPLEMENTARY INFORMATION	
Combining Statement of Fiduciary Net Position - Agency Funds	21
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	25
Independent Accountants' Report on Compliance with Section 28.35, Florida Statutes, Florida Clerks of Court Operations Corporation, and Section 28.36, Florida Statutes, <i>Budget Procedure</i>	26
Independent Accountants' Report on Compliance with Section 61.181, Florida Statutes, <i>Depository for Alimony Transactions, Support, Maintenance</i> and Support Payments; Fees	27
Independent Auditors' Management Letter	28





Marianna, FL 32446

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Washington County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the remaining aggregate fund information of the Clerk as of September 30, 2018, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund, Fine and Forfeiture Fund and Public Records Modernization Trust Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Washington County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Clerk's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

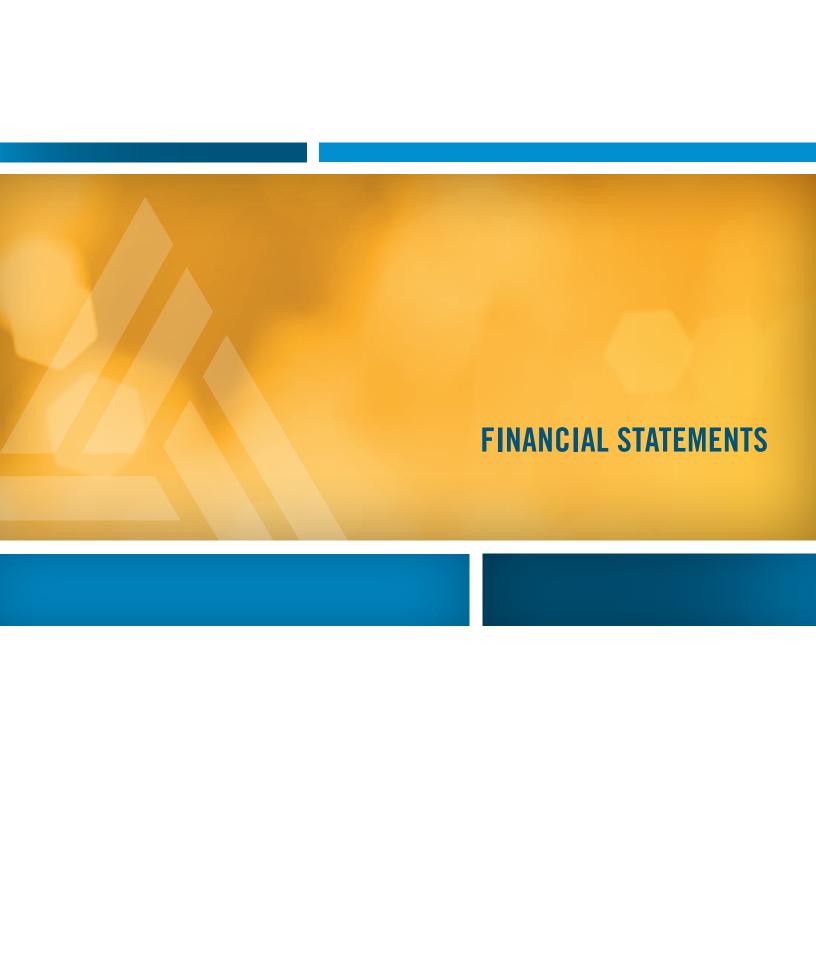
Other Reporting Required by Government Auditing Standards

Can, Rigge & Ingram, L.L.C.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2019 on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Marianna, Florida

April 4, 2019



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

September 30, 2018

	General Fund	Fine and eiture Fund	M	ublic Records odernization Trust Fund	Gov	Total vernmental Funds
Assets						
Cash and cash equivalents	\$ 34,884	\$ 61,625	\$	-	\$	96,509
Restricted cash and cash equivalents	-	-		49,124		49,124
Accounts receivable	-	9,710		-		9,710
Due from other funds	5,579	17,501		-		23,080
Prepaid expenses	10,731	17,571		-		28,302
Total assets	\$ 51,194	\$ 106,407	\$	49,124	\$	206,725
Liabilities						
Accounts payable and accrued expenses	\$ 17,260	\$ 25,656	\$	4,311	\$	47,227
Due to the Board of County Commissioners	30,193	-		-		30,193
Due to other governmental units	-	70,740		-		70,740
Due to other funds	3,741	429		17,118		21,288
Unearned revenue	-	9,582		-		9,582
Total liabilities	51,194	106,407		21,429		179,030
Fund balances						
Restricted	-	-		27,695		27,695
Total fund balances	-	-		27,695		27,695
Total liabilities and fund balances	\$ 51,194	\$ 106,407	\$	49,124	\$	206,725

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

	General Fund	F	Fine and orfeiture Fund	Public Records Modernization Trust Fund	Go	Total vernmental Funds
Revenues						
Grants	\$ -	\$		\$ -	\$	85,413
Intergovernmental	-		123,499	-		123,499
Charges for services	138,966		441,676	42,378		623,020
Investment earnings	259		-	16		275
Other fees and miscellaneous revenues	1,997		-	-		1,997
Total revenues	141,222		650,588	42,394		834,204
Expenditures						
Current						
General government	556,855		-	-		556,855
Court-related	-		653,617	16,873		670,490
Capital outlay						
Court-related	-		-	21,604		21,604
Total expenditures	556,855		653,617	38,477		1,248,949
Excess (deficiency) of revenues over (under) expenditures	(415,633)		(3,029)	3,917		(414,745)
Other financing sources (uses)						
Transfers in	431,855		3,029	-		434,884
Transfers out	(33,222)		<u> </u>	-		(33,222)
Net other financing sources	398,633		3,029	-		401,662
Net change in fund balances	(17,000)		-	3,917		(13,083)
Fund balance - beginning	17,000		-	23,778		40,778
Fund balance - ending	\$ -	\$	-	\$ 27,695	\$	27,695

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

	Original Budget	Final Budget	Actual Amounts	Fin Fa	iance with al Budget avorable favorable)
Revenues					
Charges for services	\$ 125,000	\$ 125,000	\$ 138,966	\$	13,966
Investment earnings	-	-	259		259
Other fees and miscellaneous revenues	-	-	1,997		1,997
Total revenues	125,000	125,000	141,222		16,222
Expenditures					
Current					
General government	556,855	556,855	556,855		-
Total expenditures	556,855	556,855	556,855		
Excess (deficiency) of revenues over (under) expenditures	(431,855)	(431,855)	(415,633)		16,222
Other financing sources (uses)					
Transfers in	431,855	431,855	431,855		_
Transfers out	-	-	(33,222)		(33,222)
Net other financing sources	431,855	431,855	398,633		(33,222)
Net change in fund balance	\$ 	\$ -	\$ (17,000)	\$	(17,000)

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

	Original Budget	Final Budget	Actual Amounts	Fin Fa	iance with al Budget avorable favorable)
Revenues					_
Grants	\$ 90,000	\$ 90,000	\$ 85,413	\$	(4,587)
Intergovernmental	369,057	243,598	123,499		(120,099)
Charges for services	323,870	323,870	441,676		117,806
Total revenues	782,927	657,468	650,588		(6,880)
Expenditures Current					
Court-related Court-related	782,927	657,468	653,617		3,851
Total expenditures	782,927	657,468	653,617		3,851
Excess (deficiency) of revenues over (under) expenditures	-	-	(3,029)		(3,029)
Other financing sources (uses) Transfers in	-	-	3,029		3,029
Net other financing sources	-	-	3,029		3,029
Net change in fund balance	\$ -	\$ -	\$ -	\$	-

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

	Original Budget	Final Budget	Actual Amounts	Fir	riance with nal Budget avorable nfavorable)
Revenues	50.000	F0 000	42.270		(7.622)
Charges for services	\$ 50,000	\$ 50,000	\$ 42,378	\$	(7,622)
Investment earnings			16		16
Total revenues	50,000	50,000	42,394		(7,606)
Expenditures					
Current					
Court-related	20,600	20,600	16,873		3,727
Capital outlay					
Court-related	25,500	25,500	21,604		3,896
Total expenditures	46,100	46,100	38,477		7,623
Excess (deficiency) of revenues over (under) expenditures	3,900	3,900	3,917		17
Other financing sources (uses)					
Transfers out	-	-	-		
Net other financing sources	-	-	-		
Net change in fund balance	\$ 3,900	\$ 3,900	\$ 3,917	\$	17

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

September 30, 2018

	Agency Funds
Assets	
Cash and cash equivalents	\$ 503,223
Due from other funds	24
Due from other governmental units	136
Total assets	\$ 503,383
Liabilities	
Due to other funds	\$ 1,816
Due to others	501,352
Due to other governmental units	215
Total liabilities	\$ 503,383

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Clerk's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Washington County, Florida, that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2018, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

The Clerk also reported the following fund type:

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

Measurement Focus

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

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

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

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

Fund Balance Reporting and Governmental Fund – Type Definitions

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

Cash and Cash Equivalents

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

Capital Assets and Depreciation

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

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

Furniture, machinery, and equipment

3-30 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Compensated Absences

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

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

Budgetary Requirements

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

Due to Others

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

Risk Management and Insurance

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

Management Estimates and Assumptions

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

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

Prepaid Expenses

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenues

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

Interfund Loans and Transfers

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

Impact of Recently Issued Accounting Pronouncements

In Fiscal Year 2018, the Clerk adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"):

- GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75)
- GASB Statement No. 81, Irrevocable Split-Interest Agreements (GASB 81)
- GASB Statement No. 85, Omnibus 2017 (GASB 85)
- GASB Statement No. 86, Certain Debt Extinguishment Issues (GASB 86)

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that is provided to employees of state and local governmental employers through OPEB Plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. GASB 75 replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of GASB 75 had no impact on the Clerk's governmental fund financial statements.

