



Washington County, Florida

Financial Statements

September 30, 2021

**WASHINGTON COUNTY, FLORIDA
FINANCIAL STATEMENTS
September 30, 2021**

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INDEPENDENT AUDITORS' REPORT

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

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, 2021, 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 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 unmodified and qualified opinions.

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

Basis for Qualified Opinion for Governmental Activities

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, gains and losses on disposition of capital assets, 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 effects of the matter described in the “Basis for Qualified Opinion for Governmental Activities” 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, 2021, and the respective changes in financial position thereof and respective budgetary comparisons for the general fund and 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 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 the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington County, Florida’s basic financial statements. The introductory section, combining and individual non-major financial statements are presented for purposes of

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

additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* 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 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 non-major fund financial statements and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 21, 2022, 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 County's internal control over financial reporting and compliance.

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

Marianna, Florida
November 21, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 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 \$49,986,580.
- The County's total net position increased by \$21,722,717 which represents a 76.86% increase from the 2019-2020 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balances of \$18,316,164, an increase of \$4,399,182.
- Non-restricted fund balance for all governmental funds total \$11,016,917 as of September 30, 2021 compared to total governmental fund balances of \$18,316,164 at the same date.
- Non-restricted Governmental Fund Balance of \$11,016,917, is different from the Unrestricted Net Position amount on the Statement of Net Position (deficit) of (\$7,955,171) 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 were less than Expenditures and Other Financing Sources (Uses) by \$432,914. This is primarily due to revenues exceeding the budget amount by \$1,382,158, expenditures being less than the budgeted expenditures by \$9,377,865 and transfers out exceeding transfers in by \$15,170,549.
- Long-term liabilities decreased by \$13,614,131. This decrease was primarily due to a decrease in the pension liability as discussed in Note 12 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 2021 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 is 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 (Custodial) 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, 2021 and September 30, 2020.

	Governmental Activities September 30, 2021	Governmental Activities September 30, 2020
Current and Other Assets	\$ 29,412,369	\$ 22,830,901
Capital Assets	50,968,427	35,039,789
Total Assets	80,380,796	57,870,690
Deferred Outflows, Pensions and OPEB	4,100,115	6,809,412
Current Liabilities	11,096,204	9,673,666
Long Term Liabilities	12,029,901	25,644,032
Total Liabilities	23,126,105	35,317,698
Deferred Inflows, Pensions and OPEB	11,368,226	1,098,541
Net Position		
Net investment in capital assets	48,781,511	30,263,233
Restricted	9,160,240	7,921,297
Unrestricted (deficit)	(7,955,171)	(9,920,667)
Total Net Position	\$ 49,986,580	\$ 28,263,863

At September 30, 2021 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 \$48,781,511. 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 \$9,160,240. The remaining balance of non-restricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities

	Governmental Activities September 30, 2021	Governmental Activities September 30, 2020
Revenues:		
Program Revenues:		
Charges for Service	\$ 5,909,033	\$ 5,455,393
Operating Grants and Contributions	33,276,551	10,515,561
Capital Grants and Contributions	921,772	206,028
General revenues:		
Property Taxes	8,562,273	8,040,218
Local Option Taxes	4,064,017	3,598,089
Sales Tax and Other Taxes	1,020,972	1,044,055
Intergovernmental and Shared	3,717,589	3,126,974
Investment Earnings	9,564	28,334
Miscellaneous	1,183,928	1,055,026
Total Revenues	58,665,699	33,069,678
Expenses:		
Program Activities:		
General Government	7,010,002	8,602,215
Public Safety	9,864,554	11,179,486
Physical Environment	379,917	360,059
Transportation	13,640,337	13,192,127
Economic Development	2,934,663	1,193,143
Human Services	932,067	885,858
Culture and Recreation	804,560	913,970
Court Related	1,189,283	1,222,898
Interest on Long-Term Debt	187,599	152,074
Total Expenses	36,942,982	37,701,830
Change in Net Position	21,722,717	(4,632,152)
Net Position, Beginning	28,263,863	32,896,015
Net Position, Ending	\$ 49,986,580	\$ 28,263,863

Governmental activities increased the County's net position by \$21,722,717 or approximately 76.86%. Total revenues increased by \$25,596,021 from the prior year with a major factor being an increase in operating grants & contributions. Total expenses decreased by \$758,848 from the prior year largely due to a decrease in General Government expenses.

