Washington County, Florida

Financial Statements

September 30, 2019



WASHINGTON COUNTY, FLORIDA FINANCIAL STATEMENTS September 30, 2019

BOARD OF COUNTY COMMISSIONERS

District 1 Alan Bush

District 2 Charles Kent

District 3
Tray Hawkins

District 4
Todd Abbott

District 5
Steve Joyner

CLERK OF THE CIRCUIT COURT Lora Bell

SHERIFF Kevin Crews TAX COLLECTOR Ken Naker

PROPERTY APPRAISER
Gil Carter

SUPERVISOR OF ELECTIONS Carol F. Rudd

COUNTY ATTORNEY
Matthew Fuqua

AUDITOR Carr, Riggs & Ingram, LLC

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FINANCIAL STATEMENTS

Clerk of the Circuit Court
Sheriff
Property Appraiser
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, 2019, 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, 2019, 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 of the financial statements, the 2018 financial statements have been restated to correct a misstatement related to accounts payable. Our opinion is not modified with respect to this matter.

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 June 29, 2020, 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 June 29, 2020



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 2018-2019 fiscal year are as follows:

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$32,896,015.
- The County's total net position increased by \$93,281 which represents a 1.5% increase from the 2017-2018 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balances of \$18,743,380, an increase of \$2,147,010.
- Non-Restricted fund balance for all governmental funds total \$10,084,038 as of September 30, 2019 compared to total governmental fund balances of \$18,743,380 at the same date.
- Non-restricted Governmental Fund Balance of \$10,084,038, is different from the Unrestricted Net Position amount on the Statement of Net Position (deficit) of (\$7,174,962) 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 \$934,772. This is primarily due to revenues exceeding the budget amount by \$738,695 and expenditures being less than the budgeted expenditures by \$724,011.
- Long-term liabilities increased by \$2,101,388. This increase was primarily due to an increase in the pension liability 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 2019 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, 2019 and September 30, 2018.

	Governmental Activities	Governmental Activities
	September 30, 2019	September 30, 2018
Current and Other Assets	\$ 20,589,096	\$ 18,737,469
Capital Assets	32,741,865	32,851,953
Total Assets	53,330,961	51,589,422
Deferred Outflows,		
Pensions and OPEB	6,641,949	6,846,513
Current Liabilities	2,566,789	2,141,099
Long Term Liabilities	22,755,196	21,374,881
Total Liabilities	25,321,985	23,515,980
Deferred Inflows, Pensions and OPEB	1,754,710	2,117,221
Net Position		
Invested in Capital Position	31,411,635	31,103,919
Restricted	8,659,342	7,065,675
Unrestricted (deficit)	(7,174,962)	(5,366,860)
Total Net Position	\$ 32,896,015	\$ 32,802,734

At September 30, 2019 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 \$31,411,635. 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 \$8,659,342. 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

Revenues	Governmental Activities September 30, 2019	Governmental Activities September 30, 2018
Program Revenues:		
Charges for Service	\$ 5,788,429 \$	4,809,007
Operating Grants and Contributions	3,428,536	2,899,786
Capital Grants and Contributions	442,817	487,295
General revenues:		
Property Taxes	8,225,275	8,234,981
Local Option Taxes	3,990,816	3,577,163
Sales Tax and Other Taxes	1,192,512	1,125,589
Intergovernmental and Shared	3,161,559	2,669,361
Investment Earnings	26,172	13,819
Miscellaneous	2,253,842	945,524
Total Revenues	28,509,958	24,762,525
Expenses:		
Program Activities:		
General Government	7,261,635	6,633,986
Public Safety	8,974,552	8,405,055
Physical Environment	435,702	381,236
Transportation	7,878,848	4,699,700
Economic Development	1,245,300	1,558,103
Human Services	732,365	715,127
Culture and Recreation	875,547	853,181
Court Related	1,093,171	1,044,812
Interest on Long-Term Debt	169,557	193,233
Total Expenses	28,666,677	24,484,433
Change in Net Position	(156,719)	278,092
Net Position, Beginning	32,802,734	32,710,826
Prior period adjustment and change in		
accounting principal	250,000	(186,184)
Net Position Beginning, as restated	33,052,734 32,896,015	32,524,642
Net Position, Ending	\$ \$	32,802,734

Governmental activities, including a prior period adjustment related to a previously accrued liability, increased the County's net position by \$93,281 or approximately 1.5%. Total revenues increased by \$3,747,433 from the prior year with a major factor being an increase in landfill fees related to disposal of hurricane debris. Total expenses increased by \$4,182,244 from the prior year largely due to increased cost related to the hurricane.

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 \$9,105,978, while the total fund balance was \$9,206,620. 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 69.04% of the total general fund expenditures, while total fund balance represents 69.80% of the same amount. The non-reserved total governmental fund balance increased by \$553,343 during 2018-2019 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 2018-2019 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, 2019 amounted to \$32,741,865 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, 2019, the County had long-term liabilities totaling \$22,755,196. Of this amount, inter-local agreement payables outstanding were \$157,000, Notes Payable were \$4,812,029, and Capital leases were 373,222. Also, there is \$713,254 to address compensated absences obligations, \$16,976,097 for pension liability (GASB 68), \$20,371 for landfill post closure costs and the remaining amount of \$424,296 for OPEB liabilities.

ECONOMIC FACTORS-WASHINGTON COUNTY, FLORIDA

The unemployment rate for County was 3.0% at September 2019. The rate was 3.4% at September 2018.

Population is estimated at 24,922 as of September 2019 and 24,880 as of September, 2018.

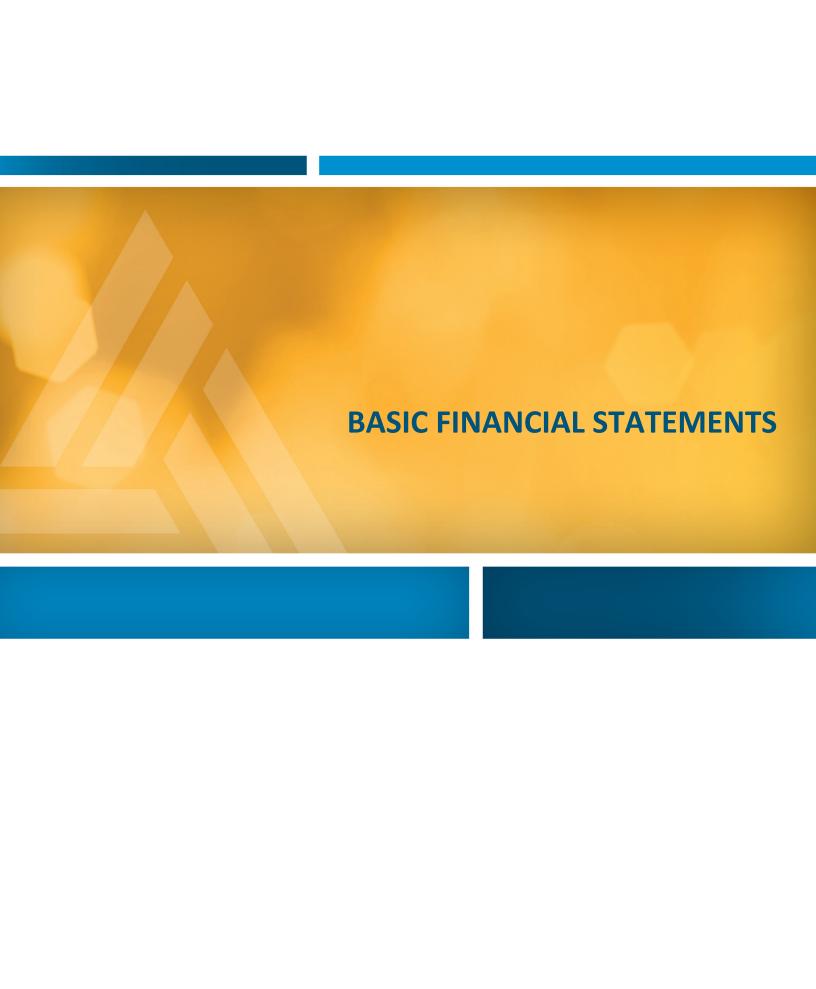
The taxable value for personal and real property in the County is \$856,662,571 for fiscal year ending September 30, 2019 and \$832,972,081 for the fiscal year ending September 30, 2018.

The general ad valorem tax mileage rate was 8.9735 for the fiscal year ending September 30, 2019 and 9.2235 for the fiscal year ending September 30, 2018.

The budgeted expenditures for the fiscal year ending September 30, 2019 represents an increase of 4.00% over the September 30, 2018 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, 2019

	Primary Government Governmental Activities	Component Unit
Assets	4	
Cash and cash equivalents	\$ 5,598,634 \$	283
Restricted cash and cash equivalents	7,207,170	-
Accounts receivable, net	339,208	-
Due from agency funds	469	-
Due from other governments	4,758,842	-
Inventory	175,230	-
Due from developer	-	4,804
Prepaid expenses	18,849	-
Notes receivable	2,490,694	-
Capital assets, net		
Nondepreciable capital assets	4,564,157	1,770,313
Depreciable capital assets, net	28,177,708	-
Total assets	53,330,961	1,775,400
	55,555,555	_,,,,,,,,
Deferred outflows of resources	20.000	
Other post-employment benefits	26,263	-
Pension	6,615,486	-
Total deferred outflows of resources	6,641,749	-
Liabilities		
Accounts payable and accrued expenses	883,029	3,992
Due to other governments	139,936	-
Unearned revenue	822,751	3
Long-term liabilities		
Portion due or payable within one year		
Notes payable	443,442	-
Capital leases payable	74,947	-
Interlocal agreement payable	4,000	-
Compensated absences	178,314	-
Landfill closure liability	20,371	-
Portion due or payable after one year	,	
Notes payable	4,368,587	_
Capital leases payable	298,275	_
Interlocal agreement payable	153,000	_
Compensated absences	534,940	_
Pension Liability	16,976,097	_
Other post-employment benefits	424,296	<u> </u>
Total liabilities	25,321,985	3,995
Deferred inflows of resources		
Other post-employment benefits	6,103	-
Pension	1,748,607	-
Total deferred inflows of resources	1,754,710	-
Net position		
Net investment in capital assets	31,411,635	1,770,313
Restricted		1,770,313
	8,659,342 (7,174,962)	1 002
Unrestricted (deficit)	(7,174,962)	1,092
Total net position	\$ 32,896,015 \$	1,771,405

Washington County, Florida **Statement of Activities**

For the year ended September 30, 2019

				Pro	Program 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	⋄	7,261,635	❖	1,473,539 \$	2,016,116 \$		\$ (3,771,980)	❖
Public safety		8,974,552		3,547,673	430,681	•	(4,996,198)	
Physical environment		435,702		•	109,409	•	(326,293)	
Transportation		7,878,848		•	85,893	442,817	(7,350,138)	
Economic environment		1,245,300		•	511,772	•	(733,528)	
Human services		732,365		•	16,211	•	(716,154)	
Culture and recreation		875,547		•	178,521	•	(697,026)	
Court related		1,093,171		767,217	79,933		(246,021)	
Interest on long-term debt		169,557					(169,557)	
Total governmental activities		28,666,677		5,788,429	3,428,536	442,817	(19,006,895)	
Total primary government	↔	28,666,677	٠	5,788,429 \$	3,428,536 \$	442,817	(19,006,895)	
Component Unit	\$	25,247	\$	\$ -	\$ 26,057 \$	٠	•	810
		ŏ '	General revenues	ennes				
		-	l axes Property taxes	taxes			8.225.275	
			Local opt	Local option taxes			3,990,816	
			Sales tax	Sales tax and other taxes			1,192,512	
		_	ntergover	Intergovernmental and shared revenue	revenue		3,161,559	
		_	Investment earnings	t earnings			26,172	
		'	Miscellaneous	ons			2,253,842	
			Total g	Total general revenues			18,850,176	
			20040	acitiona ton ai opacal			(012 331)	010
			מופוס	ם וובר אספונוסו			(61,001)	10
		ž	et position	Net position, beginning, as previously stated	iously stated		32,802,734	1,770,595
		P	ior period	Prior period adjustment - Note 21	21		250,000	
		ž	et position	Net position, beginning, after adjustment	Jjustment		33,052,734	1,770,595
		N	Net position, ending	ı, ending			\$ 32,896,015	\$ 1,771,405

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

Washington County, Florida Balance Sheet Governmental Funds

September 30, 2019

		General Fund	Tr	ansportation Trust		Local Housing Assistance Trust (SHIP)		Hurricane Michael	Go	Other vernmental Funds	Go	Total overnmental Funds
Assets												
Cash and cash equivalents	\$	4,138,442	\$	-	\$	-	\$	577,620	\$	882,572	\$	5,598,634
Restricted cash and cash equivalents		100,642		4,103,785	Ċ	821,162	·	-	·	2,181,581	Ċ	7,207,170
Accounts receivable, net		-		-		-		-		224,529		224,529
Due from agency funds		-		-		-		-		1,269		1,26
Due from other funds		2,480,583		1,131,338		-		12,918		112,227		3,737,06
Due from other governmental units		880,008		2,464,821		-		1,140,707		387,233		4,872,769
Inventory		-		175,230		-		-		-		175,230
Prepaid expenses		17,752		-		-		-		1,097		18,84
Note receivable		2,490,694		-		-		-		-		2,490,69
Total assets	\$	10,108,121	\$	7,875,174	\$	821,162	\$	1,731,245	\$	3,790,508	\$	24,326,210
Liabilities												
Accounts payable and accrued expenses	\$	296,962	\$	305,351	\$	-	\$	110,781	\$	169,983	\$	883,07
Due to other funds		604,539		211,613		-		2,487,094		433,820		3,737,06
Due to other governmental units		-		-		-		-		139,936		139,93
Unearned revenue		-		19,778		767,618		-		35,355		822,75
Total liabilities		901,501		536,742		767,618		2,597,875		779,094		5,582,830
Fund balances												
Nonspendable		2,490,694		175,230		-		-		-		2,665,92
Restricted		100,642		7,163,202		53,544		-		1,341,954		8,659,34
Committed		-		-		-		-		1,362,242		1,362,24
Assigned		-		-		-		-		124,036		124,03
Unassigned (deficit)		6,615,284		-		-		(866,630)		183,182		5,931,83
Total fund balances		9,206,620		7,338,432		53,544		(866,630)		3,011,414		18,743,380
Total liabilities and fund balances	\$	10,108,121	\$	7,875,174	Ś	821,162	Ś	1,731,245	Ś	3,790,508		
Amounts reported for governmental activ position are different because: Capital assets used in govern	ities	in the stateme	ent o	f net		,	Ş	1,731,245	ڔ	3,730,308	=	
and, therefore, are not r Long-term liabilities are not o				current period	and	l.						32,741,86
therefore, are not report					•	•						(23,476,26
Deferred outflows and inflow			ted t	o pensions are	apr	olicable to future						
periods and, therefore, are no				•								
Deferred outflows of resou												26,26
Deferred inflows of resource												(6,10
Deferred outflows of resou												6,615,48
Deferred inflows of resource												(1,748,60

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

Revenues Taxes Licenses and permits Intergovernmental Charges for services Fines and forfeitures Grants Investment earnings Other fees and miscellaneous revenue Expenditures Current General government Public health and safety Physical environment	General Fund 10,752,743 \$ 1,480,673	i ransportation Trust	Assistance Trust (SHIP)	Michael	Governmental	Governmental
					25	551.51
	1,480,673	2,011,588 \$	\$	\$	644,272 \$	13,408,603
Charges for services Charges for services Charges for services Grants Investment earnings Other fees and miscellaneous revenue Total revenues Expenditures Current General government Public health and safety Physical environment						1,728,702
Charges for services Fines and forfeitures Grants Investment earnings Other fees and miscellaneous revenue Total revenues Expenditures Current Public health and safety Physical environment	1,990,667	994,144	•		176,748	3,161,559
Fines and forfeitures Grants Investment earnings Other fees and miscellaneous revenue Total revenues Current General government Public health and safety Physical environment	1,473,539				2,578,673	4,052,212
Grants Investment earnings Other fees and miscellaneous revenue Total revenues Expenditures Current General government Public health and safety Physical environment	7,515					7,515
Unvestment earnings Other fees and miscellaneous revenue Total revenues Expenditures Current General government Public health and safety Physical environment	133,089		331,454	1,731,245	1,675,565	3,871,353
Other fees and miscellaneous revenue Total revenues Expenditures Current General government Public health and safety Physical environment	7,319	12,751	5,889		213	26,172
Expenditures Current General government Public health and safety Physical environment	386,509	1,770,552	17,000		79,781	2,253,842
Expenditures Current General government Public health and safety Physical environment	16,232,054	4,800,425	354,343	1,731,245	5,391,891	28,509,958
Current General government Public health and safety Physical environment						
General government Public health and safety Physical environment						
Public health and safety Physical environment	5,888,156				119,325	6,007,481
Physical environment	5,618,216	•			3,029,911	8,648,127
	178,578		•		202,529	381,107
Transportation		2,770,694		2,300,603	457,821	5,529,118
Economic environment	223,218		353,967	•	593,268	1,170,453
Human services	615,491				31,411	646,902
Culture and recreation	109,537				540,488	650,025
Court related	40,770				924,688	965,458
Capital outlay	432,624	777,417	1	17,700	695,544	1,923,285
Debt service						
Principal	71,493	51,531 12 881			398,413	321,437 160 557
וווגרוביז מווח סנוורו בומו פריז	500(11	10000			, T. C.	100,001
Total expenditures	13,189,176	3,613,523	353,967	2,318,303	7,137,981	26,612,950
Excess (deficiency) of revenues over (under) expenditures	3,042,878	1,186,902	376	(587,058)	(1,746,090)	1,897,008
Other financing sources (uses)						
Transfers in	37,757	204,201			2,278,187	2,520,145
Transfers out	(2,145,863)	(13,682)		(279,572)	(81,028)	(2,520,145)
Net other financing sources (uses)	(2,108,106)	190,519	٠	(279,572)	2,197,159	
Net changes in fund balances	934,772	1,377,421	376	(866,630)	451,069	1,897,008
Fund balances - beginning, as previously stated	8,021,848	5,961,011	53,168	•	2,560,345	16,596,372
Prior Period Adjustment - Note 21	250,000		1		•	250,000
Fund Balances -beginning, after adjustment	8,271,848	5,961,011	53,168		2,560,345	16,846,372
Fund balances - ending	\$ 029'902'6	7,338,432 \$	53,544 \$	\$ (089,630)	3,011,414 \$	18,743,380