GASB 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the Clerk's financial statement as a result of the implementation of GASB 81.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The adoption of GASB 85 had no impact on the Clerk's current accounting practices nor its financial reporting.

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the Clerk's financial statements as a result of the implementation of GASB 86.

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Clerk upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB		Effective
Statement No.	GASB Accounting Standard	Fiscal Year
83	Certain Asset Retirement Obligations	2019
84	Fiduciary Activities	2020
87	Leases	2021
88	Certain Disclosures Related to Debt, including Direct	
	Borrowings and Direct Placements	2019
89	Accounting for Interest Cost Incurred before the End	
	of a Construction Period	2021
90	Majority Equity Interest an amendment of GASB	
	Statements No. 14 and No. 61	2020

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2018, the carrying amount of the Clerk's deposits was \$648,856 and the bank balance was \$862,914. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositors are assessed additional amounts, they are assessed on a pro-rata basis.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

CREDIT RISK

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

INTEREST RATE RISK

At September 30, 2018, the Clerk did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

As of September 30, 2018, the Clerk did not hold any deposits or investments that were considered to have custodial credit risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2018, the Clerk did not hold any investments that were considered to have concentration of credit risk.

NOTE 3 - EMPLOYEE PENSION PLAN

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

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

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

NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)

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

	10/01/17	07/01/18
	Through	Through
	<u>06/30/18</u>	09/30/18
Regular employees	7.92%	8.26%
Senior management	22.71%	24.06%
Elected county officials' class	45.50%	48.70%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 01, 2017 through September 30, 2018, the total payroll for all covered employees by the System was \$816,935. The retirement contributions for all employees covered by the System for the years ended September 30, 2018, 2017 and 2016 were \$119,466, \$108,955 and \$98,304, respectively, which were the required contributions. For the year ended September 30, 2018, retirement contributions represented 14.62% of covered payroll.

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

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

NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)

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

NOTE 4 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

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

NOTE 5 - COURT RELATED FEES

Based on the legal opinion provided by the Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund liability, Due to Other Governmental Units. As of September 30, 2018, excess court-related funds were \$70,740.

NOTE 6 - COOPERATIVE AGREEMENT

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$85,413.

NOTE 7 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. For the year ended September 30, 2018, excess revenues over expenditures of \$30,193 are accrued and reported as a transfer out.

NOTE 8 – BALANCES DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at September 30, 2018, consist of the following:

Receivable Fund	Payable Fund	Amount
Governmental Funds		
General fund	Fine & Forfeiture	\$405
General fund	Record Modernization	4,626
General fund	Agency Funds	548
Fine & Forfeiture	General fund	12,492
Fine & Forfeiture	Record Modernization	1,980
Fine & Forfeiture	Agency Funds	3,029
Agency Funds	Fine & Forfeiture	24
Total governmental funds		\$23,104

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

NOTE 9 - FUND EQUITY

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Clerk had no non-spendable fund balances at September 30, 2018.

Spendable fund balances are classified based on a hierarchy of the Clerk's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2018, the Clerk reports fund balance as committed and restricted. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. For the year ended September 30, 2018, the Clerk reported \$27,695 in restricted fund balance for the modernization of public records and court-related technology.

NOTE 10-LITIGATION AND CONTINGENT LIABILITIES

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



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

September 30, 2018

		General Trust		Child upport		ury and Vitness		Tax Deeds		Cash Bonds		egistry of Court	•	endency ediation		Total
Assets																
Cash and cash equivalents	\$	108,668	\$	6,035	\$	4,763	\$	57,310	\$	73,738	\$	250,333	\$	2,376	\$	503,223
Due from other governmental units		136		-		-		-		-		-		-		136
Due from other funds		-		24		-		-		-		-		-		24
Total assets	\$	108,804	\$	6,059	\$	4,763	\$	57,310	\$	73,738	\$	250,333	\$	2,376	\$	503,383
Liabilities																
Due to other funds	\$	348	\$	1,209	\$	_	\$	-	\$	53	\$	206	\$	-	\$	1,816
Due to others	•	108,456	·	4,635	•	4,763	·	57,310	·	73,685	·	250,127	•	2,376	·	501,352
Due to other governmental units		-		215		<u> </u>				<u>-</u>		-				215
Total liabilities	\$	108,804	\$	6,059	\$	4,763	\$	57,310	\$	73,738	\$	250,333	\$	2,376	\$	503,383





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Washington County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated April 4, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 out 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.

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

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Bank Account Reconciliations, CC 2017-001 - RESOLVED

CRITERIA: Bank accounts should be reconciled and agreed to the recorded balances on a timely basis. All reconciling items should be reviewed for proper recording, particular attention should be given to outstanding items between accounts.

CONDITION: Outstanding items between accounts and checks written but unreleased were not accurately recorded, resulting in the understatement of balances in the trust accounts totaling approximately \$388,000.

CAUSE: Accounting staff overlooked the transfers and held checks in preparing bank reconciliations at year end.

EFFECT: Bank account balances and related liabilities were significantly understated.

RECOMMENDATION: All significant balances should be reconciled each month, including bank accounts and outstanding liabilities. All reconciling items should be reviewed for proper recording, particular attention should be given to outstanding items between accounts.

STATUS: This condition has been resolved.

Financial Reporting, CC 2017-002 - RESOLVED

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

CONDITION: Existing control activities and procedures did not detect errors in various account balances or errors in the trial balance. Certain expenditure accounts were not reflected as part of the "net change in fund balance" and did not close to fund balance. Bank account balances were not correctly stated at year end.

CAUSE: Accounting staff did not detect errors in the financial reports or individual account balances. New items added to the chart of accounts were not properly entered into the trial balance software, causing them to be misclassified at close out.

EFFECT: Expenditures were understated and the liability to the board was misstated at year end. Spending in excess of budgeted amounts was not detected until after year end, budgets were not properly amended. Bank account balances were incorrectly recorded, repayments to the board were not made timely.

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

Financial Reporting, CC 2017-002 (Continued)

RECOMMENDATION: Financial reports should be reconciled to supporting documentation for all significant accounts. Operating results should be monitored for budgetary compliance and accuracy. Budget amendments should be made on a timely basis, as needed. All reports should be carefully reviewed for mathematical accuracy after any changes to the chart of accounts to insure proper recording.

STATUS: This condition has been resolved.

Can, Rigge & Ingram, L.L.C.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Marianna, Florida April 4, 2019



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

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

We have examined the office of the Washington County, Florida, Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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.

Marianna, Florida April 4, 2019

Can, Rigge & Ingram, L.L.C.



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 28.35, FLORIDA STATUTES, FLORIDA CLERKS OF COURT OPERATIONS CORPORATION, AND SECTION 28.36, FLORIDA STATUTES, BUDGET PROCEDURE

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

We have examined the office of the Washington County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 28.35, Florida Statutes, Florida Clerks of Court Operations Corporation, and Section 28.36, Florida Statutes, Budget Procedure, during the year ended September 30, 2018. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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.

Marianna, Florida

Can, Rigge & Ingram, L.L.C.

April 4, 2019



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES, DEPOSITORY FOR ALIMONY TRANSACTIONS, SUPPORT, MAINTENANCE AND SUPPORT PAYMENTS; FEES

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

We have examined the office of the Washington County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance and Support Payments; Fees* during the year ended September 30, 2018. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk did not comply, in all material respects, with the aforementioned requirements for the year ended September 30, 2018. The specified fees collected were not remitted timely for one out of the 12 months tested.

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.

Marianna, Florida April 4, 2019

Can, Rigge & Ingram, L.L.C.



INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Washington County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2018, and have issued our report thereon dated April 4, 2019.

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;* 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 April 4, 2019, 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. Significant findings and recommendations made in the preceding annual financial audit report have been corrected.

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

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Washington County, Florida, Clerk of the Circuit Court was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Washington County, Florida, Clerk of the Circuit Court.

Financial Condition and Management

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

Additional Matters

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

Purpose of this Letter

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

Marianna, Florida

Can, Rigge & Ingram, L.L.C.