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 \$10,203,602 while the total fund balance was \$10,388,659. As a measure of the General Fund's liquidity, it may be useful to compare both the non-restricted fund balance and the total fund balance to total General Fund expenditures. Non-restricted fund balance represents 71.75% of the total general fund expenditures, while total fund balance represents 73.05% of the same amount. The non-restricted total governmental fund balance increased by \$4,487,959 during 2020-2021 fiscal year due primarily to revenues exceeding expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2020-2021 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, 2021 amounted to \$48,781,511 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, 2021, the County had long-term liabilities totaling \$12,029,901. Of this amount, inter-local agreement payables outstanding were \$148,500, Notes Payable were \$3,830,889, and Capital leases were 958,396. Also, there is \$720,348 to address compensated absences obligations, \$5,991,433 for pension liability (GASB 68), \$20,371 for landfill post closure costs and the remaining amount of \$359,964 for OPEB liabilities.

ECONOMIC FACTORS-WASHINGTON COUNTY, FLORIDA

The unemployment rate for County was 4.7% at September 2021. The rate was also 4.7% at September 2020.

Population is estimated at 25,436 as of September 2021 and 24,896 as of September, 2020.

The taxable value for personal and real property in the County is \$998,353,059 for fiscal year ending September 30, 2021 and \$936,556,912 for the fiscal year ending September 30, 2020.

The general ad valorem tax mileage rate was 8.50 for the fiscal year ending September 30, 2021 and 8.7235 for the fiscal year ending September 30, 2020.

The budgeted expenditures for the fiscal year ending September 30, 2021 represents an increase of 66.62% over the September 30, 2020 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, 2021

	Primary Government Governmental Activities	Component Unit
Assets		
Cash and cash equivalents	\$ 11,815,712	\$ 1,063
Restricted cash and cash equivalents	9,160,240	-
Accounts receivable, net	255,610	-
Due from agency funds	3,247	-
Due from other governments	5,703,228	-
Inventory	175,230	-
Due from developer	-	2,011
Prepaid expenses	-	-
Notes receivable	2,299,102	-
Capital assets, net		
Nondepreciable capital assets	5,931,333	1,770,313
Depreciable capital assets, net	45,037,094	-
Total assets	80,380,796	1,773,387
Deferred outflows of resources		
Other post-employment benefits	32,004	-
Pension	4,068,111	-
Total deferred outflows of resources	4,100,115	-
Liabilities		
Accounts payable and accrued expenses	4,496,696	2,011
Due to other governments	144,107	-
Due to agency funds	6,726	-
Unearned revenue	6,448,675	-
Long-term liabilities		
Portion due or payable within one year		
Notes payable	472,598	-
Capital leases payable	127,216	-
Interlocal agreement payable	4,500	-
Compensated absences	280,750	-
Landfill closure liability	20,371	-
Portion due or payable after one year		
Notes payable	3,358,291	-
Capital leases payable	831,180	-
Interlocal agreement payable	144,000	-
Compensated absences	439,598	-
Pension Liability	5,991,433	-
Other post-employment benefits	359,964	-
Total liabilities	23,126,105	2,011
Deferred inflows of resources		
Other post-employment benefits	81,841	-
Pension	11,286,385	-
Total deferred inflows of resources	11,368,226	-
Net position		
Net investment in capital assets	48,781,511	1,770,313
Restricted	9,160,240	-
Unrestricted (deficit)	(7,955,171)	1,063
Total net position	\$ 49,986,580	\$ 1,771,376