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

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

diricici	it because.		
	Net change in fund balances - total governmental funds	\$	1,897,008
	Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.		1,923,285
	Depreciation expense on governmental capital assets included in the governmental activities in the statement of net position.		(2,033,373)
	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.		521,437
	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:	in	
	Other post-employment benefits		448
	Pension Expenses		(2,440,892)
	Compensated absences		(24,632)
	Change in net position of governmental activities	\$	(156,719)

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	Å 44 000 00F	4 4 4 000 550	4 40 750 740	4 (276.046)
Taxes	\$ 11,029,895	\$ 11,029,559	\$ 10,752,743	
Licenses and permits	1,208,000	1,208,000	1,480,673	272,673
Intergovernmental	1,946,619	1,946,619	1,990,667	44,048
Charges for services	1,493,807	1,493,807	1,473,539	(20,268)
Fines and forfeitures	4,500	4,500	7,515	3,015
Grants	78,638	78,638	133,089	54,451
Investment earnings	-	-	7,319	7,319
Other fees and miscellaneous revenues	418,139	444,044	386,509	(57,535)
Less 5% estimated revenues	(711,808)	(711,808)	-	711,808
Total revenues	15,467,790	15,493,359	16,232,054	738,695
Expenditures				
Current				
General government	6,838,481	6,455,354	5,888,156	567,198
Public safety	5,206,753	6,035,630	5,618,216	417,414
Physical environment	192,190	179,073	178,578	495
Economic environment	362,961	368,254	223,218	145,036
Human services	720,948	653,207	615,491	37,716
Culture and recreation	119,223	107,123	109,537	(2,414)
Court related	52,318	54,104	40,770	13,334
Capital outlay	6,222	18,442	432,624	(414,182)
Debt service	64,500	42,000	82,586	(40,586)
Total expenditures	13,563,596	13,913,187	13,189,176	724,011
Excess of revenues over expenditures	1,904,194	1,580,172	3,042,878	1,462,706
Other financing sources (uses)				
Transfers in	122,165	122,501	37,757	(84,744)
Transfers out	(2,823,202)	(2,499,516)	(2,145,863)	353,653
Net other financing sources (uses)	(2,701,037)	(2,377,015)	(2,108,106)	268,909
Net change in fund balance	\$ (796,843)	\$ (796,843)	\$ 934,772	\$ 1,731,615

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	\$ 1,956,653	\$ 1,956,653	2,011,588	\$ 54,935
Licenses and permits	10,000	10,000	11,390	1,390
Intergovernmental	834,302	834,302	994,144	159,842
Investment earnings	-	-	12,751	12,751
Other fees and miscellaneous revenues	20,000	1,781,377	1,770,552	(10,825)
Less 5% estimated revenues	(141,048)	(141,048)	-	141,048
Total revenues	2,679,907	4,441,284	4,800,425	359,141
Expenditures Current				
Transportation	3,236,573	4,481,803	2,770,694	1,711,109
Capital Outlay	310,010	942,475	777,417	165,058
Debt Service - principal	-	-	51,531	(51,531)
Debt Service - interest	-	-	13,881	(13,881)
Total expenditures	3,546,583	5,424,278	3,613,523	1,810,755
Excess (deficiency) of revenues over (under) expenditures	(866,676)	(982,994)	1,186,902	2,169,896
Other financing sources (uses)				
Transfers in	204,201	204,201	204,201	-
Transfers out	-	-	(13,682)	(13,682)
Net other financing sources	204,201	204,201	190,519	(13,682)
Net change in fund balance	\$ (662,475)	\$ (778,793)	\$ 1,377,421	\$ 2,156,214

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	_	ance with
Revenues					
Grants	\$ 350,000	\$ 350,000	\$ 331,454	\$	(18,546)
Investment earnings	-	-	5,889		5,889
Other fees and miscellaneous revenues	-	-	17,000		17,000
Total revenues	350,000	350,000	354,343		4,343
Expenditures					
Economic environment	950,000	950,000	353,967		596,033
Total expenditures	950,000	950,000	353,967		596,033
Excess of revenues over expenditures	(600,000)	(600,000)	376		600,376
Net change in fund balance	\$ (600,000)	\$ (600,000)	\$ 376	\$	600,376

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

	Original		Final		Variance with
	Budget		Budget	Actual	Final Budget
Revenues					
Grants	\$		\$ 2,598,004	\$ 1,731,245	\$ (866,759)
Total revenues			2,598,004	1,731,245	(866,759)
Expenditures					
Current					
Transportation		-	2,300,730	2,300,603	127
Capital outlay		-	17,700	17,700	
Total expenditures		-	2,318,430	2,318,303	127
Excess of revenues over expenditures		-	279,574	(587,058)	(866,632)
Other financing sources (uses)					
Transfers out			(279,574)	(279,572)	2
Net other financing sources			(279,574)	(279,572)	2
Net change in fund balance	\$		\$ -	\$ (866,630)	\$ (866,630)

Washington County, Florida Statement of Fiduciary Net Position Agency Funds

September 30, 2019	
Assets	
Cash	\$ 1,040,091
Due from other funds	1,101
Due from others	1,330
Total assets	\$ 1,042,522
Liabilities	
Due to others	\$ 1,040,152
Due to other funds	2,370
Total liabilities	\$ 1,042,522

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, 2019.

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.

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.

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.

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

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

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

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.

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.

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, 2019, 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.

Subsequent Events

The County has evaluated subsequent events through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued, June 29, 2020, and determined there were no events that occurred that required disclosure.

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.

Impact of Recently Issued Accounting Pronouncements

During the year ended September 30 2019, the County adopted two new statements of financial accounting standards issued by GASB, as follows:

- GASB Statement No. 83, Certain Asset Retirement Obligations ("GASB 83")
- GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements ("GASB 88")

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the County's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the County's financial statements.

Accounting Pronouncements Recently 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 Hospital upon implementation. Management has not yet evaluated the effect of implementation of these standards.

	Effective
GASB Accounting Standard	Fiscal Year
Fiduciary Activities	2020
Leases	2021
Accounting for Interest Cost Incurred Before the End	
of a Construction Period	2021
Majority Equity Interest an amendment of GASB	
Statements No. 14 and No. 61	2020
Conduit Debt Obligations	2022
	Leases Accounting for Interest Cost Incurred Before the End of a Construction Period Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61

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 2019 millage rate assessed by the County was 8.9735 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.

Note 2: PROPERTY TAXES (Continued)

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 \$13,845,895 and the bank balance was \$14,715,702. 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.

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2019, the net realizable value and the carrying value of these funds was \$11,997. The funds are carried as a cash equivalent on the balance sheet at September 30, 2019 (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.

Note 3: DEPOSITS AND INVESTMENTS (Continued)

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, 2019, 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, 2019, is 28 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, 2019, is 80 days.

Custodial Credit Risk

At September 30, 2019, 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, 2019, the County did not hold any investments that were considered to have a concentration of credit risk.

Foreign Currency Risk

At September 30, 2019, 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, 2019 consisted of the following:

Due to/from Other Funds:

Receivable Fund General fund	Payable Fund Transportation Trust Hurricane Michael Other Special Revenue Funds	\$	197,932 1,881,351 401,300
Transportation Trust	General Fund Hurricane Michael		533,677 597,661
Hurricane Michael	General Fund		12,918
Nonmajor Funds			
Other Special Revenue Funds	General		57,944
Other Special Revenue Funds	Transportation Trust		13,681
Other Special Revenue Funds	Hurricane Michael		8,082
Other Special Revenue Funds	Other Special Revenue Funds		32,520
Total		Ś	3.737.066

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, 2019, consisted of the following:

Transfers to General Fund from: Nonmajor Governmental funds Total	\$ 37,757	37,757
Transfers to Transportation Fund from:		
General Fund	204,201	
Total		204,201
Transfers to Nonmajor Governmental Funds from:		
General fund	1,941,662	
Transporation Fund	13,682	
Hurricane Michael	279,572	
Nonmajor Governmental funds	43,271	
Total		2,278,187
Total interfund transfers		\$ 2,520,145

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, 2019, but not yet received by the County. The majority of these amounts were received in October and November 2019.

Note 6: ACCOUNTS RECEIVABLE

Accounts receivables of the EMS are accounted for in a special revenue fund. Accounts receivable in the EMS total \$687,491 and are shown net of allowance for doubtful accounts and contractual adjustments totaling \$510,339. 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, 2019, was \$2,490,694. 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, 2019, was as follows:

	E	BEGINNING BALANCE		INCREASES	1	DECREASES		ENDING BALANCE
Governmental activities:		D/ (L/ (I CCL		THE THE TENT		<u> </u>		D/ LL/ (I TCL
Capital assets, not being								
depreciated:								
Land	\$	3,789,117	\$	325,114	\$	-	\$	4,114,231
Construction in progress		79,097		461,783		90,954		449,926
Total capital assets, not								
being depreciated		3,868,214		786,897		90,954		4,564,157
		, ,		•		,		, ,
Capital assets, being								
depreciated:								
Buildings and improvements		25,728,769		167,744		-		25,896,513
Furniture and equipment		16,761,657		1,059,598		177,725		17,643,530
Roads		9,023,428		-		-		9,023,428
<u>Infrastructure</u>		1,988,560		-		-		1,988,560
Total capital assets,								
being depreciated		53,502,414		1,227,342		177,725		54,552,031
being depresided		33,302,111		1,227,012		177,723		3 1,332,031
Less: Total accumulated								
depreciation		24,518,675		2,033,373		177,725		26,374,323
Total capital assets,								
being depreciated, net		28,983,739		(806,031)		-		28,177,708
Covernmental activities								
Governmental activities	ċ	22 051 052	ċ	(19,134)	ċ	00 0E4	ċ	22 7/11 065
capital assets, net	Ş	32,851,953	Ş	(19,134)	Ş	90,954	Ş	32,741,865

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	\$ 663,197
Public safety	280,457
Physical environment	29,206
Transportation	898,760
Economic environment	36,507
Human services	100,663
Culture and recreation	17,915
Court related	6,668
Total depreciation expense-governmental activities	\$ 2,033,373

Note 9: LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2019, was as follows:

		INNING	ADE	DITIONS	RE	DUCTIONS		ENDING BALANCE	٧	DUE VITHIN NE YEAR
Governmental										
activities:										
Notes, lease and										
other payables:										
Interlocal agreement payable from direct borrowings	Ś	161,000	Ś	_	\$	4,000	Ś	157,000	Ś	4,000
Capital leases	-	449,666	*	_	т	76,444	т.	373,222	т.	74,947
Notes payable from direct borrowings	5,	,253,022		-		440,993		4,812,029		443,442
•										
Total bonds, notes, capital										
leases and other payables	5,	,863,688		-		521,437		5,342,251		522,389
Other liabilities:										
Landfill closure and post-										
closure costs		20,371		-		-		20,371		20,371
Other post employment										
benefit obligations		399,387		24,909		-		424,296		-
Pension liability	,	402,992		73,105		-	1	6,976,097		
Compensated absences		688,443	- 3	394,819		370,007		713,255		178,314
Total other liabilities	15,	511,193	2,9	92,833		370,007	1	8,134,019		198,685
Total governmental activities	\$21,	374,881	\$2,9	92,833	\$	891,444	\$2	3,476,270	\$	721,074

Note 9: LONG-TERM LIABILITIES (Continued)

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

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

Debt service requirements on long-term debt at September 30, 2019 are as follows:

	Governmental Activities											
	INTE	RLOCAL AGR	EEME	NT PAYABLE	NOTES PAYABLE							
FISCAL YEAR ENDING	FF	ROM DIRECT	BORE	ROWINGS	FROM DIRECT BORROWINGS							
SEPTEMBER 30,	PRIN	CIPAL	INT	EREST	PRINCIPAL			EREST				
								_				
2020	\$	4,000	\$	7,261	\$	443,442	\$	185,523				
2021		4,500		7,076		485,699		167,387				
2022		4,500		6,868		489,967		148,395				
2023		5,000		6,660		494,500		128,691				
2024		5,000		6,429		513,100		108,438				
2025-2029		29,500		28,375		2,152,321		274,216				
2030-2034		35,000		21,021		233,000		9,546				
2035-2039		41,000		12,442		-		-				
2040-2042		28,500		2,683		-						
Total	\$	157,000	\$	98,815	\$	4,812,029	\$	1,022,196				

Governmental Activities

FISCAL YEAR ENDING	FISCAL YEAR ENDING CAPITAL LEASES PAYABLE										
SEPTEMBER 30,	PRINC	IPAL	INTER	EST	TOTAL						
2020	\$	74,947	\$	15,497 \$	90,444						
2021		80,058		10,386	90,444						
2022		81,815		7,369	89,184						
2023		136,402		1,356	137,758						
Total	\$	373,222	\$	34,608 \$	407,830						

Note 9: LONG-TERM LIABILITIES (Continued)

Notes payable from direct borrowings

\$934,000 Non-Ad Valorem Tax Revenue Promissor Note, Series 2016, Chart Bank, payable in annual installments ranging from \$39,000 to \$92,000, interest 2.75% fixed, due 2032. Collateralized by pledged revenues.	er at \$	853,000
\$5,500,000, Sales Tax promissory note Series 2015, SunTrust Bank, payable in monthly installments ranging from \$28,200 to \$43,000, interest at 3.28%, due 2028. Collateralized by pledged revenues.		3,855,021
\$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 \$142,172.	of	104,008
Total notes payable from direct borrowings	\$	4,812,029
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. Collateralized by equipment with a net book value of \$348,403.	f \$	302,411
\$117,977, U.S. Bancorp Government Leasing and Finance, Inc., payable in month installments of \$2,086, interest at 2.548%, due 2022. Collateralized by equipment with a net book value of \$106,179.	-	70,811
Total capital leases payable from direct borrowings	\$	373,222
\$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.	\$	157,000
Total interlocal agreement payable from direct borrowings	\$	157,000
Total governmental activities (excluding landfill closure costs, other post employment benefit obligations, pension liability and compensated absences)	\$	5,342,251

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, 2019. 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	\$	39,548
2020	·	6,163
2021		6,163
2022		6,163
2023		6,163
Thereafter		191,048
Total	\$	255,248

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, 2019, were as follows:

Class or Plan	FRS	HIS
Florida Retirement System:		
Regular	8.47%	1.66%
County Elected Officers	48.82%	1.66%
Senior Management Service Class	25.41%	1.66%
Special Risk	25.48%	1.66%
DROP	14.60%	1.66%

The employer's contributions for the year ended September 30, 2019, were \$1,271,414 to the FRS and \$141,686 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2019, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2019, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2019. 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, 2019	\$ 14,121,142 \$	2,854,955
Proportion at:		
Current measurement date	0.0004100	0.0002552
Prior measurement date	0.0003931	0.0002400
Pension expense (benefit)	\$ 3,639,240 \$	247,286

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS					Н	IS	S	
		Deferred		Deferred		Deferred	Deferred		
		Outflows		Inflows		Outflows		Inflows	
Description		of Resources		of Resources	of	of Resources		of Resources	
Differences between expected and								_	
actual experience	\$	837,565	\$	(8,763)	\$	34,677	\$	(3,496)	
Change of assumption		3,626,913		-		330,576		(233,340)	
Net difference between projected and actual investment earnings		-		(781,255)		1,842		-	
Changes in proportion and difference between employer contributions and proportionate share of contributions		1,155,240		(593,384)		282,643		(128,369)	
County contributions subsequent to									
the measurement date		312,244		-		33,786		-	
Total	\$	5,931,962	\$	(1,383,402)	\$	683,524	\$	(365,205)	

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, 2019. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	FRS	HIS		
2020	\$ 1,491,208 \$	84,331		
2021	547,324	71,056		
2022	1,065,050	54,827		
2023	802,186	5,819		
2024	235,759	24,449		
Thereafter	94,789	44,051		
		_		
Total	\$ 4,236,316 \$	284,533		

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

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2019, was determined by an actuarial valuation dated July 1, 2019, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

<u></u>	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	6.90%	N/A
Discount rate	6.90%	3.50%

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, 2019 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2019:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.0% to 6.90%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.87% to 3.50%.