April 4, 2019

Washington County, Florida Sheriff

Financial Statements

September 30, 2018



Washington County, Florida Sheriff Table of Contents September 30, 2018

REPORT

Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Emergency Medical Services Fund	6
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Inmate Welfare Fund	7
Statement of Fiduciary Net Position - Agency Funds	8
Notes to Financial Statements	9
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20
Independent Accountants' report on compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	23
Independent Auditors' Management Letter	24
Management's Response	26





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INDEPENDENT AUDITORS' REPORT

Honorable Kevin Crews Sheriff Washington County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Washington County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Honorable Kevin Crews Sheriff Washington County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and aggregate remaining fund information of the Sheriff as of September 30, 2018, and the respective changes in financial position, where applicable, and the respective budgetary comparisons for the General Fund, Emergency Medical Services Fund and Inmate Welfare Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

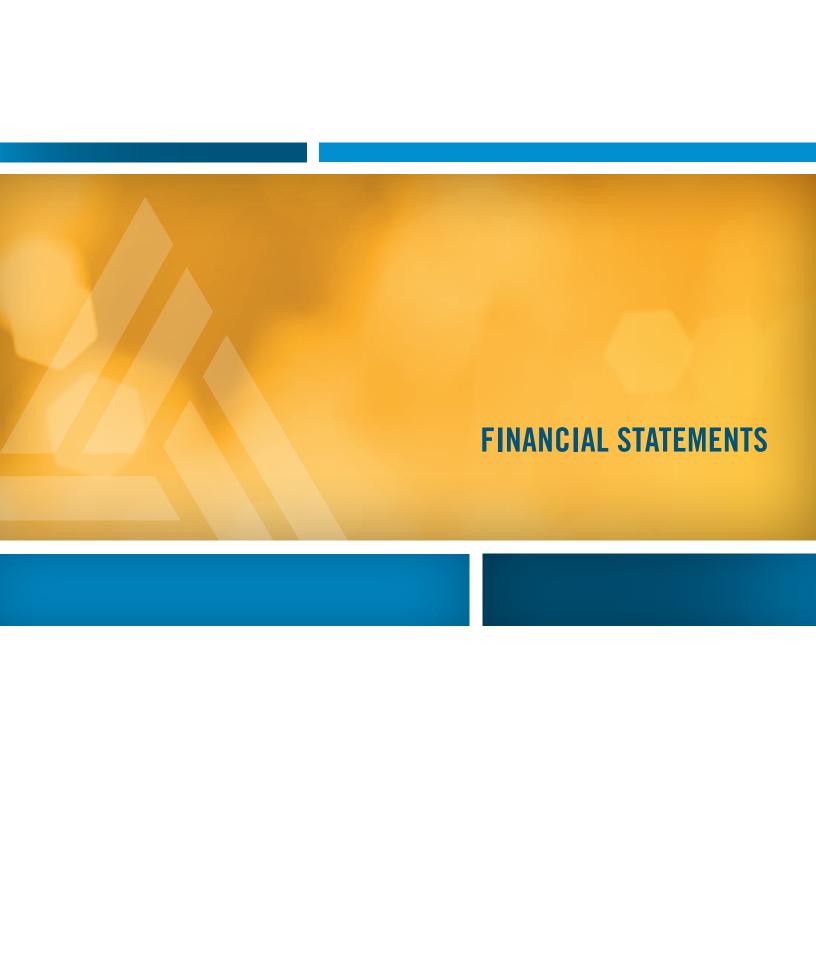
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Washington County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

Can, Rigge & Ingram, L.L.C.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2019 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Marianna, Florida May 1, 2019



Washington County, Florida Sheriff Balance Sheet Governmental Funds

September 30, 2018

		Major funds						ajor Fund	l_																																									
		General Fund	Emergency Medical Services Fund				Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical		Medical			Inmate Welfare Fund	are	Go	Total vernmental Funds	
Assets																																																		
Cash and cash equivalents	\$	48,330	\$	94,707	\$	-	\$	-	\$	143,037																																								
Restricted cash and cash equivalents		8,915		-		46,096		-	=	55,011																																								
Due from other governmental units		68,952		-		-		=	-	68,952																																								
Accounts receivable, net		3,041		146,444		=		-	-	149,485																																								
Due from Board of County Commission		37,690		6,648				-	•	44,338																																								
Total assets	\$	166,928	\$	247,799	\$	46,096	\$	-	\$	460,823																																								
Liabilities																																																		
Accounts payable and accrued expenses	\$	139,926	خ	8,370	ć	6,649	\$		\$	154,945																																								
Due to other governmental units	٦	139,920	٦	39,927	Ą	0,049	Ą	-	٠ ٦	39,927																																								
Due to Board of County Commissioners		18,087		39,927		_			-	18,087																																								
Due to Board of County Commissioners		10,007								10,007																																								
Total liabilities		158,013		48,297		6,649		_	=	212,959																																								
Fund balance																																																		
Unrestricted		_		199,502		_		-		199,502																																								
Restricted		8,915		_		39,447		-	-	48,362																																								
Total fund balance		8,915		199,502		39,447		-	-	247,864																																								
Total liabilities and fund balances	\$	166,928	\$	247,799	\$	46,096	\$	-	\$	460,823																																								

Washington County, Florida Sheriff Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

			Ma	jor Funds			Nonmajor Fund			
			Er	nergency		Inmate				Total
		General	ı	Medical	V	Welfare			Go	vernmental
		Fund	Ser	vices Fund		Fund		E911 Fund		Funds
Revenues										
Intergovernmental	\$	125,000	\$	-	\$	-	\$	-	\$	125,000
Charges for services		340,539		1,247,171		76,929		-		1,664,639
Grants		73,863		89,368		-		=		163,231
Investment earnings		-		-		131		=		131
Other fees and miscellaneous revenues		65,941		-		477		-		66,418
Total revenues		605,343		1,336,539		77,537		-		2,019,419
Expenditures										
Current										
Public safety and health		4,764,636		1,689,187		77,757		_		6,531,580
Capital outlay		203,527		242,941		-		-		446,468
Debt service		•		,						,
Principal		_		22,253		-		-		22,253
Interest		-		2,779		-		-		2,779
Total expenditures		4,968,163		1,957,160		77,757		-		7,003,080
Excess (deficiency) of revenues over (under) expenditures	(4,362,820)		(620,621)		(220)				(4,983,661)
Other financing sources (uses)										
Transfers in		4,365,321		429,649		_		_		4,794,970
Transfers out		(2,444)		(12,533)		(9,169)		(98,366)		(122,512)
Proceeds from long term debt				117,977		-		-		117,977
Net other financing sources (uses)		4,362,877		535,093		(9,169)		(98,366)		4,790,435
Net change in fund balances		57		(85,528)		(9,389)		(98,366)		(193,226)
Fund balances - beginning		8,858		285,030		48,836		98,366		441,090
Fund balance - ending	\$	8,915	\$	199,502	\$	39,447	\$	-	\$	247,864

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

		Original Budget	Final Budget	,	Actual Amounts	F	ariance with Final Budget Favorable Jnfavorable)
Revenues							
Intergovernmental	\$	106,937	\$ 125,001	\$	125,000	\$	(1)
Grants		75,630	80,150		73,863		(6,287)
Charges for services		145,470	333,209		340,539		7,330
Other fees and miscellaneous revenues		9,169	81,150		65,941		(15,209)
Total revenues		337,206	619,510		605,343		(14,167)
Expenditures							
Current:							
Public safety and health		4,544,066	4,964,996		4,764,636		200,360
Capital outlay		6,000	6,000		203,527		(197,527)
Total expenditures		4,550,066	4,970,996		4,968,163		2,833
Excess (deficiency) of revenues over (under) expenditures	((4,212,860)	(4,351,486)	((4,362,820)		(11,334)
Other financing sources (uses)							
Transfers in		4,212,860	4,351,486		4,365,321		13,835
Transfers out		-	-		(2,444)		(2,444)
Total other financing sources		4,212,860	4,351,486		4,362,877		11,391
Net change in fund balance	\$	-	\$ -	\$	57	\$	57

Washington County, Florida Sheriff Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Emergency Medical Services Fund

	Original Budget	Final Budget	Actual Amounts on a Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Grants	\$ -	\$ -	\$ 89,368	\$ 89,368
Charges for services	1,031,805	1,027,584	975,238	(52,346)
Total revenues	1,031,805	1,027,584	1,064,606	37,022
Expenditures				
Current:				
Public safety and health	1,404,850	1,416,233	1,417,254	(1,021)
Capital outlay	41,000	158,977	242,941	(83,964)
Debt service				
Principal	-	-	22,253	(22,253)
Interest	-	-	2,779	(2,779)
Total expenditures	1,445,850	1,575,210	1,685,227	(110,017)
Excess (deficiency) of revenues over (under) expenditures	(414,045)	(547,626)	(620,621)	(72,995)
Other financing sources (uses)				
Transfers in	414,045	429,649	429,649	_
Proceeds from long term debt	-	117,977	117,977	_
Transfers out	-	-	(12,533)	(12,533)
Total other financing sources	414,045	547,626	535,093	(12,533)
Net change in fund balance	\$ -	\$ -	\$ (85,528)	\$ (85,528)

Washington County, Florida Sheriff Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Inmate Welfare Fund

	Original Final Budget Budget			Actual .mounts	Variance with Final Budget Favorable (Unfavorable)	
Revenues						
Charges for services	\$ 89,000	\$	89,000	\$ 76,929	\$	(12,071)
Investment earnings	-		-	131		131
Other fees and miscellaneous revenues	-		-	477		477
Total revenues	89,000		89,000	77,537		(11,463)
Expenditures Current:						
Public safety and health	79,800		79,800	77,757		2,043
Total expenditures	79,800		79,800	77,757		2,043
Excess (deficiency) of revenues over (under) expenditures	9,200		9,200	(220)		(9,420)
Other financing sources (uses) Transfers out	(9,200)		(9,200)	(9,169)		31
Total other financing sources	(9,200)		(9,200)	(9,169)		31
Net change in fund balance	\$ 	\$	-	\$ (9,389)	\$	(9,389)

Washington County, Florida Sheriff Statement of Fiduciary Net Position Agency Funds

September 30, 2018

	Agency Funds
Assets	
Cash	\$ 37,422
Total assets	\$ 37,422
Liabilities	
Due to others	\$ 37,422
Total liabilities	\$ 37,422

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Washington County Sheriff's office is an agency of Washington County, which is a political subdivision of the State of Florida. The County was established on December 29, 1825, by the Territorial Legislative Council. Washington County is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Washington County Sheriff's Office.

The Washington County, Florida Sheriff (the "Sheriff") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Sheriff's financial statements do not purport to reflect the financial position or the results of operations of Washington County, Florida taken as a whole.

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

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

The operations of the Sheriff are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Sheriff's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Sheriff's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Sheriff has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Washington County, Florida, that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2018, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

Emergency Medical Services Fund (EMS) – The EMS fund is used to account for all revenue and expenditures applicable to the operations of the County's ambulance service.