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

Washington County, Florida Statement of Activities

For the year ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit
		Services	Contributions	Contributions	Activities	Unit
Primary Government						
Governmental activities						
General government	\$ 7,010,002	\$ 1,480,575	\$ 27,873,570	\$ -	\$ 22,344,143	\$ -
Public safety	9,864,554	3,578,041	1,807,224	-	(4,479,289)	-
Physical environment	379,917	-	93,750	-	(286,167)	-
Transportation	13,640,337	-	2,247,378	921,772	(10,471,187)	-
Economic environment	2,934,663	-	869,847	-	(2,064,816)	-
Human services	932,067	-	47,603	-	(884,464)	-
Culture and recreation	804,560	-	233,889	-	(570,671)	-
Court related	1,189,283	850,417	103,290	-	(235,576)	-
Interest on long-term debt	187,599	-	-	-	(187,599)	-
Total governmental activities	36,942,982	5,909,033	33,276,551	921,772	3,164,374	-
Total primary government	\$ 36,942,982	\$ 5,909,033	\$ 33,276,551	\$ 921,772	3,164,374	-
Component Unit	\$ 24,332	\$ -	\$ 24,332	\$ -	-	-
General revenues						
Taxes						
Property taxes					8,562,273	-
Local option taxes					4,064,017	-
Sales tax and other taxes					1,020,972	-
Intergovernmental and shared revenue					3,717,589	-
Investment earnings					9,564	-
Miscellaneous					1,282,908	-
Transfers out to State of Florida					(98,980)	-
Total general revenues and transfers					18,558,343	-
Change in net position					21,722,717	-
Net position, beginning					28,263,863	1,771,376
Net position, ending					\$ 49,986,580	\$ 1,771,376

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

Washington County, Florida

Balance Sheet

Governmental Funds

September 30, 2021

	General Fund	Transportation Trust	Local Housing Assistance Trust (SHIP)	Hurricane Michael	American Rescue Act	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 4,545,445	\$ -	\$ -	\$ 4,115,241	\$ 2,473,916	\$ 681,110	\$ 11,815,712
Restricted cash and cash equivalents	185,057	3,109,203	2,737,736	-	-	3,128,244	9,160,240
Accounts receivable, net	-	-	-	-	-	255,610	255,610
Due from agency funds	3,247	-	-	-	-	-	3,247
Due from other funds	5,277,650	1,111,385	-	-	-	793,894	7,182,929
Due from other governmental units	1,332,217	1,170,687	-	-	-	3,200,324	5,703,228
Inventory	-	175,230	-	-	-	-	175,230
Note receivable	2,299,102	-	-	-	-	-	2,299,102
Total assets	\$ 13,642,718	\$ 5,566,505	\$ 2,737,736	\$ 4,115,241	\$ 2,473,916	\$ 8,059,182	\$ 36,595,298
Liabilities							
Accounts payable and accrued expenses	\$ 1,175,802	\$ 96,429	\$ 1,756	\$ 2,029,569	\$ 16,705	\$ 1,176,435	\$ 4,496,696
Due to other funds	2,071,530	90,872	1,495	1,343,261	-	3,675,771	7,182,929
Due to agency funds	6,726	-	-	-	-	-	6,726
Due to other governmental units	-	-	-	-	-	144,107	144,107
Unearned revenue	-	19,778	2,680,940	1,282,468	2,457,211	8,278	6,448,675
Total liabilities	3,254,058	207,079	2,684,191	4,655,298	2,473,916	5,004,591	18,279,133
Fund balances							
Nonspendable	2,299,102	175,230	-	-	-	-	2,474,332
Restricted	185,057	5,184,196	53,545	-	-	1,876,449	7,299,247
Committed	-	-	-	-	-	1,280,843	1,280,843
Assigned	-	-	-	-	-	398,079	398,079
Unassigned (deficit)	7,904,501	-	-	(540,057)	-	(500,780)	6,863,664
Total fund balances	10,388,660	5,359,426	53,545	(540,057)	-	3,054,591	18,316,165
Total liabilities and fund balances	\$ 13,642,718	\$ 5,566,505	\$ 2,737,736	\$ 4,115,241	\$ 2,473,916	\$ 8,059,182	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	50,968,427
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(12,029,901)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources - OPEB	32,004
Deferred inflows of resources - OPEB	(81,841)
Deferred outflows of resources - pensions	4,068,111
Deferred inflows of resources - pensions	(11,286,385)

Net position of governmental activities	\$ 49,986,580
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The accompanying notes are an integral part of this financial statement.