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)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.30%	3.3%	1.8%
Fixed Income	18.00%	4.10%	4.1%	4.0%
Global Equity	54.00%	8.00%	6.8%	17.0%
Real Estate (Property)	10.00%	6.70%	6.1%	11.3%
Private Equity	11.00%	11.20%	8.4%	26.5%
Strategic Investments	6.00%	5.90%	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 6.90%. 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 3.50% 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		
	(5.9%)	(6.9%)	(7.9%)		
Governmental Employer's proportionate					
share of the net pension liability	\$ 24,410,754 \$	14,121,142	\$ 5,527,577		
	H	IIS Net Pension Liability			
		Current			
	1% Decrease	Discount Rate	1% Increase		
	(2.5%)	(3.5%)	(4.5%)		
Governmental Employer's proportionate					
share of the net pension liability	\$ 3,259,079 \$	2,854,955	\$ 2,518,368		

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, 2019, totaled \$35,099.

Note 13: GRANTS

The County participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2019, 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 Funding for: Long-term note receivable	\$ 2,490,694
Transportation fund	Funding for: Inventory	175,230
	Total	\$ 2,665,924

Note 14: FUND EQUITY (Continued)

Restricted Fund Balance:

Funds	Purpose		
General fund	Funding for:		
	Landfill closure		57,973
	Education and crime prevention		42,669
Transportation trust fund	Funding for:		
	Transportation		7,163,202
Local Housing Assitance Trust	Funding for:		
	Local housing assistance		53,544
Other governmental funds	Funding for:		
	Court innovations		577,750
	Emergency communications		21,839
	Law enforcement		240,768
	Probation		173,605
	Emergency management		42,602
	Road improvements		34,529
	Economic development		95,475
	Court-related operations		45,040
	Modernization of Public Records		16,398
	Crime prevention		58,999
	Court-related technology		34,949
	Total	\$	8,659,342

Committed Fund Balance:

Funds	Purpose	
Other governmental funds	Funding for:	
	Fire operations	\$ 433,665
	Municipal service business unit	644,553
	Mosquito control	101,623
	Boater improvement	67,828
	Building department	108,568
	Police education	6,005
	Total	\$ 1,362,242

Note 14: FUND EQUITY (Continued)

Assigned Fund Balance:

Funds	Purpose				
Other governmental funds	Funding for:				
	2019 Budget appropriations	\$	124,036		
<u></u>	Total	\$	124,036		

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, 2019, was \$57,973. 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, 2019. 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 2018 amounts have been reclassified to conform with 2019 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, 2019, 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 2019 was \$18,158. The Board contributes the remainder to cover the costs of providing the benefits to the retirees.

OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB - At September 30, 2019, the County reported a liability of \$424,296 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2019, and was determined by an actuarial valuation as of October 1, 2019. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2019, the County recognized OPEB expense of \$43,870. At September 30, 2019, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

		Deferred		
	Ot	utflows of	Defe	rred Inflows
	Resources		of Resources	
Difference between expected and actual experience	\$	1,498	\$	-
Changes of assumptions or other inputs		24,765		6,103
Total	\$	26,263	\$	6,103

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

Year ended September 30,	
2020	\$ 2,771
2021	2,771
2022	2,771
2023	2,771
2024	2,771
Thereafter	6,305
Total	\$ 20,160

Note 19: OTHER POSTEMPLOYMENT BENEFITS (Continued)

The significant components of Other Postemployment Benefits follows:

	Total OPEB			Deferred		
	Liability	D	eferred Inflows	Outflows	OF	PEB Expense
Balance at October 1, 2018	\$ 399,387	\$	-	\$ -	\$	-
Service Cost	26,655		-	-		26,655
Interest Cost	14,444		-	-		14,444
Changes in Benefit Terms	-		-	-		-
Differences between Expected and Actual Experience						
with Regard to Economic or Demographic Assumptions	-		-	1,498		250
Current Year Amortization of Experience Difference	-		-	-		-
Change in Assumptions About Future Economic or						
Demographic Factors or Other Inputs	28,303		6,103	24,765		2,521
Current Year Amortization of Change in Assumptions	-		-	-		-
Benefit Payments	(44,493)		-	-		-
Balance as of fiscal year ended September 30, 2019	\$ 424,296	\$	6,103	\$ 26,263	\$	43,870

Discount Rate - Given the County's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.75%. 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.

Actuarial Method and Assumptions – The total OPEB liability in the October 1, 2019, 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	2.75%
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, 2019 Florida Retirement System (FRS) valuation report.

Note 19: OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net OPEB liability using a discount rate that is 1 percent lower (1.75%) or 1 percent point higher (3.75%) than the current discount rate:

	19	% Decrease	Curr	ent Discount	1	l% increase
		(1.75%)	Ra	ate (2.75%)		(3.75%)
						_
Net OPEB Liability	\$	451,690	\$	424,296	\$	398,039

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:

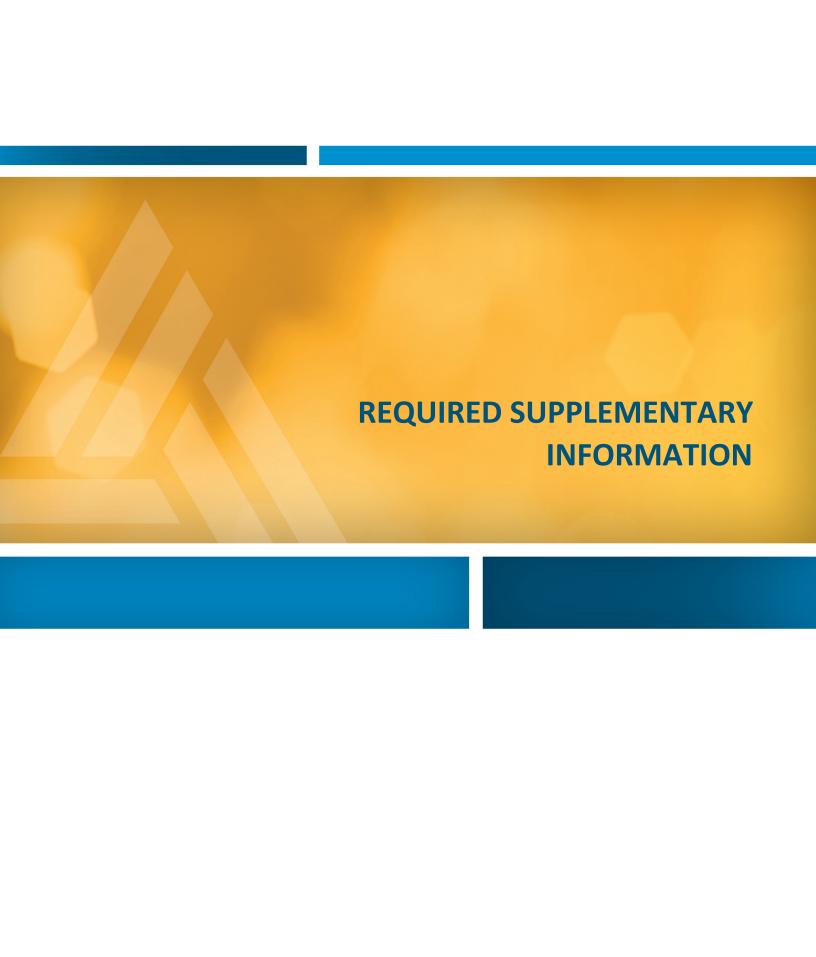
	19	% Decrease (3.00%)	 rent Medical end (4.00%)	1	l% increase (5.00%)
Net OPEB Liability	\$	377,396	\$ 424,296	\$	481,464

Note 20: SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the County. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

Note 21: PRIOR PERIOD ADJUSTMENT

The beginning fund balance for the General fund was restated by \$250,000 as of and for the year ended September 30, 2018 to correct an error related to accounts payable. Expenses on the Statement of Revenues, Expenditures, and changes in Fund Balance would decrease by \$250,000 for year ended September 30, 2018.



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

		2019		2018		2017		2016		2015		2014		2013
County's proportion of the net pension liability (asset)	0.0	041003815%		0.039311830%	0.0	0.039421864%	0.0	0.037700000%		0.035800000%		0.034600000%	0.0	0.033900000%
County's proportionate share of the net pension liability (asset)	↔	14,121,142	↔	11,840,927	\$	14,121,142 \$ 11,840,927 \$ 11,660,723 \$	40	\$ 898'805'6	\$	4,618,120 \$	↔	2,113,210 \$	10	5,839,069
County's covered payroll	❖	8,854,312	⊹	\$,297,505 \$	⋄	7,956,177 \$	40	7,837,732 \$	↔	7,571,054 \$	⋄	7,380,629 \$	10	7,361,194
County's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll		159.48%		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		82.61%		84.26%		83.89%		84.88%		92.00%		%60'96		N/A
Note: Data														

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.

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

		2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	↔	1,271,414 \$	1,271,414 \$ 1,120,355 \$ 1,028,157 \$	1,028,157 \$	918,321 \$	871,715 \$	758,641 \$	456,455
Contributions in relation to the contractually required contribution		(1,271,414)	(1,120,355)	(1,028,157)	(918,321)	(871,715)	(758,641)	(456,455)
Contribution deficiency (excess)	❖	· .	\$· -	\$· -	⊹	⊹	⊹	1
County's covered payroll	↔	8,784,277 \$	8,251,801 \$	7,956,177 \$	7,956,177 \$ 7,837,732 \$ 7,571,054 \$	7,571,054 \$	7,380,629 \$	7,361,194
Contributions as a percentage of covered payroll		14.47%	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.

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

		2019		2018		2017	2016	91		2015		2014		2013
County's proportion of the net pension liability (asset)		0.025515740%		0.024206707%		0.024003295%	0.0240	0.024000000%	0.0	23300000%	0.0	0.023300000% 0.012800000%		0.023500000%
County's proportionate share of the net pension liability (asset)	↔	2,854,955	❖	2,562,065	€0-	2,566,543 \$		2,792,437	⋄	2,375,636 \$	❖	2,212,590 \$	❖	2,046,241
County's covered payroll	↔	8,854,312	\$	\$,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		32.24%		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		2.63%		2.15%		1.64%		0.97%		0.50%		%66:0		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 - HIS Last Seven Fiscal Years

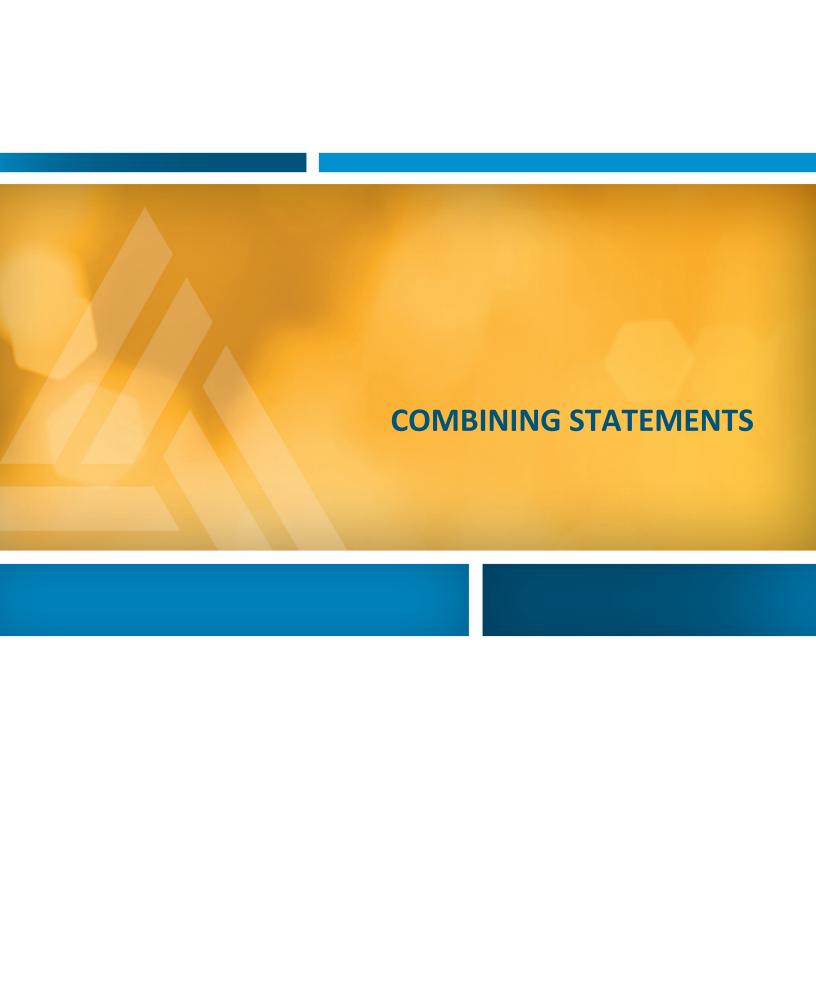
		2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	↔	141,686 \$	131,274 \$	125,880 \$	122,810 \$	89,045 \$	81,063 \$	76,988
Contributions in relation to the contractually required contribution		(141,686)	(131,274)	(125,880)	(122,810)	(89,045)	(81,063)	(76,988)
Contribution deficiency (excess)	Ş	⊹	\$	⊹	⊹	\$-	⊹	'
County's covered payroll	\$	8,784,277 \$	8,784,277 \$ 8,251,801 \$	7,956,177 \$	7,837,732 \$	7,571,054 \$	7,956,177 \$ 7,837,732 \$ 7,571,054 \$ 7,380,629 \$	7,361,194
Contributions as a percentage of covered payroll		1.61%	1.59%	1.58%	1.57%	1.18%	1.10%	1.05%

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

Reporting Period	9/30/2019	9/30/2018
Measurement Period	10/1/2018	10/1/2018
Total OPEB Liability		
Service Cost	\$ 26,655	\$ 26,894
Interest	14,444	13,497
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	1,998
Changes of Assumptions	28,303	(8,137)
Benefit Payments	(44,493)	(39,002)
Net Change in Total OPEB Liability	24,909	(4,750)
Total OPEB Liability - Beginning	399,387	404,137
Total OPEB Liability - Ending	\$ 424,296	\$ 399,387



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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2019

					Special Revenue Funds	-nnds		
		Public	Small		Fines &	Fifteen		
		Library Fund	Counties Grant Fund	Buckhorn Road	Forfeiture Fund	Dollar Surcharge Fund	Kent Road	Obies Street
Assets								
Cash and cash equivalents	φ.	9,001 \$	16,889	\$	· \$	\$ -	\$ -	1
Restricted cash and cash equivalents		ı	1	1	26,780	315,945	ı	ī
Accounts receivable, net		ı	1	47,195	1	•	ı	ī
Due from agency funds		ı	1	1	1,269	•	ı	ī
Due from other funds		14,083	4,096	1	25,728	•	14,434	ı
Due from other governmental units		•	34,282	ı	14,709	3,507	65,575	•
Prepaid expenses		1	1	1	1,097		1	1
Total assets	❖	23,084 \$	55,267	\$ 47,195	\$ 69,583	\$ 319,452 \$	\$ 600'08	'
Liabilities								
Accounts payable and accrued expenses	❖	20,567 \$		\$ 47.105	\$ 13,017	\$		
Due to other povernmental units			. 24,127	47,193 -	710,111	110	, 1,932 -	
Unearned revenue		1	,	1) I	1	,	'
Total liabilities		20,567	41,661	47,195	24,543	811	80,009	1
Fund balances								
Restricted			•	•	45,040	318,641	1	
Assigned		2,517	13,606			1		
Unassigned		1	1	-			-	1
Total fund balances		2,517	13,606	1	45,040	318,641		1
Total liabilities and fund balances	↔	23,084 \$	55,267	\$ 47,195	\$ 69,583	\$ 319,452 \$	\$ 600'08	
							•	

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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2019