Inmate Welfare Fund - Accounts for the activities related to operation of the inmate commissary.

In addition, the Sheriff reported the following non-major governmental fund:

E911 Fund – The E911 fund is used to account for all revenue and expenditures applicable to the County's emergency E911 system. This fund was transferred to the Board of County Commissioners at the beginning of the fiscal year.

The Sheriff also reported the following fund type:

Agency Funds - The agency funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

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

Basis of Accounting

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

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

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

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

Cash and Cash Equivalents

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

Receivables

Receivables are shown at their net realizable value. See Note 10 for allowance for doubtful accounts.

Capital Assets and Depreciation

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

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

Furniture, machinery, and equipment

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Compensated Absences

Permanent full-time employees of the Sheriff are entitled to earn vacation and sick time depending on the length of employment. Upon separation of employment, employees can be paid up to 240 hours vacation time and a portion of unused sick time, with the payment of unused sick time being subject to various criteria.

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

Budgetary Requirements

Florida Statutes, Chapter 30.49 and 129.03(2), details the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

The Sheriff's annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year end.

The actual results of operations in the Statements of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Emergency Medical Services are presented on a budgetary basis for budgetary accounting purposes. The Sheriff does not budget for bad debt expense. Adjustments to convert the results of operation of the emergency medical service fund at the end of the year from budgetary basis of accounting to the GAAP basis of accounting are as follows:

	Total
	Expenditures
GAAP basis	\$ 1,957,160
Non-budgeted expenditures:	
Bad debt expense	(271,933)
Budgetary basis	\$ 1,685,227

Due to Others

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management and Insurance

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

General Liability Automobiles Money and Securities Coverage

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

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

Management Estimates and Assumptions

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

Fund Balance Reporting and Governmental Fund-Type Definitions

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

Subsequent Events

The Sheriff has evaluated subsequent events through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

Impact of Recently Issued Accounting Pronouncements

In Fiscal Year 2018, the Sheriff adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"):

- GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75)
- GASB Statement No. 81, Irrevocable Split-Interest Agreements (GASB 81)
- GASB Statement No. 85, Omnibus 2017 (GASB 85)
- GASB Statement No. 86, Certain Debt Extinguishment Issues (GASB 86)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that is provided to employees of state and local governmental employers through OPEB Plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. GASB 75 replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of GASB 75 had no impact on the Sheriff's governmental fund financial statements.

GASB 81 requires that a government that receives resources pursuant to an irrevocable splitinterest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the Sheriff's financial statement as a result of the implementation of GASB 81.

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The adoption of GASB 85 had no impact on the Sheriff's current accounting practices nor its financial reporting.

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the Sheriff's financial statements as a result of the implementation of GASB 86.

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Sheriff upon implementation. Management has not yet evaluated the effect of implementation of these standards.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB	CASP Association Standard	Effective
Statement No.	GASB Accounting Standard	Fiscal Year
83	Certain Asset Retirement Obligations	2019
84	Fiduciary Activities	2020
87	Leases	2021
88	Certain Disclosures Related to Debt, including Direct	
	Borrowings and Direct Placements	2019
89	Accounting for Interest Cost Incurred before the End	
	of a Construction Period	2021
90	Majority Equity Interest an amendment of GASB	
	Statements No. 14 and No. 61	2020

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2018, the carrying amount of the Sheriff's cash and cash equivalents and restricted cash was \$235,470 and the bank balance was \$452,910. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a prorata basis.

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

CREDIT RISK

At September 30, 2018, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2018, the Sheriff did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

At September 30, 2018, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

CONCENTRATION OF CREDIT RISK

At September 30, 2018, the Sheriff did not hold any investments that were considered to have concentration of credit risk.

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at September 30, 2018 consisted of amounts due from State of Florida for inmate housing in addition to other miscellaneous revenues earned but not received as of September 30, 2018.

NOTE 4 - EMPLOYEE PENSION PLAN

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

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)

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

	10/01/17	07/01/18
	Through	Through
	<u>06/30/18</u>	09/30/18
Regular employees	7.92%	8.26%
Senior management	22.71%	24.06%
Special risk employees	23.27%	24.50%
DROP participants	13.26%	14.03%
Elected county officials' class	45.50%	48.70%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2017 through September 30, 2018, the total payroll for all employees was \$3,609,739. The retirement contributions for all employees covered by the System for the years ended September 30, 2018, 2017 and 2016 were \$766,977, \$737,479 and \$574,264 which were the required contributions. For the year ended September 30, 2018 retirement contributions represented 21.25% of covered payroll.

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 publically available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

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

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

NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)

used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

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

NOTE 5 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a transfer out. The Sheriff's general fund had excess budget appropriations totaling \$1,302 at year end.

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers at September 30, 2018, consisted of the following:

Transfers to General Fund from:

Emergency Management	\$ 12,533
Inmate Welfare	9,169
Total interfund transfers	\$ 21,702

The Sheriff's transfers include transfers to (a) other funds based on budgetary requirements and (b) funds that are required by statute or budgetary authority to expend revenues from another fund that by statute or budgetary authority must collect revenues.

NOTE 7 - GRANTS

The Sheriff participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2018, as well as prior years, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Sheriff's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Sheriff expects such amounts, if any, to be immaterial.

NOTE 8 - LITIGATION AND CONTINGENT LIABILITIES

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

NOTE 9 - FUND EQUITY

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Sheriff had no non-spendable net assets at September 30, 2018.

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2018, the Sheriff reports net assets as restricted for the purpose of drug enforcement. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the Sheriff's intent to use the resources for specific purposes. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Balances of restricted fund balance at September 30, 2018 are as follows:

	Inmate General Welfare Fund Fund			Total
Restricted for:				
Education and crime prevention Crime prevention	\$ 8,915 -	\$	- 39,447	\$ 8,915 39,447
Total fund balances	\$ 8,915	\$	39,447	\$ 48,362

NOTE 10 – ACCOUNTS RECEIVABLE

Accounts receivable of the EMS are accounted for in a special revenue fund. Accounts receivable in the EMS total \$1,123,523 and are shown net of allowance for doubtful accounts and contractual adjustments totaling \$977,079. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings.

NOTE 11 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 4, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Sheriff are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government wide financial statements.

NOTE 12 - BUDGETARY INFORMATION

The Sheriff had expenditures that were in excess of his budget in the following fund:

Fund	Amount
Emergency Medical Services	\$ (110,017)

This is a technical violation of Florida Statutes, Chapter 129.





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

Honorable Kevin Crews Sheriff Washington County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Washington County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated May 1, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described below as finding No. SH2003-001 that we consider to be a significant deficiency.

Honorable Kevin Crews Sheriff Washington County, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Need for Segregation of Duties, SH2003-001

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

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

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

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

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

STATUS: This condition continues to exist.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Sheriff's Response to Findings

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

Honorable Kevin Crews Sheriff Washington County, Florida

Purpose of this Report

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

Marianna, Florida

Can, Rigge & Ingram, L.L.C.

May 1, 2019



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

Honorable Kevin Crews Sheriff Washington County, Florida

We have examined Washington County, Florida, Sheriff (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. 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 judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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.

Marianna, Florida

Can, Rigge & Ingram, L.L.C.

May 1, 2019



INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

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

(850) 526-3207 (850) 526-5322 (fax) www.cricpa.com

Honorable Kevin Crews Sheriff Washington County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Washington County, Florida, Sheriff (the "Sheriff"), as of and for the year ended September 30, 2018, and have issued our report thereon dated May 1, 2019.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 1, 2019, 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. Finding SH2003-001 found in the Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* have not been corrected.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Washington County, Florida, Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Washington County, Florida Sheriff.

Honorable Kevin Crews Sheriff Washington County, Florida

Financial Condition and Management

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

Additional Matters

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

Purpose of this Letter

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

Marianna, Florida

Can, Rigge & Ingram, L.L.C.

May 1, 2019

Washington County, Florida Sheriff Management's Response



KEVIN CREWS, Sheriff washington county

711 THIRD STREET P.O. BOX 626 • CHIPLEY, FLORIDA 32428
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Florida Auditor General 111 W Madison St. #G74 Tallahassee, Fl 32399

Dear Sirs/Madam:

Please accept this letter in response to the Independent Auditor's Report to management included in the audit report for the Washington County Sheriff's Office for the fiscal year September 30, 2018.

Due to the size of the office and the daily workload we are limited in personnel to currently assist in the duties of the finance department, however, we will continue to monitor the responsibilities of the Finance Clerks to ensure that all procedures are adhered to. This condition is being corrected.