Washington County, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended September 30, 2021

	General Fund	Transportation Trust	Local Housing Assistance Trust (SHIP)	Hurricane Michael	American Rescue Act	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 11,087,413	\$ 1,960,685	\$ -	\$ -	\$ -	\$ 599,164	\$ 13,647,262
Licenses and permits	1,373,397	14,282	-	-	-	312,608	1,700,287
Intergovernmental	2,336,370	993,542	-	-	-	387,677	3,717,589
Charges for services	1,480,575	-	-	-	-	2,725,202	4,205,777
Fines and forfeitures	2,969	-	-	-	-	-	2,969
Grants	500,102	498,856	853,142	26,802,774	16,705	5,526,744	34,198,323
Investment earnings	543	4,070	4,599	-	-	352	9,564
Other fees and miscellaneous revenue	915,899	257,241	-	-	-	113,387	1,286,527
Total revenues	17,697,268	3,728,676	857,741	26,802,774	16,705	9,665,134	58,768,298
Expenditures							
Current							
General government	6,965,436	-	-	-	-	277,550	7,242,986
Public health and safety	4,622,084	-	-	6,853	-	4,873,790	9,502,727
Physical environment	213,213	-	-	-	-	672,508	885,721
Transportation	-	2,787,187	-	8,141,907	-	1,052,944	11,982,038
Economic environment	371,078	-	857,741	-	16,705	1,646,884	2,892,408
Human services	713,196	-	-	-	-	56,490	769,686
Culture and recreation	136,216	-	-	-	-	657,652	793,868
Court related	46,229	-	-	-	-	1,111,123	1,157,352
Capital outlay	1,012,652	2,319,912	-	13,689,789	-	2,090,201	19,112,554
Debt service							
Principal	134,597	98,400	-	-	-	463,699	696,696
Interest and other charges	5,989	55,105	-	-	-	126,505	187,599
Total expenditures	14,220,690	5,260,604	857,741	21,838,549	16,705	13,029,346	55,223,635
Excess (deficiency) of revenues over (under) expenditures	3,476,578	(1,531,928)	-	4,964,225	-	(3,364,212)	3,544,663
Other financing sources (uses)							
Transfers in	2,157,800	422,729	-	-	-	3,602,459	6,182,988
Transfers out	(6,067,291)	-	-	(40,000)	-	(75,697)	(6,182,988)
Installment loan proceeds	-	953,500	-	-	-	-	953,500
Transfers out to State of Florida	-	-	-	-	-	(98,980)	(98,980)
Net other financing sources (uses)	(3,909,491)	1,376,229	-	(40,000)	-	3,427,782	854,520
Net changes in fund balances	(432,913)	(155,699)	-	4,924,225	-	63,570	4,399,183
Fund balances - beginning	10,821,573	5,515,125	53,545	(5,464,282)	-	2,991,021	13,916,982
Fund balances - ending	\$ 10,388,660	\$ 5,359,426	\$ 53,545	\$ (540,057)	\$ -	\$ 3,054,591	\$ 18,316,165

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

Washington County, Florida

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

For the year ended September 30, 2021

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

Net change in fund balances - total governmental funds	\$ 4,399,183
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	19,112,552
Depreciation expense on governmental capital assets included in the governmental activities in the statement of net position.	(2,928,040)
Miscellaneous income reported in the governmental funds must be reduced by the basis of capital assets disposed in the statement of activities	(7,300)
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.	696,695
The issuance of long-term debt (notes payable) provides current financial resources to governmental funds, while it has no effect on the statement of activities.	(953,500)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses include:	
Other post-employment benefits	(11,086)
Pension expenses	1,416,001
Compensated absences	(1,788)
Change in net position of governmental activities	\$ 21,722,717