					S	Special Revenue Funds	sp			
	Mec	Emergency Medical Service Fund	Mur Sei Busine	Municipal Service Business Unit	Fire Operation Fund	Radio Communication Fund	Bonnet Pond Road	L Enfor Trust	Law Enforcement Trust Fund III	Special Projects - Impact
Accets										
Cash and cash equivalents Restricted cash and cash equivalents	❖	64,155	❖	\$ -	486,769	- 20.701	⋄	ب	\$ - 45 904	- 38 045
Accounts receivable, net		177,152		, ,	ı	- ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' '			t '	,
Due from agency funds				1	1	1		1		ı
Due from other funds Due from other governmental units				5,165		1,138				
Prepaid expenses					'	.				
Total assets	❖	241,307	❖	663,840 \$	486,769	\$ 21,839	\$	⊹	45,904 \$	38,045
Liabilities										
Accounts payable and accrued expenses	Ϋ́	8,807	⋄	1,115 \$	52,606	· .	<∧	\$.	⇔	3,614
Due to other governmental units		39,927		- 10,112	t 0 '					
Unearned revenue		1		'	1			1		1
Total liabilities		58,826		19,287	53,104	·		1	•	3,614
Fund balances										
Restricted		1			- 222 CCV	21,839			45,904	34,431
Assigned					433,003					
Unassigned		182,481		'	ı			1	ı	,
Total fund balances		182,481		644,553	433,665	21,839			45,904	34,431
Total lishilities and fund halanses	v	7/1 3/17	v	\$ 01/8 899	092 981	\$ 31 839	v	v	75 904 \$	38 045
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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

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September 30, 2013					Sag	Spand Charles	٠				
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	Law En F	Law Enforcement Fund I	Cope Road	Co. A	Arthropod Control Fund	Choose Life Tag Fund	SAFER Grant	irant	E911	Police Education Fund	ce in Fund
Accot											
Cash and cash equivalents	Ŷ	421 \$		\$	127,615	\$ 1.867	\$ 7	· .	'	\$	
Restricted cash and cash equivalents	٠						٠	,	908'69		5,751
Accounts receivable, net		1			1	1			•		'
Due from agency funds		1		ı	1	1		1	1		1
Due from other funds		•			1	•			1,424		•
Due from other governmental units Prepaid expenses					8,620	1 1	(1)	37,268	53,200		254
Total assets	\$	421 \$		\$	136,235	\$ 1,867	\$	37,268 \$	124,430	\$	6,005
Liabilities Accounts payable and accrued expenses	٠	ئ		٠	475	\$	٠	3,443 \$	12,386	٠	1
Due to other funds	<u>-</u>			. ,		•	(,,		6,000		•
Due to other governmental units					1	•			1		
Unearned revenue				1	28,887	1		1	'		'
Total liabilities					34,612	1		37,268	18,386		•
Fund balances											
Restricted		421		ı	1	1		1	1		1
Committed					101,623	•			•		6,005
Assigned Unassigned						1,867			106,044		1 1
0.00											
Total fund balances		421			101,623	1,867			106,044		6,005
Total liabilities and fund balances	↔	421 \$		٠,	136,235	\$ 1,867	ψ.	37,268 \$	124,430	ψ.	6,005

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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

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September 30, 2013			Spe	Special Revenue Funds			
			Emergency				
	HUD Section 8	Tourist Development Tax	Management	EMPG Grant	Criminal Education Fund	Cost of Incarceration	Crimes Prevention
Assets							
Cash and cash equivalents	, \$	\$	· \$	\$	\$		- \$
Restricted cash and cash equivalents	•	78,584	44,122	•	7,602	20,992	29,156
Accounts receivable, net	•	•	1	1	•	1	•
Due from agency funds	1	1	•	•	1	1	•
Due from other funds	1	17,260	•	1			•
Due from other governmental units Prepaid expenses	1 1	10,841		14,336	282	281	- 989
Total assets	\$	\$ 106,685	\$ 44,122	\$ 14,336	\$ 7,884	\$ 21,273	\$ 29,842
100							
Liabilities Accounts navable and accriled expenses	·	\$ 11.211	\$ 634	•	·		
Due to other funds	•		9	14,336	,	1	,
Due to other governmental units	•	•	•	•	1	1	•
Unearned revenue	1	1	1	1	1		1
Total liabilities		11,211	6,823	14,336	•		1
Fund balances							
Restricted	•	95,474	37,299	1	7,884	21,273	29,842
Committed	•	•	•	•	•	•	•
Assigned	•	•	•	•	•	•	•
Unassigned	-	1	1	1	1	1	1
Total fund balances	'	95,474	37,299	'	7,884	21,273	29,842
	•						
lotal liabilities and fund balances	٠ ٠	\$ 106,685	\$ 44,122	\$ 14,336	4 / ⁷ ,884	\$ 71,2/3	\$ 29,842

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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

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					Special Revenue Funds	Eunds				1
	T A	Article V Technology	Sixty-Five Dollar Surcharge	EMPA Grant	Probation	Kirkland Road	Recreational Facilities	Boat Ramp Fund	Wilderness Road	ad
Accete										Ì
Cash and cash equivalents	ş	•	Ş	\$	\$ -	1	\$	\$ 71,074	4 \$	
Restricted cash and cash equivalents	-	54,502	260,088		167,760	'				1
Accounts receivable, net		1	•	•	•	1	•	182	2	
Due from agency funds		1	1	1	1	1	1		1	1
Due from other funds		1	•	•	•	86	2			
Due from other governmental units		3,082	1,431	16,916	9,268	' '	' '	572	2 -	
בייקלמים כייקרים										
Total assets	\$	57,584	\$ 261,519	\$ 16,916	\$ 177,028 \$	98	\$ 2	\$ 71,828	\$ \$	П
in in it is a second of the se										
Accounts payable and accrued expenses	÷	1	\$ 2.410	\$1 -	\$ 3.423 \$	'	Ş	Ş	\$	
Due to other funds	-	22,635		16,916	,	1		4,000		
Due to other governmental units		ı	1	•	•	1	•			
Unearned revenue		•			1	1				4
Total liabilities		22,635	2,410	16,916	3,423	1	1	4,000	0	- 1
Fund balances										
Restricted		34,949	259,109	1	173,605	86	1		1	1
Committed		1	'	•	•	'	•	67,828	8	,
Assigned		1	1	•	•	'	2			
Unassigned		1	1	1						-
Total fund balances		34,949	259,109	1	173,605	86	2	67,828	8	ч]
Total liabilities and fund balances	·v	57 58/	261 519	16 916	\$ 177.028 \$	δ	٠	\$ 71 878	€ «	-
	Դ	Ш		010,01	020,111		Դ	ጉ	Ш	۱

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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2019

				Sp	Special Revenue Funds	s			
	Bu Dep	Building Department	Homeland Security	EMS Impact Fees	2010 Homeland Security	Culpepper Landing	South Boulevard Sidewalk	Public Moder Trus	Public Records Modernization Trust Fund
Assets Cash and cash equivalents	5	104.781 \$	1	Ş	.	· \$.	Ş	ı
Restricted cash and cash equivalents	٠		119,219	5,303		· '		٠	20,666
Due from agency funds		- 750 61				, 000			, , 000 6
Due from other governmental units Prepaid expenses		3,979					97,566	0 .	2,020
Total assets	\$	121,034 \$	119,219	\$ 5,303	\$	\$ 19,000	\$ 97,566	\$ \$	24,494
Liabilities Accounts payable and accrued expenses	↔	11,098 \$	985'6		٠ «٠		⋄	.	•
Due to other funds Due to other governmental units		1,368	1 1			19,000	97,566	10 1	960′8
Total liabilities		12,466	- 985'6			19,000	97,566		960′8
Fund balances			7000	י בי					000
Restricted Committed		108,568	109,633	5,303	1 1				10,398 -
Assigned Unassigned		1 1	' '						1 1
Total fund balances		108,568	109,633	5,303	1	'			16,398
Total liabilities and fund balances	\$	121,034 \$	119,219	\$ 5,303	- \$	\$ 19,000	\$ 97,566	\$ \$	24,494

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

September 30, 2019

			ก้	Special Revenue Funds	1s			Debt Service Funds		
								100	i	Total
	Enf	Law Enforcement Trust Fund II	Highway 79 Corridor	Old Bonifay Road	Community Planning	Hurricane Irma	ē	Series 2009 A & B Debt Service	2 00	Nonmajor Governmental Funds
Accate										
Cash and cash equivalents	٠	1	· •	٠ \$	\$	\$	ı	· •	٠	882,572
Restricted cash and cash equivalents		84,810	100,000				6,468			2,181,581
Accounts receivable, net		1	1	•	•		•	•		224,529
Due from agency funds		i	1	i	•		,	•		1,269
Due from other funds		1	•	•	•			•		112,227
Due from other governmental units Prepaid expenses			' '	4,275	' '		1 1	1 1		387,233 1,097
Total assets	٠	84.810 \$	100,000	\$ 4.275	Ý	\$	6.468	· ·	٠v	3.790.508
Liabilities Accounts payable and accrued expenses	٠	1	· ·	٠,	Ş	٠		\$	÷	169,983
Due to other funds		ı	,	4,275			,			433,820
Due to other governmental units		1	100,000		•		,	•		139,936
Unearned revenue				1			6,468			35,355
Total liabilities		·	100,000	4,275	` 		6,468	'		779,094
Fund balances										
Restricted		84,810	1	i	1			1		1,341,954
Committed		ı	1	•	•					1,362,242
Assigned Unassigned				1 1				1 1		124,036 183,182
Total fund balances		84,810		1						3,011,414
Total liabilities and fund balances	\$	84,810 \$	100,000	\$ 4,275	÷	. \$	6,468	- \$	\$	3,790,508

Page 1 of 7

For the year ended September 30, 2019

ו מו נוור לרמו בוומרת סרף נרוווטרו סט, בסבט			Snec	Special Revenue Funds			
				5			
	Public Library Fund	Small Counties Grant Fund	Buckhorn Road	Fines & Forfeiture Fund	Fifteen Dollar Surcharge Fund	Kent Road	Obies Street
Revenues							
Taxes	\$	\$ -	\$,	\$ -	٠,	•
Licenses and permits	•	•		•			•
Intergovernmental	•	•	•	171,748	•		•
Charges for services	•	•	•	462,629	49,722	•	1
Fines and forfeitures	•	•	•	•			•
Grants	178,521	606'06	291,036	79,933	•	2,432	111,673
Investment earnings				34	•		
Other fees and miscellaneous revenues	22,507	25,103		1	210		1
Total revenue	201,028	116,012	291,036	714,344	49,932	2,432	111,673
Evnandituras							
rypelluluica							
Current							
General government							
Public health and safety		. :					
Physical environment		184,029					
Transportation				•		8,057	113,231
Economic environment	•	•		•	•		
Human services		1					•
Culture and recreation	530,919	•	•	•			•
Court related		1		669,304	74,540		•
Capital outlay	000'09		291,036	•	11,950	8,057	•
Debt service							
Principal	4,000						
Interest and other charges	7,446			•			•
Total expenditures	602,365	184,029	291,036	669,304	86,490	16,114	113,231
Excess (deficiency) of revenues over (under) expenditures	(401,337)	(68,017)		45,040	(36,558)	(13,682)	(1,558)
Other financing sources Transfers in Transfers out	400,509	49,916				13,682	1,558
Net other financing sources	400,509	49,916				13,682	1,558
Net change in fund balances	(828)	(18,101)		45,040	(36,558)	•	•
Fund balances - beginning	3,345	31,707		•	355,199	ı	1
Fund balances - ending	\$ 2.517	\$ 13.606 \$	•ss	45.040	\$ 318.641 \$	•S	
0		222/21				٠	

See Independent Auditors' Report

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For the year ended September 30, 2019

Totale year emaca depression Joy 2010			aS	Special Revenue Funds			
	Emergency Modical Service	Municipal	Fire	Radio	to accord	Law	Special
	Fund	Business Unit	Fund	Fund	Pond Road	Trust Fund III	Impact
Revenues							
Taxes		\$ 459,276 \$,	•	· ·	· •	❖
Licenses and permits			•	•	•	•	20,960
Intergovernmental			•		•	•	
Charges for services	1,439,749	•	•	16,493	•	•	
Fines and forfeitures	•		•	•	•	•	
Grants		•	24,300	•	14,309	•	
Investment earnings	•		•	•	•	•	
Other fees and miscellaneous revenues		2,800	3,150	•			1,679
Total revenue	1,439,749	462,076	27,450	16,493	14,309	•	22,639
i							
Expenditures							
Current							
General government	2 111 638		- 222 707	- 12 072	•	•	
Physical environment	- 2,111,038		י י י י י י י י י י י י י י י י י י י	. 20,61	' '		
Transportation	,		•		•	•	3 614
Fconomic environment	,	262 543	•	•	14 309	•	
Human services	•	. '	•	•	'	•	
Culture and recreation	•	•	٠	•	•	•	
Court related	•				•		
Capital outlay	24,015	•	65,000	10,352	•	'	
Debt service							
Principal	24,913		•		•	•	
Interest and other charges	2,205				•	'	
Total expenditures	2,162,771	262,543	472,556	24,175	14,309	'	3,614
Excess (deficiency) of revenues over (under) expenditures	(723,022)	199.533	(445.106)	(7.682)	•	•	19.025
				1			
Other financing sources Transfers in	787 0 27		424.186	,	•	,	
Transfers out	(14,786)	•	,	•	•	'	
Installment loan proceeds		•	•	•	1	1	
Net other financing sources	706,001		424,186			1	
Net change in fund balances	(17,021)	199,533	(20,920)	(7,682)	•	•	19,025
Fund balances - beginning	199,502	445,020	454,585	29,521	•	45,904	15,406
Find balance - ending	\$ 182 481	\$ 644 553 \$	433 665 \$	21 839	10	\$ 45 904	\$ 34.431
	1001	000/110	00000				>

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For the year ended September 30, 2019

יט נוב ארמו בוומרת סכלונרווזמרו סס' בסדט			5	Sparis Curacing Paris			
			<u> </u>				
	Law Enforcement Fund I	Cope Road	Arthropod Control Fund	Choose Life Tag Fund	SAFER Grant	E911	Police Education Fund
Боловиче							
Taxes	v	•	•	•			٠
licenses and permits	'n	`	•	,	•	,	,
Intergovernmental	1	•	2.000	•		٠	•
Charges for services		•	'	•		150,600	3.246
Fines and forfeitures	1	•	•	•		'	! '
Grants		692'6	16,211	•	218,919	39,072	•
Investment earnings	1	•	•	•		•	•
Other fees and miscellaneous revenues				1		5,999	1
Total revenue	1	695'6	21,211		218,919	195,671	3,246
Evnandituras							
Current							
General government	1	•	•	•	•	,	•
Public health and safety	1	•	•	•		183,457	•
Physical environment				•			
Transportation	1	•	•	•	218,919	•	•
Economic environment		•	•	•		•	•
Human services		•	16,211	•	•	•	•
Culture and recreation		695'6	•	•	•	•	•
Court related		•	•	•		•	
Capital outlay		•	•	•		•	•
Debt service							
Principal	•	•	•	•		•	
Interest and other charges		1	•			•	1
Total expenditures	•	695'6	16,211	•	218,919	183,457	
Excess (deficiency) of revenues over (under) expenditures			5,000			12,214	3,246
Other financing courses							
Transfers in	•	•	•	•	•	9,384	i
Transfers out	•	1		1		(6,000)	
Net other financing sources			1	•	,	3,384	
Net change in fund balances		•	2,000	•	ı	15,598	3,246
Fund balances - beginning	421	ı	96,623	1,867		90,446	2,759
- 1		•				0 000	
Fund balances - ending	\$ 421	· ·	\$ 101,623 \$	1,86/	Λ·	106,044 \$	6,005

See Independent Auditors' Report

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For the year ended September 30, 2019				Special Revenue Funds			
				Secial Reveilae Fullo			
	HUD Section 8	Tourist Development Tax	Emergency Management Enhancement	EMPG Grant	Criminal Education Fund	Cost of Incarceration	Crimes Prevention
Revenues							
Taxes	\$	\$ 184,996	· •	· •	\$	\$ -	
Licenses and permits	•	•	•	•	•	•	•
Intergovernmental	•	•	•	•	•	•	•
Charges for services	•	•	•	•	3,926	4,152	9,128
Fines and forfeitures	•	•	•	•	•		
Grants	118,411	47,598	•	43,358	•		
Investment earnings Other fees and miscellaneous revenues							
Total revenue	118,411	232,594	i i	43,358	3,926	4,152	9,128
Expenditures							
Current							
General government	•	•	•			•	•
Public health and safety	•	•	50,298	•	•	•	
Physical environment	•	•		•	•	•	•
Transportation	•	•	•	•	•	•	•
Economic environment	118,411	154,647	•	43,358	•		
Human services	•	•	•	•	•	•	•
Culture and recreation	•	•	•	•	•	•	•
Court related	•	•	•	•	•	•	•
Capital outlay		•	9,418	•	•	•	•
Debt service							
Principal	•	•	•	•	•	•	
Interest and other charges						1	
Total expenditures	118,411	154,647	59,716	43,358	•	•	
Excess (deficiency) of revenues over (under) expenditures		77,947	(59,716)		3,926	4,152	9,128
Other financing sources Transfers in Transfers out		1	61,675	24,102			1 1
Transaction of the Ash or flancacion contracts			353 53	24 103			
Net Other Illianting sources			0.00,10	201,42			
Net change in fund balances	•	77,947	1,959	24,102	3,926	4,152	9,128
Fund balances - beginning	1	17,527	35,340	(24,102)	3,958	17,121	20,714
Fund balances - ending	÷	\$ 95.474	\$ 37.299	•	7.884	\$ 21.273 \$	29.842
0					. 55(2:=(==	