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

Sincerely,

Kevin Crews

Sheriff, Washington County

Washington County, Florida Property Appraiser

Financial Statements

September 30, 2018



Washington County, Florida Property Appraiser Table of Contents September 30, 2018

REPORT

Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	5
Notes to Financial Statements	6
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial	
Statements Performed in Accordance with Government Auditing Standards	15
Independent Accountants' Report on compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	18
Independent Auditors' Management Letter	19
Management's Response	21





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INDEPENDENT AUDITORS' REPORT

Honorable Gil Carter Property Appraiser Washington County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund of the Washington County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained *in Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Honorable Gil Carter **Property Appraiser** Washington County, Florida

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund of the Property Appraiser as of September 30, 2018, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, only for that portion of the major fund, of Washington County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

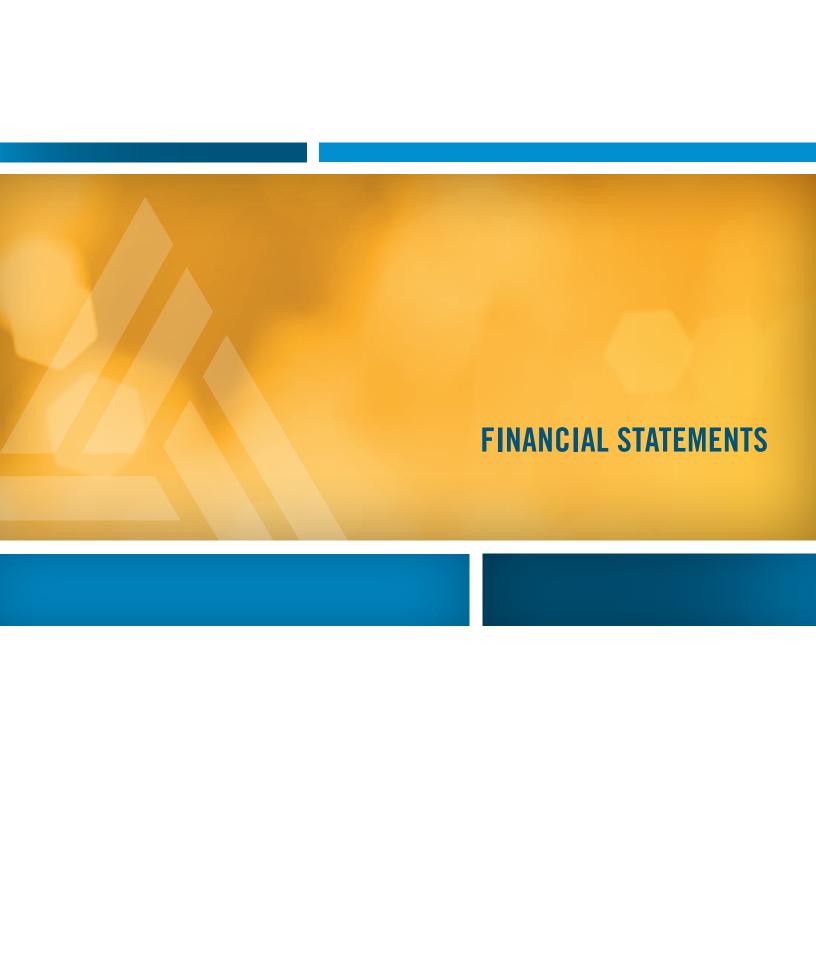
Other Reporting Required by Government Auditing Standards

Can, Rigge & Ingram, L.L.C.

In accordance with Government Auditing Standards, we have also issued our report dated April 9, 2019 on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Property Appraiser's internal control over financial reporting and compliance.

Marianna, Florida

April 9, 2019



Washington County, Florida Property Appraiser Balance Sheet Governmental Funds

September 30, 2018

	General Fund
Assets	
Cash	\$ 125,032
Total assets	\$ 125,032
Liabilities Accounts payable and accrued expenses Due to Board of County Commissioners	\$ 4,316 120,716
Total liabilities	125,032
Fund balance	-
Total liabilities and fund balance	\$ 125,032

Washington County, Florida Property Appraiser Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds

For the year ended September 30, 2018

	General Fund
Revenues	
Charges for services	\$ 317
Other fees and miscellaneous revenues	 14
Total revenues	 331
Expenditures	
Current	
General government	 440,856
Total expenditures	 440,856
Excess (deficiency) of revenues over (under) expenditures	 (440,525)
Other financing sources (uses)	
Transfers in	561,241
Transfers out	 (120,716)
Net other financing sources (uses)	 440,525
Net change in fund balance	-
Fund balance - beginning	
Fund balance - ending	\$

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

For the year ended September 30, 2018

	Original Budget	Final Budget				Fin F	riance with al Budget - avorable nfavorable)
Revenues							
Charges for services	\$ -	\$	-	\$	317	\$	317
Other fees and miscellaneous revenues	-		-		14		14
Total revenues	-		-		331		331
Expenditures							
Current							
General government	544,320	20 550,541		440,856			109,685
Capital outlay	3,000		3,000	3,000			3,000
Reserve for contingencies	7,700		7,700		-		7,700
Total expenditures	555,020		561,241		440,856		120,385
Excess (deficiency) of revenues over (under) expenditures	(555,020)		(561,241)	((440,525)		120,716
Other financing sources (uses)							
Transfers in	555,020 561,241		561,241			-	
Transfers out	<u> </u>		-		(120,716)		(120,716)
Net other financing sources (uses)	555,020		561,241		440,525		(120,716)
Net change in fund balance	\$ -	\$	-	\$	-	\$	-

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Washington County Property Appraiser's office is an agency of Washington County, which is a political subdivision of the State of Florida. The County was established on December 29, 1825, by the Territorial Legislative Council. Washington County is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Washington County Property Appraiser's Office.

The Washington County, Florida Property Appraiser (the "Property Appraiser") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Property Appraiser's financial statements do not purport to reflect the financial position or the results of operations of Washington County, Florida taken as a whole.

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

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

The operations of the Property Appraiser are funded by the Board. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Property Appraiser's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Property Appraiser has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, only for that portion of the major fund, of Washington County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

Measurement Focus

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

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

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

Cash and Cash Equivalents

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

Capital Assets and Depreciation

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

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

Furniture, machinery, and equipment

3-30 years

Accumulated Compensated Absences

A liability exists for accrued annual and sick leave, which will be taken by employees. The Property Appraiser does not pay employees for unused sick leave upon termination. Vacation time is earned depending on the length of employment and up to 240 hours may be carried forward to future years.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Requirements

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes Chapter 195.087. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments, approved by the Florida Department of Revenue and Board of County Commissioners. On or before June 1 of each year, the Property Appraiser shall submit to the Department of Revenue a budget for the operation of his office for the ensuing fiscal year. The Department of Revenue and Board of County Commissioners must approve the final budget.

Risk Management and Insurance

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Property Appraiser participates in the risk management program through the Washington County Board of County Commissioners which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

Real and Personal Property Damage Public Employees' Bond Workers' Compensation General and Automobile Liability

Management Estimates and Assumptions

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

Subsequent Events

The Property Appraiser evaluates subsequent events through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

Impact of Recently Issued Accounting Pronouncements

In Fiscal Year 2018, the Property Appraiser adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"):

- GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75)
- GASB Statement No. 81, Irrevocable Split-Interest Agreements (GASB 81)
- GASB Statement No. 85, Omnibus 2017 (GASB 85)

GASB Statement No. 86, Certain Debt Extinguishment Issues (GASB 86)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that is provided to employees of state and local governmental employers through OPEB Plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. GASB 75 replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of GASB 75 had no impact on the Property Appraiser's governmental fund financial statements.

GASB 81 requires that a government that receives resources pursuant to an irrevocable splitinterest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the Property Appraiser's financial statement as a result of the implementation of GASB 81.

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The adoption of GASB 85 had no impact on the Property Appraiser's current accounting practices nor its financial reporting.

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the Property Appraiser's financial statements as a result of the implementation of GASB 86.

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Property Appraiser upon implementation. Management has not yet evaluated the effect of implementation of these standards.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB		Effective
Statement No.	GASB Accounting Standard	Fiscal Year
83	Certain Asset Retirement Obligations	2019
84	Fiduciary Activities	2020
87	Leases	2021
88	Certain Disclosures Related to Debt, including Direct	
	Borrowings and Direct Placements	2019
89	Accounting for Interest Cost Incurred before the End	
	of a Construction Period	2021
90	Majority Equity Interest an amendment of GASB	
	Statements No. 14 and No. 61	2020

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2018, the carrying amount of the Property Appraiser's cash and cash equivalents was \$125,032 and the bank balance was \$137,298. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a prorata basis.

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

CREDIT RISK

At September 30, 2018, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2018, the Property Appraiser did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

At September 30, 2018, the Property Appraiser did not hold any deposits or investments that were considered to have custodial credit risk.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

CONCENTRATION OF CREDIT RISK

At September 30, 2018, the Property Appraiser did not hold any investments that were considered to have concentration of credit risk.

NOTE 3 - EMPLOYEES PENSION PLAN

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

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

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

	10/01/17	07/01/18
	Through	Through
	<u>06/30/18</u>	09/30/18
Regular employees	7.92%	8.26%
Senior management	22.71%	24.06%
Elected county officials' class	45.50%	48.70%

NOTE 3 - EMPLOYEES PENSION PLAN (CONTINUED)

Chapter 121, Florida Statutes established the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 1, 2016 through September 30, 2018, total payroll for the Property Appraiser employees covered by the Florida Retirement System was \$292,299. The Property Appraiser's contribution to the plan for the years ended September 30, 2018, 2017, and 2016 was \$43,461, \$57,929, and \$55,560, which were the required contributions. For the year ended September 30, 2018 retirement contributions represent 14.87% of covered payroll.

The Property Appraiser has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publically available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

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

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

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

NOTE 4 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. For the year ended September 30, 2018, excess revenues over expenditures of \$120,716 are accrued and reported as transfer out.

NOTE 5 - LITIGATION AND CONTINGENT LIABILITIES

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

NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

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





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

Honorable Gil Carter Property Appraiser Washington County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund of the Washington County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements and have issued our report thereon dated April 9, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described below as finding No. PA2003-003 that we consider to be a significant deficiency.

Honorable Gil Carter Property Appraiser Washington County, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATION

Need for Segregation of Duties, PA2003-003

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

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

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

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

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

STATUS: This condition continues to exist.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Property Appraiser's Response to Findings

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

Honorable Gil Carter Property Appraiser Washington County, Florida

Purpose of this Report

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

Marianna, Florida April 9, 2019

Can, Rigge & Ingram, L.L.C.