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

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

For the year ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 9,222,144	\$ 9,222,144	\$ 11,087,413	\$ 1,865,269
Licenses and permits	-	-	1,373,397	1,373,397
Intergovernmental	4,043,493	4,043,493	2,336,370	(1,707,123)
Charges for services	2,254,273	2,262,802	1,480,575	(782,227)
Fines and forfeitures	3,100	3,100	2,969	(131)
Grants	77,090	77,090	500,102	423,012
Investment earnings	-	-	543	543
Other fees and miscellaneous revenues	664,909	706,481	915,899	209,418
Total revenues	16,265,009	16,315,110	17,697,268	1,382,158
Expenditures				
Current				
General government	7,868,104	9,989,572	6,965,436	3,024,136
Public safety	10,700,928	11,370,428	4,622,084	6,748,344
Physical environment	20,000	20,000	213,213	(193,213)
Economic environment	573,457	579,292	371,078	208,214
Human services	776,982	788,824	713,196	75,628
Culture and recreation	162,629	228,767	136,216	92,551
Court related	553,774	554,482	46,229	508,253
Capital outlay	26,819	67,191	1,012,652	(945,461)
Debt service	-	-	140,586	(140,586)
Total expenditures	20,682,693	23,598,556	14,220,690	9,377,866
Excess of revenues over expenditures	(4,417,684)	(7,283,446)	3,476,578	10,760,024
Other financing sources (uses)				
Transfers in	6,196,728	9,062,490	2,157,800	(6,904,690)
Transfers out	2,198,568	2,198,568	(6,067,291)	(8,265,859)
Net other financing sources (uses)	8,395,296	11,261,058	(3,909,491)	(15,170,549)
Net change in fund balance	\$ 3,977,612	\$ 3,977,612	\$ (432,913)	\$ (4,410,525)

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

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

For the year ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 1,711,242	\$ 1,812,670	\$ 1,960,685	\$ 148,015
Licenses and permits	12,000	12,000	14,282	2,282
Intergovernmental	838,597	965,721	993,542	27,821
Grants	-	694,684	498,856	(195,828)
Investment earnings	-	-	4,070	4,070
Other fees and miscellaneous revenues	6,000	187,723	257,241	69,518
Total revenues	2,567,839	3,672,798	3,728,676	55,878
Expenditures				
Current				
Transportation	3,474,904	3,917,122	2,787,187	1,129,935
Capital Outlay	316,000	1,223,197	2,319,912	(1,096,715)
Debt Service - principal	-	-	98,400	(98,400)
Debt Service - interest	-	-	55,105	(55,105)
Total expenditures	3,790,904	5,140,319	5,260,604	(120,285)
Excess (deficiency) of revenues over (under) expenditures	(1,223,065)	(1,467,521)	(1,531,928)	(64,407)
Other financing sources (uses)				
Transfers in	422,729	422,729	422,729	-
Installment loan proceeds	-	-	953,500	953,500
Net other financing sources	422,729	422,729	1,376,229	953,500
Net change in fund balance	\$ (800,336)	\$ (1,044,792)	\$ (155,699)	\$ 889,093

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

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

For the year ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Grants	\$ 2,850,000	\$ 3,227,847	\$ 853,142	\$ (2,374,705)
Investment earnings	-	-	4,599	4,599
Total revenues	2,850,000	3,227,847	857,741	(2,370,106)
Expenditures				
Economic environment	2,850,000	3,227,847	857,741	2,370,106
Total expenditures	2,850,000	3,227,847	857,741	2,370,106
Excess (deficiency) of revenues over <under> expenditures	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