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For the year ended September 30, 2019				Special Revenue Funds	ie Funds				l
	Article V Technology	Sixty-Five Dollar Surcharge	EMPA Grant	Probation	Kirkland Road	Recreational Facilities	Boat Ramp Fund	Wilderness Road	7
	60								
Revenues									
Taxes	· •	· \$	\$	\$ -	•	\$	٠.	٠.	ı
Licenses and permits	•								ı
Intergovernmental	•	•	•	•	•				,
Charges for services	35,920	23,173	•	130,156					
Fines and forfeitures	•	•	•	•	•				,
Grants	•	•	105,032		•				,
Investment earnings	•	•	•	•	•				,
Other fees and miscellaneous revenues	•		•	•			- 9,241	11	-
Total revenue	35,920	23,173	105,032	130,156			- 9,241	11	-1
Expenditures									
Current									
General government	•	•	109,734	•	•				,
Public health and safety	•	•		•	•				,
Physical environment	•	•	•		•				,
Transportation	•	•	•	•	•				
Economic environment	•	•		•	•				,
Human services	•	•	•	•	'				,
Culture and recreation	•	•	•	•	•				,
Court related	18,995	5,793	•	109,519	•				į
Capital outlay	•	•	•		•				
Debt service									
Principal			•		•				,
Interest and other charges			1						-
Total expenditures	18,995	5,793	109,734	109,519					·l
Excess (deficiency) of revenues over (under) expenditures	16,925	17,380	(4,702)	20,637			- 9,241	11	-1
Other financing sources									
Transfers in Transfers out	_ (22,635)		. (24,102)			. (336)	5) (4,000)	-)00	
Net other financing sources	(22,635)	•	(24,102)			- (336)	5) (4,000)	00)	- 1
Net change in fund balances	(5.710)	17.380	(28.804)	20.637	•	(338)	5) 5.241	11	
			(()						
Fund balances - beginning	40,659	241,729	28,804	152,968	86	338	3 62,587	87	1
Fund balances - ending	34,949	\$ 259,109	•	\$ 173.605 \$	86	•	2 \$ 67.878	\$	_
ימות מחתובה הייים		COT,CC2		500,517)	•	ш	۱]

See Independent Auditors' Report

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For the year ended September 30, 2019			S	Special Revenue Funds			
	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	213,214	1	1,933	1			
Intergovernmental	•	•	•	•	•	•	•
Charges for services		204,957	1	•	•	•	44,822
Fines and Torreitures			•	•	•	151 707	
Grants Investment earnings		170			' '	70//ТСТ	' σ
Other fees and miscellaneous revenues	1,396	7,021	206		1	1	י י
Total revenue	214,610	212,148	2,439	•		151,782	44,831
Expenditures							
Current							
General government	•		•	•	•	•	9,591
Public health and safety	182,506	79,767	•	998	•	•	
Physical environment	i		•	•	•	•	•
Transportation	•		•	•	•	•	•
Economic environment	•		•	•	•	•	•
Human services	•	•	1	•	15,200	•	•
Culture and recreation	•		•		•	•	'
Court related		' 6	•	•	' 6	' 6	46,53/
Capital outlay Debt service		53,026	'	•	3,800	158,890	
Principal	•	•	1	•	•	'	•
Interest and other charges		1	1	•		1	1
Total expenditures	182,506	132,793		998	19,000	158,890	56,128
Excess (deficiency) of revenues over (under) expenditures	32,104	79,355	2,439	(898)	(19,000)	(7,108)	(11,297)
Other financing sources Transfers on Transfers out	40,982	- (9.169)		998	19,000	7,108	
		(2016)					
Net other financing sources	40,982	(9,169)	1	866	19,000	7,108	•
Net change in fund balances	73,086	70,186	2,439	•	1	•	(11,297)
Fund balances - beginning	35,482	39,447	2,864	1	•	•	27,695
Fund balances - ending	\$ 108,568 \$	109,633	5,303	\$	\$	\$	\$ 16,398
,				=			

See Independent Auditors' Report

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For the year ended September 30, 2019		Š	Special Revenue Funds			Debt Service Funds	
	Law Enforcement Trust Fund II	Highway 79 Corridor	Old Bonifay Road	Community Plannin	Hurricane Irma	Series 2009 A & B Debt Service	Total Nonmajor Governmental Funds
Tayou	•	•	ť	•	ť	·	CTC 1177
l axes	٠ •	·	•	·	· Λ	٠	
Licenses and permits	•	•			•		236,639
Intergovernmental		•	1	•	•		176,748
Charges for services	1	•	•	•			2,578,673
Fines and forfeitures	•	•	1	1	•		•
Grants	1	•	114,000	18,500			1,675,565
Investment earnings	1	•	•	•	•		213
Other fees and miscellaneous revenues	•			•			79,781
Total revenue	•	1	114,000	18,500			5,391,891
Expenditures							
Current							
General government	1	•			•		119.325
Public health and safety	1	•	•	•			3.029,911
Physical environment	1	•	•	18,500	•		202,529
Transportation	•	•	114,000		•		457,821
Economic environment	1	•		•	•		593,268
Human services	•	•	•	•	•		31,411
Culture and recreation	1	•	•	•	•		540,488
Court related		•	•	•			924,688
Capital outlay	•	•	•	•	•		695,544
Debt service							
Principal	1	•	•	•		369,500	398,413
Interest and other charges	•	•	•	•		. 134,932	144,583
Total expenditures	1	1	114,000	18,500		504,432	7,137,981
Excess (deficiency) of revenues over (under) expenditures	1	1	1	1		(504,432)	(1,746,090)
Other financing sources Transfers in	•		1	•	·	- 504,432	2,278,187
Iransfers out	•	'	•	•		•	(81,028)
Net other financing sources		1	•	1		504,432	2,197,159
Net change in fund balances	1	1	1	•	•		451,069
Fund balances - beginning	84,810	1	•	1			2,560,345
prilate and a second of bours	07 070	v	v	v	ŧ	ŧ	2 011 111
Tuiu baiaires - eilui B	OT9'+9	·		·	·	ጉ	5 3,011,414

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

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7	21022201	2
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	2	2

September 30, 2019									
				Cle	Clerk of the Circuit Court	ıit Court			
		General	Child	ηſ	Jury and	Тах	Cash		Registry
		Trust	Support	≥	Witness	Deeds	Bonds		of Court
Assets									
Cash	↔	130,608 \$	5,631 \$	<i>ۍ</i>	4,224 \$	42,870 \$		\$ 0	22,830 \$ 570,693
Due from other funds		88	12		1,000	•			
Due from others		1,330	-		-	•			•
Total accate	v	\$ 132 027 \$	5 EV3 ¢	V	5 72/ ¢	\$ 02867	29 66	<i>\$</i>	22 830 ¢ 570 683
וסומן מססכוס	٠-	, 120,2CI		٠-	¢ +57'C	- 11	7 42,00	٠ 2	20,010
Liabilities									
Due to others	↔	131,222 \$	4,292 \$	❖	5,224 \$	42,870 \$		22,800 \$	570,509
Due to other funds		802	1,351		•	•	8	30	184
Total liabilities	❖	132,027 \$	5,643 \$	❖	5,224 \$	42,870 \$		22,830 \$	570,693

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

September 30, 2019

)	Clerk	S	Sheriff			Tax	Tax Collector		
	Depe	Dependency	=	Inmate						
	Me	Mediation	Welf	Welfare Trust		Escrow		Tag	Тах	Total
Assets										
Cash	Ş	1,926	ş	46,305	ş	\$ 191,338 \$	Ş	(446) \$	24,112 \$ 1,040,091	1,040,091
Due from other funds		•		•		•		ı	1	1,101
Due from others		-		-		-		-	1	1,330
Total assets	\$	1,926	\$	46,305	\$	\$ 191,338 \$	\$	(446) \$	24,112 \$ 1,042,522	1,042,522
Liabilities										
Due to others	\$	1,926 \$		46,305	ş	46,305 \$ 191,338 \$	ب	(446) \$		24,112 \$ 1,040,152
Due to other funds		1		1		1		1	1	2,370
Total liabilities	\$	1,926	\$	46,305	\$	46,305 \$ 191,338 \$	\$	(446) \$	24,112 \$ 1,042,522	1,042,522





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' 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, 2019, and the related notes to the financial statements, which collectively comprise Washington County, Florida's basic financial statements and have issued our report thereon dated June 29, 2020.

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 deficiencies listed as BCC1997-001, and BCC2019-001 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to the management of the County in a separate letter dated June 29, 2020.

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 June 29, 2020



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

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

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, 2019. 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, 2019.

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, material weaknesses may exist that have not been identified.

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 June 29, 2020

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

For the v	year ended Se	eptember 30	0. 2019
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Federal Agency				
Pass through entity	Contract/Grant	CFDA/	_	
Federal Program	Number	CSFA	Exp	enditures
United States Department of Housing and Urban Development				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	FL109	14.871	\$	118,41
Total United States Department of Housing and Urban Developn	nent			118,41
United States Department of Homeland Security, Federal Emergen	cv Management Agency			
Passed through Department of Community Affairs and Florida Div				
of Emergency Management				
Emergency Management Performance Grants (EMPG)	19-FA-F0-27-70-01-084	97.042		43,35
Total EMPG Programs	23 27 32 33	07.10.1		43,358
				-,
Staffing for Adequate Fire and Emergency Response (SAFER)	EMW-2014-FF-00339	97.083		218,919
Total SAFER Grant Program				218,919
<u> </u>				
Disaster Grants - Public Assistance (Presidentially				
Declared Disasters) - FEMA-4399-DR-FL	Z0843	97.036		579,120
Total FEMA Programs				579,120
Total United States Department of Homeland Security				841,397
United States Department of Justice				
Office for Victims of Crime				
Passed through Executive Office of the Governor				
Crime Victims Assistance - Victims of Crime Act (VOCA)	244	16.575		41,999
Total Office for Victims of Crime				41,999
United States Department of Justice				
Passed through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grants	2020-JAGC-WASH-1-Y5-043	16.738		39,572
Total Department of Law Enforcement		20.700		39,572
Bulletproof Vest Partnership Program	2018BUBX18092144	16.607		13,195
				,
Total United States Department of Justice				94,766
·				-
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		151,782
Total United States Federal Highway Administration				151,78

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

Total expenditures of Federal Awards		\$	1,356,445
Total United States Department of Agriculture, Office of Forest Ser	vice		24,300
Services - Greenhead	VFA964	10.664	8,100
Cooperative Forestry Assistance Program - Fire Services			
Services - Sunny Hills	VFA963	10.664	8,100
Cooperative Forestry Assistance Program - Fire			
Services - Hinson Cross	VFA962	10.664	8,100
Cooperative Forestry Assistance Program - Fire			
United States Department of Agriculture, Office of Forest Service			
Total Election Assistance Commission			45,856
Total Help American Vote Requirements Payments			45,856
Help America Vote Requirements Payment - Election Security	MOA-2018-2019-001	90.401	42,720
Albert Network Monitoring Solutions	19.E.AN.000.031	90.401	3,136
Help America Vote Requirements Payment -			
Passed through Florida Department of State			
Election Assistance Commission			
Total United States Department of Health and Human Services			79,933
Child Support Enforcement Progrram Title IV Part D (CSE)	CST-67	93.563	79,933
Passed through Florida Department of Revenue			
United States Department of Health and Human Services			
For the year ended September 30, 2019			

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

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	\$ 111,673
Small County Road Assistance Program (SCRAP) - Bonnett Pond Rd	440864-1-54-01	55.016	14,309
Small County Road Assistance Program (SCRAP) - Cope Rd	442432-1-34-01	55.016	9,568
Small County Road Assistance Program (SCRAP) - Old Bonifay Rd	442434-1-34-01	55.016	114,000
Total Small County Road Assistance Program (SCRAP)			249,550
Small County Outreach Program (SCOP) - Buckhorn Rd	440629-1-34-01	55.009	291,036
Total Florida Department of Transportation			540,586
Executive Office of the Governor, Division of Emergency Management			
Emergency Management Program	10 00 21 02 77 01 042	31.063	100 73
Emergency Management Preparedness Assistance (EMPA) Total Executive Office of the Governor, Division of Emergency Management	19-BG-21-02-77-01-043	31.003	109,734 109,73 4
Total Executive Office of the Governor, Division of Emergency Management			103,73
Florida Housing Finance Corporation			
Florida Housing Finance Corporation Program			
State Housing Initiatives Partnership Program (SHIP)	N/A	40.901	331,454
Total Florida Housing Finance Corporation	•		331,454
Florida Department of Environmental Protection			
Waste Management Program			
Small County Grants	SC-933	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	19-ST-90	45.030	178,521
Total Florida Department of State and Secretary of State	13 31 30	13.030	178,521
. ,			•
Florida Department of Management Services			
Technology Program			
E911 State Grant Program - E911 Maintenance	18-04-29	72.002	8,017
E911 State Grant Program - E911 Maintenance	18-04-30	72.002	5,709
E911 State Grant Program - E911 Maintenance	18-11-19	72.002	25,346
Total Florida Department of Management Services			39,072
Florida Department of Agriculture and Consumer Services			
Consumer Protection			
Mosquito Control	na	42.003	16,211
Total Florida Department of Agriculture and Consumer Services	iiu	72.003	16,211

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

For the year ended September 30, 2019			
Florida Department of Economic Opportunity			
Community Planning Technical Assistance			
Preliminary Water and Sewer Plan	P0325	40.024	18,500
Divison of Stategic Business Development			
Passed through Florida Tourism Industry Marketing Corp, Inc. (dba VISIT FLORIDA			
Economic Development Partnerships - Tourism Recovery Grant Program			
for Hurricane Michael	9421	40.04	47,598
Total Florida Department of Economic Opportunity			66,098
Total Expenditures of State Financial Assistance			1,372,585
Total Expenditures of Federal Awards and State Financial Assistance		\$	2,729,030

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 \$331,454.

Washington County, Florida Notes to Schedule of Expenditures of Federal Award Programs and State Financial Assistance Projects For the year ended September 30, 2019

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.

SECTION I – SUMMARY OF AUDITORS' RESULTS

Lini	α n c i α	1 State	ments:
1 1111	uliciu	IJLULE	HILLILLS.

rillulic	iai statements.		
1.	Type of auditors' report issued Qualified		
2.	Internal control over financial reporting:		
	a. Material weaknesses identified?	Yes	
	b. Significant deficiencies identified not considered to be material weaknesses	? Yes	
	c. Noncompliance material to the financial statements noted?	No	
Federa	ll Awards:		
1.	Type of auditors' report issued on compliance for major programs	Unmodified	
2.	Internal control over major programs:		
	a. Material weaknesses identified?	No	
	b. Significant deficiencies identified not considered to be material weaknesses	? None noted	
3.	Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?	None noted	
4.	Identification of major programs:		
	<u>CFDA Number</u> <u>Federal Program</u> 97.036 Disaster Grants – Public Assistan (Presidentially Declared Disaster		
5.	Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
6.	Auditee qualified as low-risk auditee under 2 CFR 200.520?	No	
State F	inancial Assistance:		
1.	Type of auditors' report issued on compliance for major projects	Unmodified	
2.	Internal control over major projects:		
	a. Material weaknesses identified?	No	

None noted

b. Significant deficiencies identified not considered to be material weaknesses?

3. Any audit findings disclosed that are required to be reported in accordance

with Chapter 10.550, Rules of the Auditor General?

None noted

4. Identification of major projects:

 CSFA Number	State Project
55.009	Small County Outreach Program (SCOP)
55.016	Small County Road Assistance Program (SCRAP)
45.030	State Aid to Libraries

5. Dollar threshold used to distinguish between type A and type B projects:

\$411,776

SECTION II – FINANCIAL STATEMENT FINDINGS

ACCRUED EXPENSES, FINDING BCC2019-001

CRITERIA: Accrued expenses are recorded when a liability is incurred.

CONDITION: An accrual for a lawsuit settlement in the General fund was recorded at September 30, 2018.

CAUSE: The settlement was paid for by the insurance carrier instead of funds from the General fund during the year ended September 30, 2019.

EFFECT: Liabilities were overstated at September 30, 2018.

RECOMMENDATION: Accrued liabilities should only be recorded for items that will be paid from County funds.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 92.

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.

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

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 92.

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 92.

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.

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

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 92.

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.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 92.

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

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 92.

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

There were no current year audit findings.

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

INVENTORY, FINDING BCC2018-003 - RESOLVED

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.

STATUS: This condition was resolved.

LEASE-PURCHASE OF EQUIPMENT, FINDING BCC2018-004 - RESOLVED

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.

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.

STATUS: This condition was resolved.

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

FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

BCC2018-001 - ALLOWABLE COSTS - COMPLIANCE AND CONTROLS - RESOLVED

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.

STATUS: This condition was resolved.

BCC2018-002 - ALLOWABLE COSTS - COMPLIANCE AND CONTROLS - RESOLVED

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.

FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)

BCC2018-002 - ALLOWABLE COSTS - COMPLIANCE AND CONTROLS - RESOLVED (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.