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

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Honorable Gil Carter **Property Appraiser** Washington County, Florida

We have examined Washington County, Florida, Property Appraiser's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2018. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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.

Marianna, Florida April 9, 2019

Can, Rigge & Ingram, L.L.C.

- 18 -



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Gil Carter Property Appraiser Washington County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Washington County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2018, and have issued our report thereon dated April 9, 2019.

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 April 9, 2019, 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. Finding PA2003-003 found in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* has not been corrected.

Honorable Gil Carter Property Appraiser Washington County, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Washington County, Florida, Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Washington County, Florida, Property Appraiser.

Financial Condition and Management

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

Additional Matters

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

Purpose of this Letter

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

Marianna, Florida April 9, 2019

Can, Rigge & Ingram, L.L.C.

Washington County, Florida Property Appraiser Management's Response



Fax: (850) 638-6027

GIL CARTER, CFA WASHINGTON COUNTY PROPERTY APPRAISER

1331 South Blvd., Suite 300 P. O. Box 695 Chipley, FL 32428



Website: www.washcotl.com-pa

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To Whom It May Concern:

We are in receipt of the Washington County Property Appraiser's audit report for the fiscal year ended September 30, 2018. In response to the internal control and compliance the following applies:

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

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

Sincerely,

Gil Carter, CFA

Washington County Property Appraiser

Washington County, Florida Supervisor of Elections

Financial Statements

September 30, 2018



Washington County, Florida Supervisor of Elections Table of Contents September 30, 2018

REPORT

Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	5
Notes to Financial Statements	6
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial	
Statements Performed in Accordance with Government Auditing Standards	16
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	19
Independent Auditors' Management Letter	20
Management's Response	22





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INDEPENDENT AUDITORS' REPORT

Honorable Carol Finch Rudd Supervisor of Elections Washington County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Washington County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Honorable Carol Finch Rudd Supervisor of Elections Washington County, Florida

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Supervisor of Elections as of September 30, 2018, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

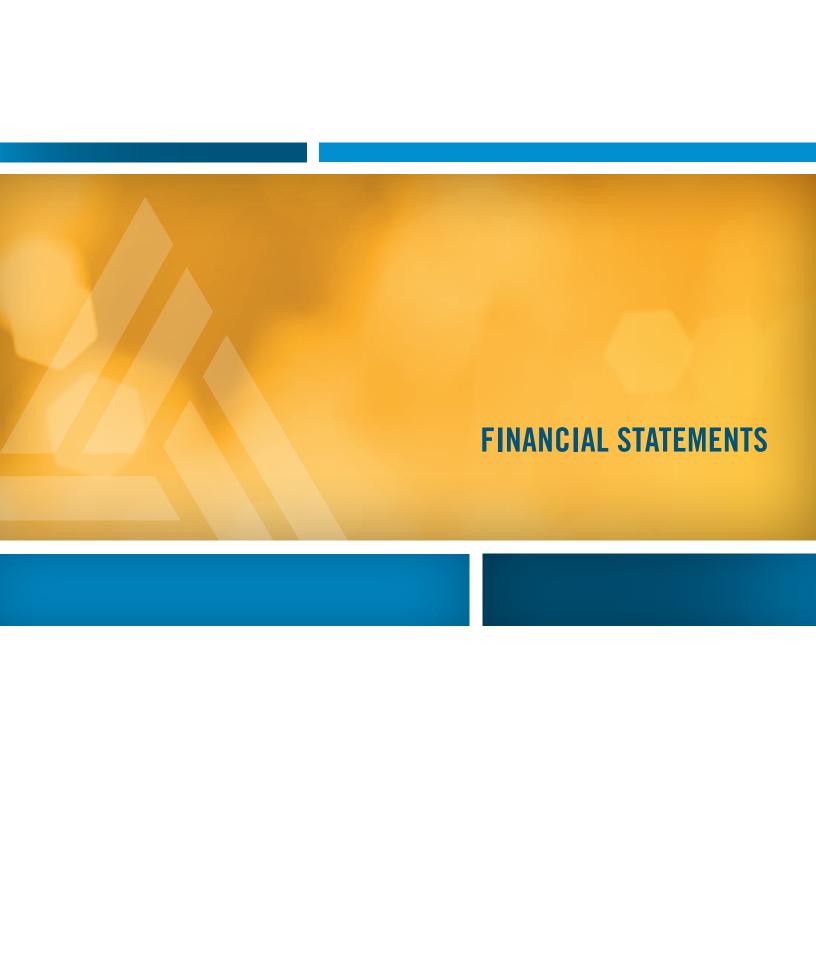
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Washington County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

Can, Rigge & Ingram, L.L.C.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 15, 2019 on our consideration of the Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Marianna, Florida April 15, 2019



Washington County, Florida Supervisor of Elections Balance Sheet Governmental Funds

September 30, 2018

	General Fund			Grant Fund			Total vernmental Funds
Assets							
Cash	\$	68,795	\$		-	\$	68,795
Restricted cash		56,215			-		56,215
Total assets	\$	125,010	\$		-	\$	125,010
Liabilities Accounts payable and accrued expenses Unearned revenue Due to Board of County Commissioners	\$	42,441 56,215 26,354	\$		- - -	\$	42,441 56,215 26,354
Total liabilities		125,010			-		125,010
Fund balance Restricted		-			_		
Total liabilities and fund balance	\$	125,010	\$		-	\$	125,010

Washington County, Florida Supervisor of Elections Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds

For the year ended September 30, 2018

	ı	General Grant Fund Fund			Total Governmental Funds		
Revenues							
Grants	\$	22,140	\$	5,486	\$	27,626	
Total revenues		22,140		5,486		27,626	
Expenditures							
Current							
General government		415,628		5,613		421,241	
Capital outlay		174,088		-		174,088	
Debt service							
Principal		40,587		-		40,587	
Total expenditures		630,303		5,613		635,916	
Excess (deficiency) of revenues over (under) expenditures		(608,163)		(127)		(608,290)	
Other financing sources							
Loan proceeds		174,088		-		174,088	
Transfers in		460,429		-		460,429	
Transfers out		(26,354)		-		(26,354)	
Net other financing sources		608,163		-		608,163	
Net change in fund balances		-		(127)		(127)	
Fund balance - beginning		-		127		127	
Fund balance - ending	\$	-	\$	-	\$	-	

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

For the year ended September 30, 2018

	Original Budget				Actual Amounts (Budgetary Basis)		Variance with Fund Budget Favorable (Unfavorable)	
Revenues								
Grants	\$	-	\$	-	\$	22,140	\$	22,140
Total revenues		-		-		22,140		22,140
Expenditures								
Current								
General government		460,429		460,429		415,628		44,801
Debt Service								
Principal		-		-		40,587		(40,587)
Total expenditures		460,429		460,429		456,215		4,214
Excess (deficiency) of revenues over (under) expenditures		(460,429)		(460,429)		(434,075)		26,354
Other financing sources (uses)								
Transfers in		460,429		460,429		460,429		-
Transfers out		-		-		(26,354)		(26,354)
Net other financing sources (uses)		460,429		460,429		434,075		(26,354)
Net change in fund balance	\$	-	\$	-	\$	-	\$	

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Washington County Supervisor of Elections' office is an agency of Washington County, which is a political subdivision of the State of Florida. The County was established on December 29, 1825, by the Territorial Legislative Council. Washington County is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Washington County Supervisor of Elections Office.

The Washington County, Florida Supervisor of Elections (the "Supervisor of Elections") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Supervisor of Elections' financial statements do not purport to reflect the financial position or the results of operations of Washington County, Florida taken as a whole.

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

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

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Supervisor of Elections' financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Supervisor of Elections' has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other postemployment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Washington County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2018, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

Grant Fund - Accounts for the grant funds received relating to ballot-on-demand.

Measurement Focus

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

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

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

Cash

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

Capital Assets and Depreciation

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

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

Furniture, machinery, and equipment

3-30 years

Accumulated Compensated Absences

The total accrued leave at September 30, 2018, of the Supervisor of Elections is not recorded as it is not material in relation to the financial statements taken as a whole.

Fund Balance Reporting and Governmental Fund-Type Definitions

The Supervisor of Elections adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Type Definitions (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 5.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Requirements

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

The actual results of operations in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund are presented on a budgetary basis for budgetary accounting purposes. The Supervisor of Elections only budgeted revenue and expenditures appropriated by the Board of County Commissioners. Adjustments to convert the results of operation of the general fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

	Total			Total	
	Expenditures			Revenue	
GAAP Basis	\$	630,303	\$	630,303	
Non-budgeted revenues and expenditures:					
Revenues other than appropriations from the					
Board of County Commissioners and					
related expenditures		(174,088)		(174,088)	
Budgetary basis	\$	456,215	\$	456,215	

Risk Management and Insurance

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Supervisor of Elections participates in the risk management program through the Washington County Board of County Commissioners which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

Real and Personal Property Damage Public Employees' Bond Workers' Compensation General and Automobile Liability

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenues

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

Management Estimates and Assumptions

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

Subsequent Events

The Supervisor of Elections has evaluated subsequent events through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

Impact of Recently Issued Accounting Pronouncements

In Fiscal Year 2018, the Supervisor of Elections adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"):

- GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75)
- GASB Statement No. 81, Irrevocable Split-Interest Agreements (GASB 81)
- GASB Statement No. 85, Omnibus 2017 (GASB 85)
- GASB Statement No. 86, Certain Debt Extinguishment Issues (GASB 86)

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that is provided to employees of state and local governmental employers through OPEB Plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. GASB 75 replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of GASB 75 had no impact on the Supervisor of Elections' governmental fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB 81 requires that a government that receives resources pursuant to an irrevocable splitinterest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the Supervisor of Elections' financial statement as a result of the implementation of GASB 81.