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

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

For the year ended September 30, 2021

	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget
Revenues				
Grants	\$ 51,600,000	\$ 51,600,000	\$ 26,802,774	\$ (24,797,226)
Total revenues	51,600,000	51,600,000	26,802,774	(24,797,226)
Expenditures				
Current				
Transportation	51,600,000	51,600,122	8,141,907	43,458,215
Public Health and Safety	-	-	6,853	(6,853)
Capital Outlay	-	-	13,689,789	(13,689,789)
Total expenditures	51,600,000	51,600,122	21,838,549	29,761,573
Deficiency of revenues under expenditures	-	(122)	4,964,225	4,964,103
Other financing sources (uses)				
Transfers out	-	-	(40,000)	(40,000)
Net other financing sources	-	-	(40,000)	(40,000)
Net change in fund balance	\$ -	\$ (122)	\$ 4,924,225	\$ 4,924,103

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

Washington County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
American Rescue Act
Budget and Actual

For the year ended September 30, 2021

	Original Budget		Final Budget		Actual on a Budgetary Basis		Variance with Final Budget
Revenues							
Grants	\$	16,705	\$	16,705	\$	16,705	\$ -
Total revenues		16,705		16,705		16,705	-
Expenditures							
Current							
Economic environment		16,705		16,705		16,705	-
Total expenditures		16,705		16,705		16,705	-
Excess of revenues over expenditures		-		-		-	-
Net change in fund balance	\$	-	\$	-	\$	-	\$ -

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

Washington County, Florida
Statement of Fiduciary Net Position
Fiduciary Funds

<i>September 30, 2021</i>	Custodial Funds
<hr/>	
Assets	
Cash	\$ 931,696
Due from other funds	6,726
Due from others	2,265
<hr/>	
Total assets	\$ 940,687
<hr/>	
Liabilities	
Due to others	\$ 937,440
Due to other funds	3,247
<hr/>	
Total liabilities	\$ 940,687
<hr/>	

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

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

<i>For the year ended September 30, 2021</i>	Custodial Funds
Additions:	
Collections for others	\$ 29,970,968
Total additions	29,970,968
Deductions:	
Payments to others	29,950,591
Increase in liabilities	20,377
Total deductions	29,970,968
Net increase (deficiency) in fiduciary net position	-
Fund balances - beginning, as restated	-
Fund balances - ending	\$ -

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

Notes to Financial Statements

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, 2021.

Reporting Entity

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

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

Blended Component Unit

Northwest Florida Community Hospital District

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Discretely Presented Component Unit

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

Sunny Hills Units 12-15 Dependent District

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

The fiscal year end for the discretely presented component unit 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 for the governmental activities, which normally are supported by taxes and intergovernmental revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The fund financial statements follow and report additional and detailed information about operations for major funds individually and nonmajor funds in the aggregate for governmental funds. A 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. 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, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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.

The custodial fund has no measurement focus but utilizes the accrual basis of accounting for reporting assets and liabilities.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County reports the following major governmental funds:

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

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.

American Rescue Act – This fund accounts for revenues and expenses related to this economic stimulus legislation.

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

Additionally, the County reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

The debt service fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

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 re-appropriated in the subsequent year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 consumed rather than when purchased.

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. Land and construction in progress are not depreciated.

Washington County, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (continued)

Other capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Machinery and equipment	3-20
Infrastructure	15-30

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.

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*.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Pensions

The County participates in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the GASB. Under these requirements, the Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report.

Other Postemployment Benefits ("OPEB")

In addition to the pension benefit noted above, the County offers certain OPEB. For purposes of measuring total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the economic resources measurement focus and full accrual basis of accounting are utilized. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net position on the government-wide financial statements is required to be classified for accounting and reporting purposes into the following net position categories:

Net investment in capital assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Any significant unspent proceeds at year-end related to capital assets are reported as restricted funds.

Restricted – Constraints imposed on net position by external creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Board.