STATUS: This condition was resolved.

BCC2018-005 – ALLOWABLE COSTS – COMPLIANCE AND CONTROLS - RESOLVED

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 - RESOLVED (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.

STATUS: This condition was resolved.



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, 2019, and have issued our report thereon dated June 29, 2020. 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 June 29, 2020, 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 June 29, 2020.

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 June 29, 2020



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, 2019. 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, 2019.

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

June 29, 2020

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



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

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

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

We have examined Washington County, FloridaWashington County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, Authorized Expenditures of E911 Fee, and Section 365.173(2)(d), Florida Statutes, Distribution and Use of (E911) Funds, during the year ended September 30, 2019. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that 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 County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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.

June 29, 2020



LORA C. BELL
Clerk of Court and Comptroller
Washington County, Florida | Fourteenth Judicial Circuit

June 22, 2020

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, 2019, 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.

ACCRUED EXPENSES, FINDING BCC2019-001:

Management made an estimate based on information available according to records, which reflected a need for this liability. Due to unforeseen circumstances, this liability was released due to insurance coverage absorbing this cost.

Respectfully submitted,

Honorable Lora Bell, Clerk of Court

Washington County

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



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, 2019.

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 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



Email: gil.carter@washcofl.com Website: www.washcofl.com/pa

February 21, 2020

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, 2019. In response to the internal control and compliance the following applies:

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

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

Sincerely,

Gil Carter, CFA

Washington County Property Appraiser

Washington County, Florida Management's Response



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

We are in receipt of the audit report for the Washington County Supervisor of Elections office for fiscal year ending September 2019. 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. We had someone from Phillip Tyler's, CPA, firm come in to assist in balancing. This was very helpful and we will rely on that again in the future to better maintain reconciled records.

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 Washington Co., FL

and I Rudd

Washington County, Florida Management's Response



Main Office Hours

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

Drivers License Hours

Monday - Friday 8:00am - 4:00pm Ph: (850) 638-6284

To Whom It May Concern:

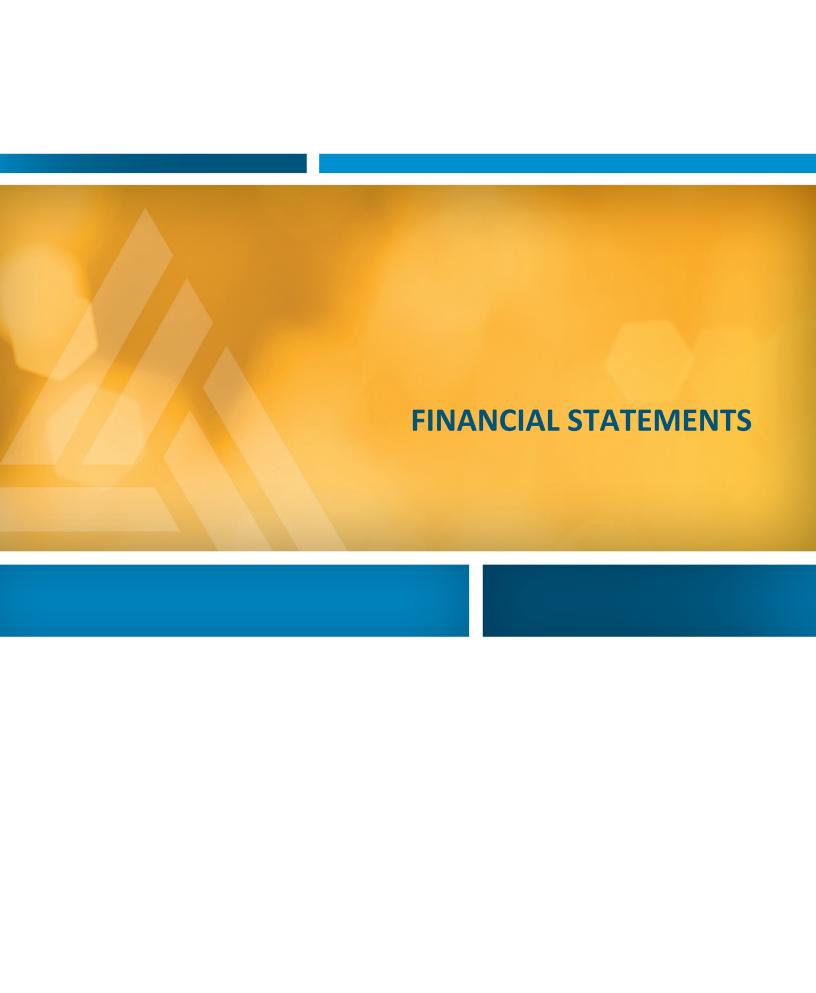
I am in receipt of the audit report for the Washington County, Florida, Tax Collector for the fiscal year ending September 30, 2019. I have reviewed the letter regarding compliance and internal control, the schedule of findings and questioned costs and the management letter. Concerning the items noted, 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, 2019



Washington County, Florida Clerk of the Circuit Court Table of Contents September 30, 2019

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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' 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, 2019, 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, 2019, 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, 2019, 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.

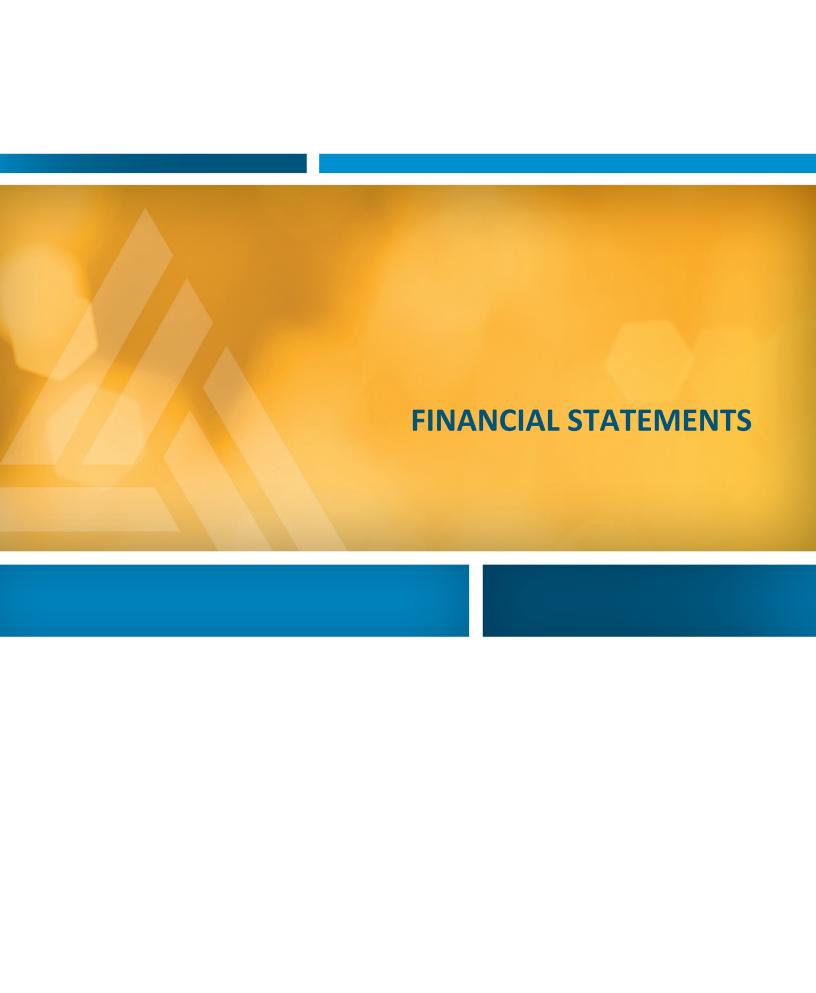
Honorable Lora C. Bell Clerk of the Circuit Court Washington County, Florida

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 June 15, 2020 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 June 15, 2020



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

September 30, 2019	General Fund	Fine and Forfeiture Fund	Public Records Modernization Trust Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 9,028	\$ 26,780	\$ -	\$ 35,808
Restricted cash and cash equivalents	-	-	20,666	20,666
Accounts receivable	-	14,709	-	14,709
Due from Board of County Commission	69	-		69
Due from other funds	8,841	26,997	3,828	39,666
Prepaid expenses	17,752	1,097	-	18,849
Due from other governmental units	8		-	8
Total assets	\$ 35,698	\$ 69,583	\$ 24,494	\$ 129,775
Liabilities				
Accounts payable and accrued expenses	\$ 16,092	\$ 12,969	\$ -	\$ 29,061
Due to other governmental units	-	9	-	9
Due to other funds	19,606	11,565	8,096	39,267
Total liabilities	35,698	24,543	8,096	68,337
Fund balances				
Committed	-	-	-	-
Restricted	-	45,040	16,398	61,438
Total fund balances	-	45,040	16,398	61,438
Total liabilities and fund balances	\$ 35,698	\$ 69,583	\$ 24,494	\$ 129,775

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

For the year ended September 30, 2019	General Fund	F	Fine and orfeiture Fund	iblic Records lodernization Trust Fund	G	Total overnmental Funds
Revenues						
Grants	\$ -	\$	79,933	\$ -	\$	79,933
Intergovernmental	-		171,748	-		171,748
Charges for services	138,433		462,629	44,822		645,884
Investment earnings	216		34	9		259
Other fees and miscellaneous revenues	996		-	-		996
Total revenues	139,645		714,344	44,831		898,820
Expenditures Current						
General government	575,849		_	9,591		585,440
Court-related	-		669,304	46,537		715,841
Total expenditures	575,849		669,304	56,128		1,301,281
Excess (deficiency) of revenues over (under) expenditures	(436,204)		45,040	(11,297)		(402,461)
Other financing sources (uses)						
Transfers in	436,204		-	-		436,204
Net other financing sources	436,204		-	-		436,204
Net change in fund balances	-		45,040	(11,297)		33,743
Fund balance - beginning	-		-	27,695		27,695
Fund balance - ending	\$ -	\$	45,040	\$ 16,398	\$	61,438

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

For the year ended September 30, 2019	Original Budget	Final Budget	Actual Amounts	Fin:	ance with al Budget avorable avorable)
Revenues					
Charges for services	\$ 134,318	\$ 134,318	\$ 138,433	\$	4,115
Investment earnings	-	-	216		216
Other fees and miscellaneous revenues	-	-	996		996
Total revenues	134,318	134,318	139,645		5,327
Expenditures					
Current					
General government	626,398	626,398	575,849		50,549
Total expenditures	626,398	626,398	575,849		50,549
Excess (deficiency) of revenues over (under) expenditures	(492,080)	(492,080)	(436,204)		55,876
Other financing sources (uses)					
Transfers in	492,080	492,080	436,204		(55,876)
Net other financing sources	492,080	492,080	436,204		(55,876)
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 Fine and Forfeiture Fund

For the year ended September 30, 2019		Original Budget		Final Budget		Actual Amounts	Fi	riance with nal Budget Favorable nfavorable)
Revenues								
Grants	\$	79,933	\$	79,933	\$	79,933	\$	_
Intergovernmental	7	43,477	7	43,477	7	171,748	7	128,271
Charges for services		545,900		545,900		462,629		(83,271)
Investment earnings		-		-		34		34
Total revenues		669,310		669,310		714,344		45,034
Expenditures								
Current								
Court-related		669,310		669,310		669,304		6
Total expenditures		669,310		669,310		669,304		6
Excess (deficiency) of revenues over (under) expenditures		-		-		45,040		45,040
Net change in fund balance	\$	-	\$	-	\$	45,040	\$	45,040

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

For the year ended September 30, 2019	Original Budget	Final Budget	Actual Amounts	Fi	iance with nal Budget Favorable favorable)
Revenues					
Charges for services	\$ 60,000	\$ 60,000	\$ 44,822	\$	(15,178)
Investment earnings	-	-	9		9
Total revenues	60,000	60,000	44,831		(15,169)
Expenditures					
Current					
General government	-	0	9,591		(9,591)
Court-related	60,000	60,000	46,537		13,463
Total expenditures	60,000	60,000	56,128		3,872
Excess (deficiency) of revenues over (under) expenditures	-	-	(11,297)		(11,297)
Other financing sources (uses)					
Transfers out	-	-	-		
Net other financing sources	-	-	-		
Net change in fund balance	\$ -	\$ -	\$ (11,297)	\$	(11,297)

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

September 30, 2019	Agency Funds
Assets	
Cash and cash equivalents	\$ 780,112
Due from other funds	1,101
Total assets	\$ 781,213
Liabilities	
Due to other funds	\$ 1,500
Due to others	779,713
Total liabilities	\$ 781,213

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.

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, 2019, 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.

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

Accumulated Compensated Absences

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

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

Budgetary Requirements

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

Due to Others

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

Risk Management and Insurance

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

Management Estimates and Assumptions

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

Subsequent Events

The Clerk has evaluated subsequent events through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued, June 15, 2020, and determined there were no events that occurred that required disclosure.

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.

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 2019, the Sheriff adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"):

- GASB Statement No. 83, Certain Asset Retirement Obligations ("GASB 83")
- GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements ("GASB 88")

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Sheriff's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Sheriff's Financial Statements.

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.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	Fiduciary Activities	2020
87	Leases	2021
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
91	Conduit Debt Obligations	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, 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.

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.

Note 2: DEPOSITS AND INVESTMENTS (Continued)

INTEREST RATE RISK

At September 30, 2019, the Clerk did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

As of September 30, 2019, the Clerk did not hold any deposits or investments that were considered to have custodial credit risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2019, 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.

Note 3: EMPLOYEE PENSION PLAN (Continued)

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:

	10/01/18	07/01/18
	Through	Through
	06/30/19	09/30/19
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
Elected county officials' class	48.70%	48.82%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 01, 2018 through September 30, 2019, the total payroll for all covered employees by the System was \$870,650. The retirement contributions for all employees covered by the System for the years ended September 30, 2019, 2018 and 2017 were \$138,699, \$119,466, and \$108,955 respectively, which were the required contributions. For the year ended September 30, 2019, retirement contributions represented 15.93% 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, 2019, excess court-related funds were \$9.

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 \$79,933.

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, 2019, excess revenues over expenditures of \$-0- 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, 2019, consist of the following:

Receivable Fund	Payable Fund	Ar	nount
Governmental Funds			
Fine & Forfeiture	General fund	\$	7,689
Fines and Forfeiture	Agency Funds		1,140
Fine and Forfeiture	PRMTF		407
Fine and forfeiture	Agency Funds		34
Fine & Forfeiture	Agency Funds		17,727
General fund	Fine & Forfeiture		8,604
General Fund	Agency Funds		237
PRMTF	General Fund		1,949
PRMTF	General fund		1,879
Agency Funds	Fine & Forfeiture		12
Agency Funds	Fine & Forfeiture		1,089
Total governmental funds		Ś	40,767

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

Note 9: FUND BALANCES

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Clerk had no non-spendable fund balances at September 30, 2019.

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, 2019, 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, 2019, the Clerk reported \$20,666 in restricted fund balance for the modernization of public records and court-related technology.

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

Note 10: LITIGATION AND CONTINGENT LIABILITIES

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

NOTE 11: SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Clerk of the Court. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



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

September 30, 2019	General Trust	al Ist	Sup	Child Support	7	Jury and Witness		Tax Deeds		Cash Bonds	Registry of Court	Del	Registry Dependency of Court Mediation		Total
Assets Cash and cash equivalents Due from other funds	\$ 131,93	\$ 63 63	5,	631 12	❖	4,224 1,000	❖	42,870	φ.	22,830	131,938 \$ 5,631 \$ 4,224 \$ 42,870 \$ 22,830 \$ 570,693 \$ 1,926 \$ 780,112 89 12 1,000 - 1,101	↔	1,926	↔	780,112 1,101
Total assets	\$ 132,02	\$ 7:	5,	643	↔	5,224	❖	42,870	❖	22,830	\$ 132,027 \$ 5,643 \$ 5,224 \$ 42,870 \$ 22,830 \$ 570,693 \$ 1,926 \$ 781,213	Ş	1,926	❖	781,213
Liabilities Due to other funds Due to others	\$ 60	60 \$ 1,226 \$ 1,967 4,417	1, 4,	226 417	↔	5,224	❖	42,870	φ.	30 22,800	\$ 30 \$ 184 \$ 22,800 570,509	↔	1,926	↔	\$ 1,500 779,713
Total liabilities	\$ 132,02	\$ Z	5,	643	\$	5,224	\$	42,870	\$	22,830	\$ 132,027 \$ 5,643 \$ 5,224 \$ 42,870 \$ 22,830 \$ 570,693 \$ 1,926 \$ 781,213	Ş	1,926	\$	781,213





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' 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, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated June 15, 2020.

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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

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 June 15, 2020

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



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 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, 2019. 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, 2019.

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 June 15, 2020

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



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 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, 2019. 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, 2019.

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 June 15, 2020

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



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

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 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, 2019. 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 comply, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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 June 15, 2020

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



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 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, 2019, and have issued our report thereon dated June 15, 2020.