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The adoption of GASB 85 had no impact on the Supervisor of Elections' current accounting practices nor its financial reporting.

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the Supervisor of Elections' financial statements as a result of the implementation of GASB 86.

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Supervisor of Elections upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB		Effective
Statement No.	GASB Accounting Standard	Fiscal Year
83	Certain Asset Retirement Obligations	2019
84	Fiduciary Activities	2020
87	Leases	2021
88	Certain Disclosures Related to Debt, including Direct	
	Borrowings and Direct Placements	2019
89	Accounting for Interest Cost Incurred before the End	
	of a Construction Period	2021
90	Majority Equity Interest an amendment of GASB	
	Statements No. 14 and No. 61	2020

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2018, the carrying amount of the Supervisor of Elections' cash and cash equivalents was \$125,010 and the bank balance was \$128,631. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a prorata basis.

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

CREDIT RISK

At September 30, 2018, the Supervisor of Elections did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2018, the Supervisor of Elections did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

At September 30, 2018, the Supervisor of Elections did not hold any deposits or investments that were considered to have custodial credit risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2018, the Supervisor of Elections did not hold any investments that were considered to have concentration of credit risk.

NOTE 3 - EMPLOYEES PENSION PLAN

The Supervisor of Election participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at www.frs.state.fl.us/frs/public/annual.

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

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

10/1/2017

7/1/2010

	10/1/201/	//1/2018
	Through	Through
	<u>6/30/2018</u>	<u>9/30/2018</u>
Regular employees	7.92%	8.26%
Elected county officials	45.50%	48.70%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 1, 2017 through September 30, 2018, the total payroll for all covered employees was \$198.531. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2018, 2017 and 2016 were \$46,152, \$49,357 and \$39,089. The contributions for the current year represented 23.25% of covered payroll.

NOTE 3 - EMPLOYEES PENSION PLAN (CONTINUED)

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

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

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

NOTE 4 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a transfer out. The Supervisor of Election's general fund had excess budget appropriations totaling \$26,354 at year end.

NOTE 5 - FUND EQUITY

Non-spendable fund balances include amounts that cannot be spent because they are not in dependable form or are legally or contractually required to be maintained intact. The Supervisor of Elections had no non-spendable net assets at September 30, 2018.

Spendable fund balances are classified based on a hierarchy of the Supervisor of Election's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2018, the Supervisor reports net assets as restricted. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

NOTE 6 - GRANTS

The Supervisor of Elections participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2018, as well as prior years, have not been yet been accepted/approved by the grantors. Accordingly, the final determination of the Supervisor or Elections' compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Supervisor of Elections expects such amounts, if any, to be immaterial.

NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

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





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

Honorable Carol Finch Rudd Supervisor of Elections Washington County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Washington County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements and have issued our report thereon dated April 15, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described below as finding SOE 2003-003 that we consider to be significant deficiency.

Honorable Carol Finch Rudd Supervisor of Elections Washington County, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Need for Segregation of Duties, SOE 2003-003

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

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

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

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

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

STATUS: This condition continues to exist.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Election's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Supervisor of Elections' Response to Finding

The Supervisor of Elections' response to the finding identified in our audit is described in the accompanying letter. The Supervisor of Elections' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Honorable Carol Finch Rudd Supervisor of Elections Washington County, Florida

Purpose of this Report

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

Marianna, Florida April 15, 2019

Can, Rigge & Ingram, L.L.C.



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

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

Honorable Carol Finch Rudd Supervisor of Elections Washington County, Florida

We have examined Washington County, Florida, Supervisor of Elections (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Supervisor of Election's compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the 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 our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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.

Marianna, Florida April 15, 2019

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Carol Finch Rudd Supervisor of Elections Washington County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Washington County, Florida Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2018, and have issued our report thereon dated April 15, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 15, 2019, 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. Finding SOE 2003-03 found in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards has not been corrected.

Honorable Carol Finch Rudd Supervisor of Elections Washington County, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Washington County, Florida, Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Washington County, Florida, Supervisor of Elections.

Financial Condition and Management

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

Additional Matters

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

Purpose of this Letter

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

Marianna, Florida April 15, 2019

Can, Rigge & Ingram, L.L.C.

Washington County, Florida Supervisor of Elections Management's Response



Carol Finch Rudd

Supervisor of Elections Washington County Mailing Address: 1331 South Blvd., Suite 900 Chipley, FL 32428

> Telephone No. 850-638-6230

Fax No. 850-638-6238

To Whom it May Concern:

Subject: Washington County, Florida Supervisor of Elections-Management's Response

I am in receipt of the audit report for the Washington County Supervisor of Elections for the fiscal year ending in September 2018. I have reviewed the letter regarding compliance and internal control, the schedule of findings and questioned costs and the management letter. Concerning the items noted, the following applied:

This is a small office with employees who have overlapping job duties. I will continue to ensure there are checks and balances in the daily work and the ledger is balanced on a monthly basis.

If I can be of further assistance, please don't hesitate to contact my office at (850)638-6230.

Sincerely,

Carol F. Rudd

Supervisor of Elections

Voul J Rudd

Washington County, Florida

Washington County, Florida Tax Collector

Financial Statements

September 30, 2018



Washington County, Florida **Tax Collector Table of Contents September 30, 2018**

25

REPORT	4
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balance -	
Governmental Funds	5
Statement of Revenues, Expenditures, and Changes in Fund Balance -	
Budget and Actual - General Fund	6
Statement of Fiduciary Net Position - Agency Funds	7
Notes to Financial Statements	8
CURRIENTARY INFORMATION	
SUPPLEMENTARY INFORMATION Combining Statement of Fiduciary Net Position - Agency Funds	18
COMPLIANCE SECTION Independent Auditors' Report on Internal Control Over Financial Reporting and on	
Compliance and Other Matters Based on an Audit of Financial Statements	
Performed in Accordance with Government Auditing Standards	19
Independent Accountants' Report on Compliance with Section 218.415,	
Florida Statutes, Local Government Investment Policies	22
Independent Auditors' Management Letter	23
Management's Response	25
U trajet at	





INDEPENDENT AUDITORS' REPORT

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Honorable Ken Naker Tax Collector Washington County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Washington County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Honorable Ken Naker Tax Collector Washington County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and aggregate remaining fund information of the Tax Collector as of September 30, 2018, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Washington County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Other 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 Statement of Fiduciary Net Position – Agency Funds is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Combining Statement of Fiduciary Net Position – Agency Funds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion(s), the Combining Statement of Fiduciary Net Position – Agency Funds is fairly stated in all material respects in relation to the financial statements as a whole.

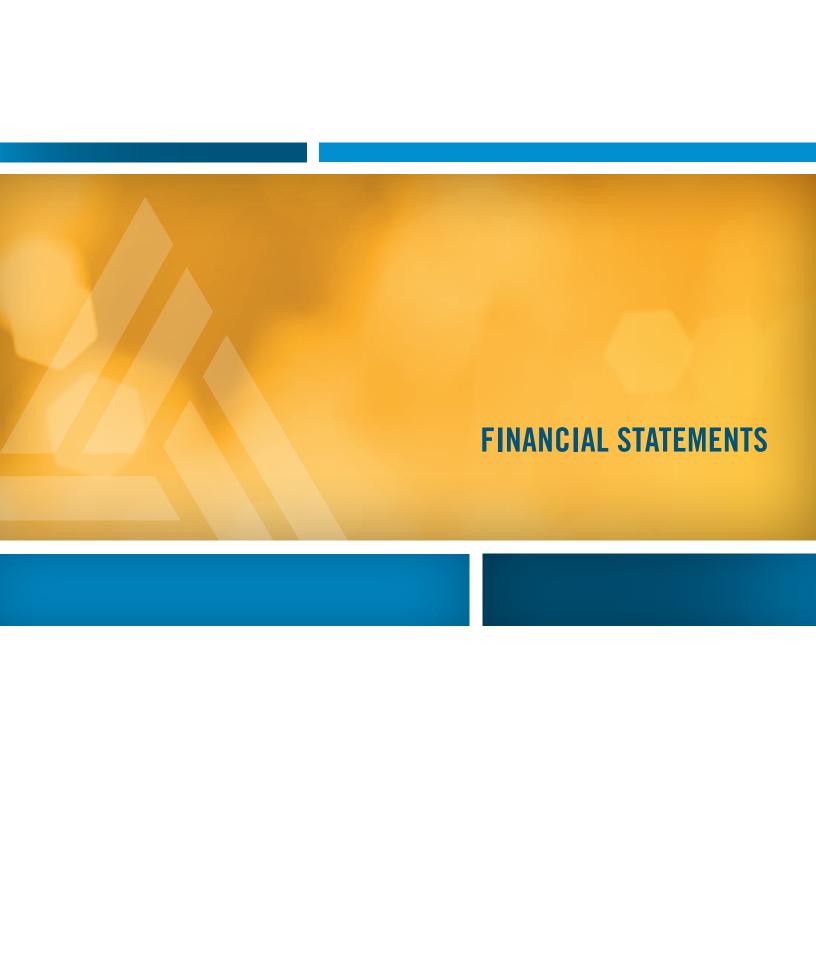
Honorable Ken Naker Tax Collector Washington County, Florida

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2019, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Marianna, Florida April 4, 2019

Can, Rigge & Ingram, L.L.C.