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 June 15, 2020, 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 June 15, 2020

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

Washington County, Florida Sheriff

Financial Statements

September 30, 2019



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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' 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, 2019, 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, 2019, 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

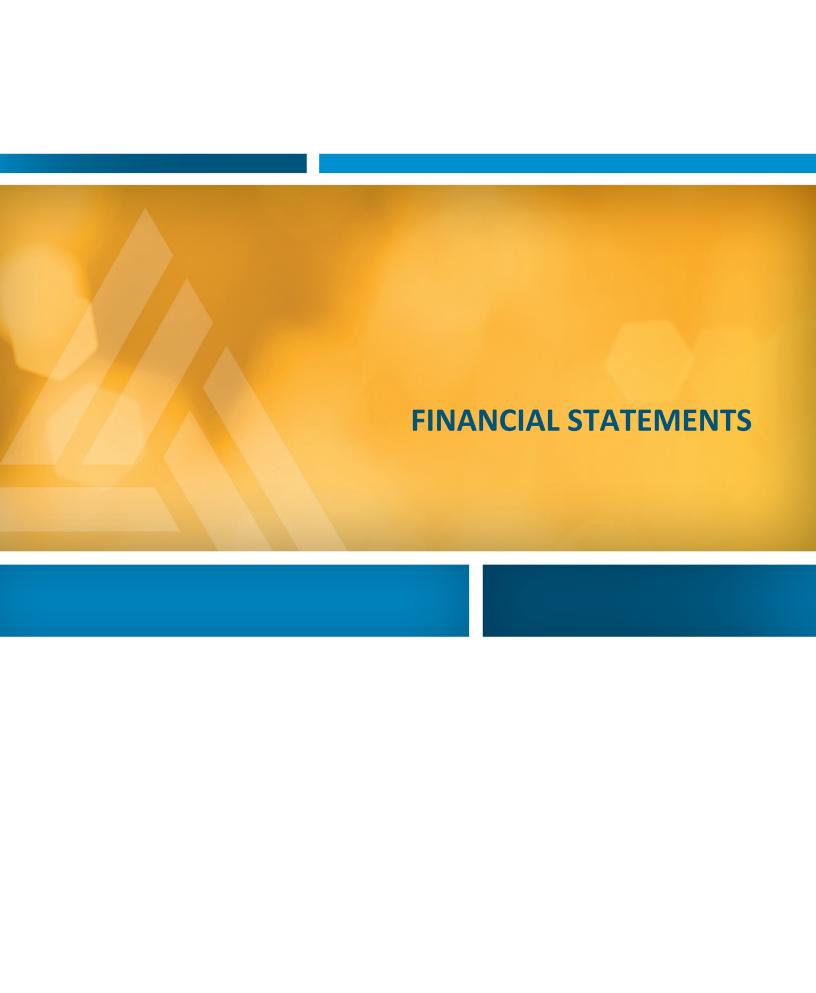
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the 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, 2019, 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 June 12, 2020 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 June 12, 2020



Washington County, Florida Sheriff Balance Sheet Governmental Funds

		Major funds		
		Emergency	Inmate	Total
	General	Medical	Welfare	Governmental
September 30, 2019	Fund	Services Fund	Fund	Funds
Assets				
Cash and cash equivalents	\$ 15,625	\$ 64,155 \$	ı	\$ 79,780
Restricted cash and cash equivalents	42,894	•	119,219	162,113
Due from other governmental units	70,583	1		70,583
Due from other funds	10,092	ı	ı	10,092
Accounts receivable, net	9,716	177,152	ı	186,868
Due from Board of County Commission	66,280	1	•	66,280
Total assets	\$ 215,190 \$	\$ 241,307 \$	119,219 \$	\$ 575,716
Liabilities				
Accounts payable and accrued expenses	\$ 142,475 \$	\$ 8,807	\$ 985'6	\$ 160,868
Due to other governmental units	ı	39,927	1	39,927
Due to other funds	ı	10,092	1	10,092
Due to Board of County Commissioners	29,821	1	•	29,821
Total liabilities	172,296	58,826	9,586	240,708
Fund balance				
Unrestricted	1	182,481	ı	182,481
Restricted	42,894		109,633	152,527
Total fund balance	42.894	182.481	109.633	335.008
Total liabilities and fund balances	\$ 215,190	\$ 241,307 \$	119,219	\$ 575,716

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

		Major Funds		
		Emergency	Inmate	Total
For the year ended September 30, 2019	General Fund	Medical Services Fund	Welfare Fund	Governmental Funds
Revenues				
Intergovernmental	\$ 305,833 \$	\$	٠,	305,833
Charges for services	589,574	1,439,749	204,957	2,
Grants	87,233	•	•	87,233
Investment earnings	1	•	170	170
Other fees and miscellaneous revenues	98,422		7,021	105,443
Total revenues	1,081,062	1,439,749	212,148	2,732,959
Expenditures				
Current				
Public safety and health	5,304,392	2,111,638	79,767	7,495,797
Capital outlay	407,042	24,015	53,026	484,083
Debt service				
Principal	•	24,913	•	24,913
Interest		2,205		2,205
Total expenditures	5,711,434	2,162,771	132,793	8,006,998
Excess (deficiency) of revenues over (under) expenditures	(4,630,372)	(723,022)	79,355	(5,274,039)
Other financing sources (uses)				1
Transfers in	4,676,972	720,787	- 00	5,397,759
I ransiers out	(17,021)	(14,786)	(9,109)	(9/5/95)
Net other financing sources (uses)	4,664,351	706,001	(9,169)	5,361,183
Net change in fund balances	33,979	(17,021)	70,186	87,144
Fund balances - beginning	8,915	199,502	39,447	247,864
Fund balance - ending	\$ 42,894 \$	182,481 \$	109,633 \$	335,008

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

For the year ended September 30, 2019		Original Budget		Final Budget		Actual Amounts		ariance with Final Budget Favorable Unfavorable)
Revenues								
Intergovernmental	\$	298,667	\$	298,667	\$	305,833	\$	7,166
Grants	т.	78,638	т.	78,638	т.	87,233	*	8,595
Charges for services		635,804		635,804		589,574		(46,230)
Other fees and miscellaneous revenues		160,639		160,639		98,422		(62,217)
Total revenues		1,173,748		1,173,748		1,081,062		(92,686)
Expenditures								
Current:								
Public safety and health		4,950,597		5,724,055		5,304,392		419,663
Capital outlay		-		-		407,042		(407,042)
Total expenditures		4,950,597		5,724,055		5,711,434		12,621
Excess (deficiency) of revenues over (under) expenditures	(3,776,849)		(4,550,307)		(4,630,372)		(80,065)
Other financing sources (uses)								
Transfers in		3,776,849		4,550,307		4,676,972		126,665
Transfers out		-		-		(12,621)		(12,621)
Total other financing sources		3,776,849		4,550,307		4,664,351		114,044
Net change in fund balance	\$	-	\$		\$	33,979	\$	33,979

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

For the year ended September 30, 2019	Original Budget	Final Budget	6 ,	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 1,595,810	\$ 1,794,891	\$ 1,167,816	\$ (627,075)
Total revenues	1,595,810	1,794,891	1,167,816	(627,075)
Expenditures				
Current:				
Public safety and health	1,595,810	1,794,891	1,728,972	65,919
Capital outlay	-	-	24,015	(24,015)
Debt service				` , , ,
Principal	-	-	24,913	(24,913)
Interest	_	-	2,205	(2,205)
Total expenditures	1,595,810	1,794,891	1,780,105	14,786
Excess (deficiency) of revenues over (under) expenditures	-	-	(612,289)	(612,289)
Other financing sources (uses)				
Transfers in	414,045	429,649	720,787	291,138
Proceeds from long term debt	-	117,977	,	(117,977)
Transfers out	-		(14,786)	(14,786)
Total other financing sources	414,045	547,626	706,001	158,375
Net change in fund balance	\$ 414,045	\$ 547,626	\$ 93,712	\$ (453,914)

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

For the year ended September 30, 2019		Original Budget		Final Budget		Actual Amounts		/ariance with Final Budget Favorable Unfavorable)
Revenues								
Charges for services	\$	89,000	Ś	89,000	Ś	204,957	\$	115,957
Investment earnings	Ψ.	-	Ψ.	-	τ.	170	Ψ.	170
Other fees and miscellaneous revenues		-		-		7,021		7,021
Total revenues		89,000		89,000		212,148		123,148
Expenditures								
Current:								
Public safety and health		89,000		89,000		79,767		9,233
Capital outlay		-		-		53,026		(53,026)
Total expenditures		89,000		89,000		132,793		(43,793)
Excess (deficiency) of revenues over (under) expenditures		-		-		79,355		79,355
Other financing courses (uses)								
Other financing sources (uses) Transfers out		(9,200)		(9,200)		(9,169)		31
		(5)200)		(5,200)		(5)105)		31
Total other financing sources		(9,200)		(9,200)		(9,169)		31
Net change in fund balance	\$	(9,200)	\$	(9,200)	\$	70,186	\$	79,386

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

	Agency
September 30, 2019	Funds
Assets	
Cash	\$ 46,305
Total assets	\$ 46,305
Liabilities	
Due to others	\$ 46,305
Total liabilities	\$ 46,305

Washington County, Florida Sheriff Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

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

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

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, 2019, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

The Sheriff also reported the following fund type:

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.

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:

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	\$ 2,162,771
Non-budgeted expenditures:	
Bad debt expense	(382,666)
Budgetary basis	\$ 1,780,105

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.

Washington County, Florida Sheriff Notes to Financial Statements

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, June 12, 2020, and determined there were no events that occurred that required disclosure.

Impact of Recently Issued Accounting Pronouncements

In Fiscal Year 2019, the Sheriff adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"):

- GASB Statement No. 83, Certain Asset Retirement Obligations ("GASB 83")
- GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements ("GASB 88")

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Sheriff's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Sheriff's Financial Statements.

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.

GASB		Effective
Statement No.	GASB Accounting Standard	Fiscal Year
84	Fiduciary Activities	2020
87	Leases	2021
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
91	Conduit Debt Obligations	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Sheriff's cash and cash equivalents and restricted cash was \$288,198 and the bank balance was \$522,814. 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, 2019, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2019, the Sheriff did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

At September 30, 2019, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2019, 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, 2019 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, 2019.

Washington County, Florida Sheriff Notes to Financial Statements

Note 4: EMPLOYEE PENSION PLAN

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

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:

10/01/18	07/01/19
Through	Through
<u>06/30/19</u>	<u>09/30/19</u>
8.26%	8.47%
24.06%	25.41%
24.50%	24.48%
14.03%	14.60%
48.70%	48.82%
	Through 06/30/19 8.26% 24.06% 24.50% 14.03%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2018 through September 30, 2019, the total payroll for all employees was \$3,922,451. The retirement contributions for all employees covered by the System for the years ended September 30, 2019, 2018 and 2017 were \$908,196, \$766,977 and \$737,479 which were the required contributions. For the year ended September 30, 2019 retirement contributions represented 23.15% of covered payroll.

Washington County, Florida Sheriff Notes to Financial Statements

Note 4: EMPLOYEE PENSION PLAN (Continued)

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 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 \$12,621 at year end.

Note 6: INTERFUND TRANSFERS

Interfund transfers at September 30, 2019, consisted of the following:

Transfers to General Fund from:

Emergency Management	\$ 14,786
Inmate Welfare	9,169
Total interfund transfers	\$ 23,955

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, 2019, 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, 2019.

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, 2019, 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.

Note 9: FUND EQUITY (Continued)

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.

Components of restricted fund balance at September 30, 2019 are as follows:

	General Fund	Inmate Welfare Fund	Total
Restricted for:			
Education and crime prevention Crime prevention	\$ 42,894 \$ -	- \$ 109,633	42,894 109,633
Total fund balances	\$ 42,894 \$	109,633 \$	152,527

Note 10: ACCOUNTS RECEIVABLE

Accounts receivable of the EMS are accounted for in a special revenue fund. Accounts receivable in the EMS total \$687,491 and are shown net of allowance for doubtful accounts and contractual adjustments totaling \$510,339. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings.

Note 11: POST EMPLOYMENT BENEFITS OTHER THAN PENSION

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

Washington County, Florida Sheriff Notes to Financial Statements

Note 12: SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Sheriff. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.





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' 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, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated June 12, 2020.

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 June 12, 2020

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



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

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

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

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

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, 2019. 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, 2019.

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 June 12, 2020

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

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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, 2019, and have issued our report thereon dated June 12, 2020.

Auditors' Responsibility

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

Other Reports Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 12, 2020, 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 June 12, 2020

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



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, 2019.

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, 2019



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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' 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, 2019, 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, 2019, 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

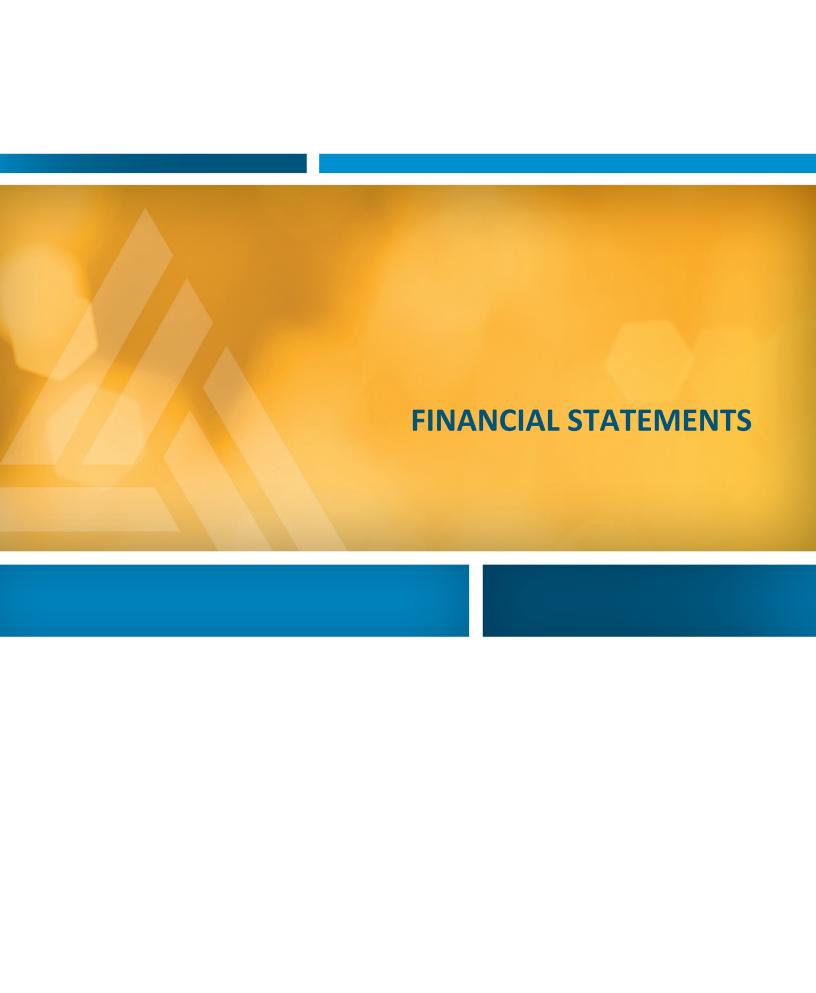
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the 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, 2019, 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 March 2, 2020 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 March 2, 2020



Washington County, Florida Property Appraiser Balance Sheet Governmental Funds

September 30, 2019	General Fund
Assets	
Cash	\$ 63,549
Total assets	\$ 63,549
Liabilities	
Accounts payable and accrued expenses	\$ 2,674
Due to Board of County Commissioners	60,875
Total liabilities	63,549
Fund balance	-
Total liabilities and fund balance	\$ 63,549

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

For the warm and ad Contambar 20, 2010	General
For the year ended September 30, 2019	Fund
Revenues	
Charges for services	\$ 227
Other fees and miscellaneous revenues	14
Total revenues	241
Expenditures	
Current	
General government	480,378
Total expenditures	480,378
Excess (deficiency) of revenues over (under) expenditures	(480,137)
Other financing sources (uses)	
Transfers in	541,012
Transfers out	(60,875)
Net other financing sources (uses)	480,137
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, 2019	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Favorable (Unfavorable)
Revenues				
Charges for services	\$ -	\$ _	\$ 227	\$ 227
Other fees and miscellaneous revenues	-	-	 14	 14
Total revenues	-	-	241	241
Expenditures				
Current				
General government	544,320	550,541	480,378	70,163
Capital outlay	3,000	3,000	-	3,000
Reserve for contingencies	7,700	7,700	-	7,700
Total expenditures	555,020	561,241	480,378	80,863
Excess (deficiency) of revenues over (under) expenditures	(555,020)	(561,241)	(480,137)	81,104
Other financing sources (uses)				
Transfers in	555,020	561,241	541,012	(20,229)
Transfers out	-	-	(60,875)	(60,875)
Net other financing sources (uses)	555,020	561,241	480,137	(81,104)
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.

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, 2019, 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.

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.

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 2019, the Property Appraiser adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, Certain Asset Retirement Obligations ("GASB 83")
- GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements ("GASB 88")

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Property Appraiser's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Property Appraiser's Financial Statements.

Recently 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.

GASB		Effective
Statement No.	GASB Accounting Standard	Fiscal Year
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 and amendment of GASB	
	Statements No.14 and No. 61	2020
91	Conduit Debt Obligations	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Property Appraiser's cash and cash equivalents was \$63,549 and the bank balance was \$85,452. 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, 2019, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2019, the Property Appraiser did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

At September 30, 2019, the Property Appraiser did not hold any deposits or investments that were considered to have custodial credit risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2019, 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.

Note 3: EMPLOYEES PENSION PLAN (Continued)

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

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

	10/01/18	07/01/19
	Through	Through
	<u>06/30/19</u>	<u>09/30/19</u>
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
Elected county officials' class	48.70%	48.82%

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, 2019, total payroll for the Property Appraiser employees covered by the Florida Retirement System was \$326,380. The Property Appraiser's contribution to the plan for the years ended September 30, 2019, 2018, and 2017 was \$33,478, \$43,461, and \$57,929, which were the required contributions. For the year ended September 30, 2019 retirement contributions represent 10.26% 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.

Note 3: EMPLOYEES PENSION PLAN (Continued)

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

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

Note 4: EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. For the year ended September 30, 2019, excess revenues over expenditures of \$60,875 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.





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' 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, 2019, 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 March 2, 2020.

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 March 2, 2020

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



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

Honorable Gil Carter Property Appraiser Washington County, Florida

We have examined Washington County, Florida, Property Appraiser's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. 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, 2019.

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 March 2, 2020

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



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

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, 2019, and have issued our report thereon dated March 2, 2020.

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 March 2, 2020, 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 March 2, 2020

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



Email: gil.carter@washcofl.com Website: www.washcofl.com/pa

February 21, 2020

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, 2019. 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, 2019



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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' REPORT

Honorable Carol Finch Rudd Supervisor of Elections Washington County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the office of the Washington County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2019, 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, 2019, 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

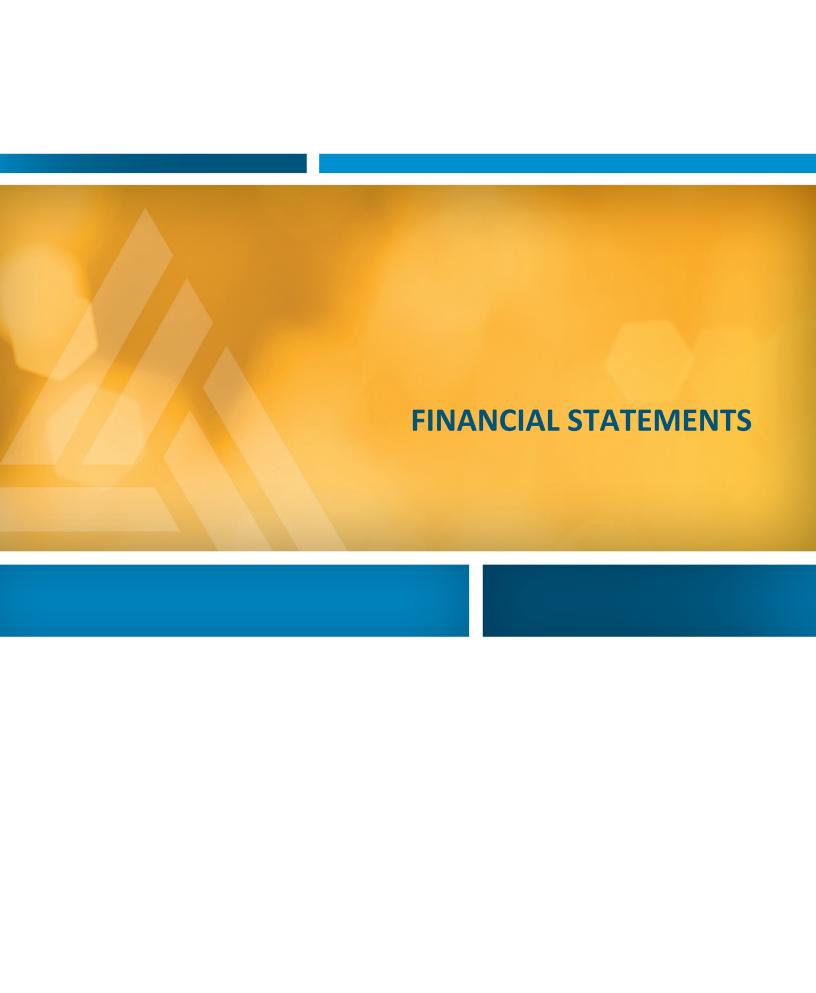
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the 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, 2019, 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

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In accordance with *Government Auditing Standards*, we have also issued a report dated April 16, 2020 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 16, 2020



Washington County, Florida Supervisor of Elections Balance Sheet Governmental Funds

		General
September 30, 2019		Fund
Assets		
Cash	\$	25,845
Total assets	\$	25,845
Total assets	Ψ	23,013
Liabilities		
Accounts payable and accrued expenses	\$	3,133
Due to Board of County Commissioners		22,712
→ 1.10 1.00 c		25.045
Total liabilities		25,845
Fund balance		
Restricted		
Total liabilities and fund balance	\$	25,845

Washington County, Florida Supervisor of Elections Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds

		Total
		General
For the year ended September 30, 2019		Fund
Revenues		
Grants	\$	45,856
Miscellaneous income	Ţ	467
- Misselfaneous meeme		,
Total revenues		46,323
Expenditures		
Current		
General government		472,925
Debt service		
Principal		29,493
Interst		11,093
Total expenditures		513,511
Excess (deficiency) of revenues over (under) expenditures		(467,188)
Other financing sources		
Transfers in		467,188
Net other financing sources		467,188
Net change in fund balances		-
Fund balance - beginning		-
Fund balance - ending	\$	-

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

	Original	Final	Actual Amounts (Budgetary	Variance with Fund Budget Favorable
For the year ended September 30, 2019	Budget	Budget	Basis)	(Unfavorable)
Revenues				
Grants	\$ -	\$ -	\$ -	\$ _
Miscellaneous revenues	 -	 -	 -	
Total revenues	-	-	-	<u>-</u>
Expenditures				
Current				
General government	463,814	463,814	426,602	37,212
Debt Service				
Principal	-	-	29,493	(29,493)
Interest	-	-	11,093	(11,093)
Total expenditures	463,814	463,814	467,188	(3,374)
Deficiency of revenues under expenditures	(463,814)	(463,814)	(467,188)	(3,374)
Other financing sources (uses)				
Transfers in	463,814	463,814	467,188	3,374
Transfers out	-	-	-	
Net other financing sources (uses)	463,814	463,814	467,188	3,374
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.

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, 2019, 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.

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, 2019, 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.

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:

	Exį	Total Revenue	
GAAP Basis	\$	513,511 \$	513,511
Non-budgeted revenues and expenditures:			
Revenues other than appropriations from the			
Board of County Commissioners and			
related expenditures		(46,323)	(46,323)
Budgetary basis	\$	467,188 \$	467,188

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

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, April 16, 2020 and determined there were no events that occurred that required disclosure.

Impact of Recently Issued Accounting Pronouncements

In fiscal year 2019, the Property Appraiser adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, Certain Asset Retirement Obligations ("GASB 83")
- GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements ("GASB 88")

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Property Appraiser's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Property Appraiser's Financial Statements.

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.

GASB		Effective
Statement No.	GASB Accounting Standard	Fiscal Year
84	Fiduciary Activities	2020
87	Leases	2021
89	Accounting for Interest Cost Incurred before the End of a Construction Period	2021
90	Majority Equity Interest and amendment of GASB	
	Statements No.14 and No. 61	2020
91	Conduit Debt Obligations	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Supervisor of Elections' cash and cash equivalents was \$25,845 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.

Note 2: DEPOSITS AND INVESTMENTS (Continued)

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, 2019, the Supervisor of Elections did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2019, the Supervisor of Elections did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

At September 30, 2019, 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, 2019, 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:

	10/1/2018 Through <u>6/30/2019</u>	7/1/2019 Through <u>9/30/2019</u>
Regular employees	8.26%	8.47%
Elected county officials	48.70%	48.82%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 1, 2018 through September 30, 2019, the total payroll for all covered employees was \$198,531. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2019, 2018 and 2017 were \$46,152, \$48,008 and \$49,357. 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: 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, 2019.

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, 2019, the Supervisor reports net assets as restricted. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Note 5: 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, 2019, 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 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 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.

Note 7: BUDGET

The Supervisor of Elections had expenditures that were in excess of the budgeted amount in the following fund:

Fund		Amount		
General Fund	\$	3,374		

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





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' 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, 2019, 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 16, 2020.

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 deficiencies in internal control, described below as findings SOE 2019-001 and SOE 2003-003 that we consider to be significant deficiencies.

Honorable Carol Finch Rudd Supervisor of Elections Washington County, Florida

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Financial Reporting, SOE 2019-001

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

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

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

EFFECT: Deferred revenue accounts and related expenses were overstated.

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

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.

Honorable Carol Finch Rudd Supervisor of Elections Washington County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Election's financial statements are free 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

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

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

Purpose of this Report

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

Marianna, Florida April 16, 2020



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 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, 2019. 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, 2019.

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 16, 2020

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



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

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, 2019, and have issued our report thereon dated April 16, 2020.

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 16, 2020, 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 16, 2020

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

We are in receipt of the audit report for the Washington County Supervisor of Elections office for fiscal year ending September 2019. 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. We had someone from Phillip Tyler's, CPA, firm come in to assist in balancing. This was very helpful and we will rely on that again in the future to better maintain reconciled records.

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

and & Rudd

Washington Co., FL

Washington County, Florida Tax Collector

Financial Statements

September 30, 2019



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INDEPENDENT AUDITORS' REPORT

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

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

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

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, 2019, 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, 2019, 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, 2019, 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, 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.

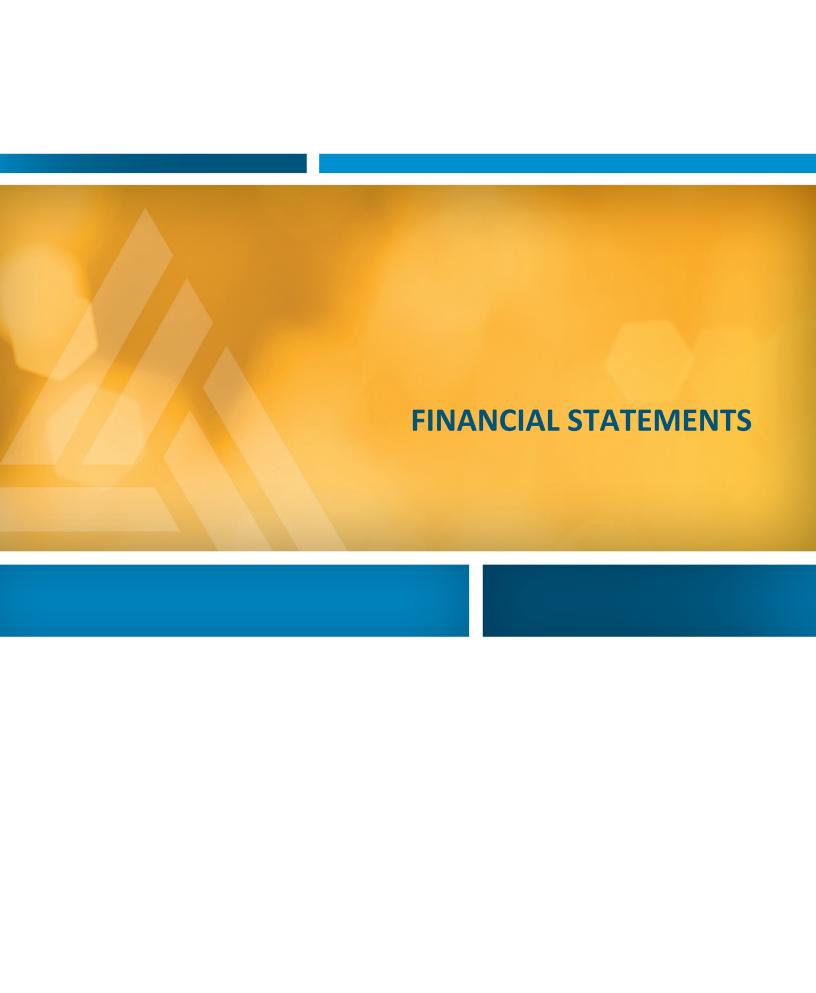
Honorable Ken Naker Tax Collector Washington County, Florida

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2020, 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 March 27, 2020

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



Washington County, Florida Tax Collector Balance Sheet Governmental Funds

September 30, 2019	General Fund
Assets	
Cash and cash equivalents	\$ 74,015
Total assets	\$ 74,015
Liabilities	
Accounts payable	\$ 5,680
Due to Board of County Commissioners	68,335
Total liabilities	74,015
Fund balance	
Total liabilities and fund balance	\$ 74,015

Washington County, Florida Tax Collector Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds

	General
For the year ended September 30, 2019	Fund
Revenues	
Charges for services	\$ 671,902
Total revenues	671,902
Expenditures	
Current	
General government	674,856
Total expenditures	688,218
Excess (deficiency) of revenues over (under) expenditures	(16,316)
Other financing sources (uses)	
Transfers in	84,651
Transfers out	(68,335)
Net other financing sources (uses)	16,316
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

	Original	Final	Actual	Fi	iance with nal Budget Favorable
For the year ended September 30, 2019	Budget	Budget	Amounts	(Un	favorable)
Revenues					
Charges for services	\$ 629,385	\$ 629,385	\$ 671,902	\$	42,517
Total revenues	629,385	629,385	671,902		42,517
Expenditures					
Current					
General government	700,814	700,814	674,856		25,958
Capital outlay	3,222	3,222	13,362		(10,140)
Total expenditures	704,036	704,036	688,218		15,818
Excess (deficiency) of revenues over (under) expenditures	(74,651)	(74,651)	(16,316)		58,335
Other financing sources (uses)					
Transfers in	74,651	74,651	84,651		10,000
Transfers out	-	-	(68,335)		(68,335)
Net other financing sources (uses)	74,651	74,651	16,316		(58,335)
Net change in fund balance	\$ -	\$ -	\$ -	\$	

Washington County, Florida Tax Collector Statement of Fiduciary Net Position Agency Funds

September 30, 2019	Agency Funds
Assets	
Cash	\$ 215,004
Total assets	\$ 215,004
Liabilities	
Due to others	\$ 215,004
Total liabilities	\$ 215,004

Washington County, Florida Tax Collector Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

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

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

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, 2019, 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 statement and to the timing of the measurements made, regardless of the measurement focus applied.

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.

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.

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, March 27, 2020 and determined there were no events that occurred that required disclosure.

Impact of Recently Issued Accounting Pronouncements

In fiscal year 2019, the Tax Collector adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, Certain Asset Retirement Obligations ("GASB 83")
- GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements ("GASB 88")

Washington County, Florida Tax Collector Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Tax Collector's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Tax Collector's Financial Statements.

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
84	Fiduciary Activities	2020
87	Leases	2021
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
91	Conduit Debt Obligations	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Tax Collector's cash and cash equivalents and restricted cash was \$289,019 and the bank balance was \$536,881. 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, 2019, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2019, the Tax Collector did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

At September 30, 2019, 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, 2019, 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.

Washington County, Florida Tax Collector Notes to Financial Statements

Note 3: EMPLOYEES PENSION PLAN (Continued)

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

	10/01/18	07/01/19		
	Through	Through		
	<u>06/30/19</u>	09/30/19		
Regular employees	8.26%	8.47%		
Senior management	24.06%	25.41%		
Elected county officials' class	48.70%	48.82%		

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 1, 2018 through September 30, 2019, the total payroll for all covered employees was \$473,215. The Tax Collector's contribution to the plans for the years ended September 30, 2019, 2018 and 2017 were \$81,316, \$74,768 and \$66,578. The contributions for the current year represented 17.18% 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.

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, 2019, excess revenues over expenditures of \$68,335 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, 2019	Escrow	Tag Tax		Total
Assets				
Cash	\$ 191,338	\$ (446)	\$ 24,112	\$ 215,004
				_
Total assets	\$ 191,338	\$ (446)	\$ 24,112	\$ 215,004
Liabilities				
			4	
Due to others	\$ 191,338	\$ (446)	\$ 24,112	\$ 215,004
	4			
Total liabilities	\$ 191,338	\$ (446)	\$ 24,112	\$ 215,004





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' 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, 2019, 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 March 27, 2020.

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 March 27, 2020

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



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 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, 2019. 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, 2019.

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 March 27, 2020

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



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

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, 2019, and have issued our report thereon dated March 27, 2020.

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 March 27, 2020, 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.

March 27, 2020

Washington County, Florida Tax Collector Management's Response



Main Office Hours

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

Drivers License Hours

Monday - Friday 8:00am - 4:00pm Ph: (850) 638-6284

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, 2019. 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