Washington County, Florida Tax Collector Balance Sheet Governmental Funds

September 30, 2018

	General Fund		
Assets	_		
Cash and cash equivalents	\$ 79,670		
Total assets	\$ 79,670		
Liabilities			
Accounts payable	\$ 393		
Due to Board of County Commissioners	79,277		
Total liabilities	79,670		
Fund balance			
Total liabilities and fund balance	\$ 79,670		

Washington County, Florida Tax Collector Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds

For the year ended September 30, 2018

	General Fund
Revenues	
Charges for services	\$ 626,725
Total revenues	626,725
Expenditures	
Current	
General government	636,099
Total expenditures	636,099
Excess (deficiency) of revenues over (under) expenditures	(9,374)
Other financing sources (uses)	
Transfers in	88,651
Transfers out	(79,277)
Net other financing sources (uses)	9,374
Net change in fund balance	-
Fund balance - beginning	
Fund balance - ending	\$ -

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

For the year ended September 30, 2018

	Original Budget	Final Budget	Actual Amounts	Fin Fa	iance with al Budget avorable favorable)
Revenues					
Charges for services	\$ 629,385	\$ 629,385	\$ 626,725	\$	(2,660)
Total revenues	629,385	629,385	626,725		(2,660)
Expenditures					
Current					
General government	700,814	700,814	636,099		64,715
Capital outlay	3,222	3,222	-		3,222
Total expenditures	704,036	704,036	636,099		67,937
Excess (deficiency) of revenues over (under) expenditures	(74,651)	(74,651)	(9,374)		65,277
Other financing sources (uses)					
Transfers in	74,651	74,651	88,651		14,000
Transfers out	-	-	(79,277)		(79,277)
Net other financing sources (uses)	74,651	74,651	9,374		(65,277)
Net change in fund balance	\$ 	\$ 	\$ 	\$	

Washington County, Florida Tax Collector Statement of Fiduciary Net Position Agency Funds

September 30, 2018

	Agency Funds	
Assets		
Cash	\$ 194,609	
Due from others	27	
Total assets	\$ 194,636	
Liabilities		
Due to others	\$ 194,636	
Total liabilities	\$ 194,636	

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Washington County Tax Collector's office is an agency of Washington County, which is a political subdivision of the State of Florida. The County was established on December 29, 1825, by the Territorial Legislative Council. Washington County is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Washington County Tax Collector's Office.

The Washington County, Florida Tax Collector (the "Tax Collector") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Washington County, Florida taken as a whole.

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

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

The operations of the Tax Collector are funded by fees and the Board. The receipts from the Board are recorded as other financing sources on the Tax Collector's financial statements and as other financing uses on the Board's financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board at year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Tax Collector's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Washington County, Florida, that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2018, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

The Tax Collector also reported the following fund type:

Agency Funds - The agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position. The Tax Collector reports the Escrow, Tag and Tax transactions as Agency funds.

Measurement Focus

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

Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting - continued

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

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

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

Cash and Cash Equivalents

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

Capital Assets and Depreciation

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

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

Furniture, machinery, and equipment

3-30 years

Accumulated Compensated Absences

A liability exists for accrued annual and sick leave, which will be taken by employees. The Tax Collector does not pay employees for unused sick leave upon termination. Vacation time is earned depending on the length of employment and up to 240 hours may be carried forward to future years.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Requirements

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

Due to Others

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

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

Current Taxes

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2% and 1% are allowed for early payment in November through February, respectively.

Unpaid Taxes - Sale of Tax Certificates

The Tax Collector advertises, as required by Florida Statutes, and then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

Tax Deeds

The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Court administers these sales.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management and Insurance

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Tax Collector participates in the risk management program through the Washington County Board of County Commissioners which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

Real and Personal Property Damage Public Employees' Bond Workers' Compensation General and Automobile Liability

Management Estimates and Assumptions

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

Subsequent Events

The Tax Collector has evaluated subsequent events through the date of the Independent Auditors' Report which was the date the financial statements were available to be issued.

Impact of Recently Issued Accounting Pronouncements

In Fiscal Year 2018, the Tax Collector adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"):

- GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75)
- GASB Statement No. 81, Irrevocable Split-Interest Agreements (GASB 81)
- GASB Statement No. 85, Omnibus 2017 (GASB 85)
- GASB Statement No. 86, Certain Debt Extinguishment Issues (GASB 86)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that is provided to employees of state and local governmental employers through OPEB Plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. GASB 75 replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of GASB 75 had no impact on the Tax Collector's governmental fund financial statements.

GASB 81 requires that a government that receives resources pursuant to an irrevocable splitinterest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the Tax Collector's financial statement as a result of the implementation of GASB 81.

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The adoption of GASB 85 had no impact on the Tax Collector's current accounting practices nor its financial reporting.

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the Tax Collector's financial statements as a result of the implementation of GASB 86.

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Tax Collector upon implementation. Management has not yet evaluated the effect of implementation of these standards.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB		Effective
Statement No.	GASB Accounting Standard	Fiscal Year
83	Certain Asset Retirement Obligations	2019
84	Fiduciary Activities	2020
87	Leases	2021
88	Certain Disclosures Related to Debt, including Direct	
	Borrowings and Direct Placements	2019
89	Accounting for Interest Cost Incurred before the End	
	of a Construction Period	2021
90	Majority Equity Interest an amendment of GASB	
	Statements No. 14 and No. 61	2020

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2018, the carrying amount of the Tax Collector's cash and cash equivalents and restricted cash was \$274,279 and the bank balance was \$458,853. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

CREDIT RISK

At September 30, 2018, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2018, the Tax Collector did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

At September 30, 2018, the Tax Collector did not hold any deposits or investments that were considered to have custodial credit risk.

Washington County, Florida Tax Collector Notes to Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

CONCENTRATION OF CREDIT RISK

At September 30, 2018, the Tax Collector did not hold any investments that were considered to have concentration of credit risk.

NOTE 3 - EMPLOYEES PENSION PLAN

The Tax Collector participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at www.frs.state.fl.us/frs/public/annual.

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. FRS also provides death and disability benefits and cost- of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

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

Washington County, Florida Tax Collector Notes to Financial Statements

NOTE 3 - EMPLOYEES PENSION PLAN (CONTINUED)

	10/01/17	07/01/18 Through	
	Through		
	<u>06/30/18</u>	09/30/18	
Regular employees	7.92%	8.26%	
Senior management	22.71%	24.06%	
Elected county officials' class	45.50%	48.70%	

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 1, 2017 through September 30, 2018, the total payroll for all covered employees was \$449,466. The Tax Collector's contribution to the plans for the years ended September 30, 2018, 2017 and 2016 were \$74,768, \$66,578 and \$63,780. The contributions for the current year represented 16.71% of covered payroll.

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

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

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

Washington County, Florida Tax Collector Notes to Financial Statements

NOTE 4 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

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

NOTE 5 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures determined as of the fiscal year end, "...is returned to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the Tax Collector." For the year ended September 30, 2018, excess revenues over expenditures of \$79,277 are accrued and reported as transfers out.

NOTE 6 – LITIGATION AND CONTINGENT LIABILITIES

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



Washington County, Florida Tax Collector Combining Statement of Fiduciary Net Position Agency Funds

September 30, 2018

	Escrow	Tag		Tax	Total	
Assets Cash	\$ 176,680	\$	52	\$ 17,877	\$ 194,609	
Due from others	7 170,000	ب 	27	۶ 17,677 -	27	
Total assets	\$ 176,680	\$	79	\$ 17,877	\$ 194,636	
Liabilities						
Due to others	\$ 176,680	\$	79	\$ 17,877	\$ 194,636	
Total liabilities	\$ 176,680	\$	79	\$ 17,877	\$ 194,636	





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

Honorable Ken Naker
Tax Collector
Washington County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Washington County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements and have issued our report thereon dated April 4, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described below as finding No. TC2003-003 that we consider to be a significant deficiency.

Honorable Ken Naker Tax Collector Washington County, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Need for Segregation of Duties, TC2003-003

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

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

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

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

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

STATUS: This condition continues to exist.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Tax Collector's Response to Findings

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

Honorable Ken Naker Tax Collector Washington County, Florida

Purpose of this Report

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

Marianna, Florida April 4, 2019

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

Honorable Ken Naker Tax Collector Washington County, Florida

We have examined Washington County, Florida Tax Collector (the "Tax Collector") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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.

Marianna, Florida April 4, 2019

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Ken Naker
Tax Collector
Washington County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Washington County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2018, and have issued our report thereon dated April 4, 2019.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 4, 2019, 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. Finding TC2003-003 found in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* has not been corrected.

Honorable Ken Naker Tax Collector Washington County, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Washington County, Florida, Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Washington County, Florida, Tax Collector.

Financial Condition and Management

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

Additional Matters

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

Purpose of this Letter

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

Marianna, Florida

Can, Rigge & Ingram, L.L.C.

April 4, 2019

Washington County, Florida Tax Collector Management's Response



Main Office Hours

Monday - Friday 8:00am - 4:00pm Ph: (850) 638-6275 Fx: (850) 638-6067

Drivers License Hours

Monday - Friday 8:00am - 3:30pm Ph: (850) 638-6284

To Whom It May Concern:

I am in receipt of the audit report for the Washington County, Florida, Tax Collector for the fiscal year ending September 30, 2018. I have reviewed the letter regarding compliance and internal control, the schedule of findings and questioned costs and the management letter. Concerning the items noted, the following apply:

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

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

Sincerely,

Ken Naker, CFC Tax Collector