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, November 21, 2022, and determined there were no events that occurred that required disclosure.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had deferred outflows at year end related to various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations and retirement contribution payments made by the County after the valuation date of the Florida Retirement System's latest valuation but before the end of the County's fiscal year. In addition, the County had deferred outflows at year-end related to their other postemployment benefit plan (OPEB).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The only such item at year end consists of various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations. These amounts are recognized as inflows of resources in the period that they become available.

Impact of Recently Issued Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 was effective for the fiscal years beginning after December 15, 2019.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements (continued)

governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Accounting Pronouncements Recently Issued But Not Yet Effective

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

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

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Pronouncements Recently Issued But Not Yet Effective (continued)

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Pronouncements Recently Issued But Not Yet Effective (continued)

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

In October 2021, the GASB issued GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

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

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 2021 millage rate assessed by the County was 8.500 mills.

Washington County, Florida Notes to Financial Statements

Note 2: PROPERTY TAXES (Continued)

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

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

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

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

Note 3: DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the County's deposits was \$21,907,648 and the bank balance was \$23,651,761. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

Note 3: DEPOSITS AND INVESTMENTS (Continued)

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2021, the net realizable value and the carrying value of these funds was \$12,160. The funds are carried as a cash equivalent on the balance sheet at September 30, 2021 (See Note 1 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at www.sbafla.com/prime.

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

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

Credit Risk

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the County investments are not evidenced by specific, identifiable investment securities. As of September 30, 2021, 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, 2021, is 50 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, 2021, is 69 days.

Custodial Credit Risk

At September 30, 2021, the County did not hold any deposits or investments that were considered to have a custodial credit risk.

Washington County, Florida
Notes to Financial Statements

Note 3: DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk

At September 30, 2021, the County did not hold any investments that were considered to have a concentration of credit risk.

Foreign Currency Risk

At September 30, 2021, 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, 2021 consisted of the following:

Due to/from Other Funds:

Receivable Fund		Payable Fund	
General fund		Transportation Trust	\$ 90,872
		Hurricane Michael	1,343,261
		SHIP	1,495
		Other Special Revenue	3,842,022
		General Fund	1,111,385
Transportation Trust			
Nonmajor Funds			
Other Special Revenue Funds	General		793,894
Total			\$ 7,182,929

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.

Washington County, Florida
Notes to Financial Statements

Note 4: INTERFUND BALANCES (Continued)

Interfund transfers for the year ended September 30, 2021, consisted of the following:

Transfers to General Fund from:

Hurricane Michael Fund	\$ 40,000	
Nonmajor Governmental funds	2,117,800	
Total		\$ 2,157,800

Transfers to Transportation Fund from:

General Fund	422,729	
Total		422,729

Transfers to Nonmajor Governmental Funds from:

General fund	3,602,459	
Nonmajor Governmental funds		
Total		3,602,459

Total interfund transfers		\$ 6,182,988
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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.

Washington County, Florida
Notes to Financial Statements

Note 5: DUE FROM OTHER GOVERNMENTS

Due from other governments consists of funds earned as of September 30, 2021, but not yet received by the County. The majority of these amounts were received in October and November 2021.

Note 6: ACCOUNTS RECEIVABLE

Accounts receivables of the EMS are accounted for in a special revenue fund. Accounts receivable in the EMS total \$605,730 and are shown net of allowance for doubtful accounts and contractual adjustments totaling \$401,928. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings. Remaining receivables totaling \$51,808 consist of various amounts due from others.

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, 2021, was \$2,299,102. See also Note 15.

Washington County, Florida

Notes to Financial Statements

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, 2021, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ADJUSTMENT NOTE 20	ENDING BALANCE
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 4,163,979	\$ 88,544	\$ -	\$ -	\$ 4,252,523
Construction in progress	655,954	1,022,856	-	-	1,678,810
Total capital assets, not being depreciated	4,819,933	1,111,400	-	-	5,931,333
Capital assets, being depreciated:					
Buildings and improvements	26,953,092	501,620	-	-	27,454,712
Furniture and equipment	21,245,539	3,963,940	1,092,373	(248,674)	23,868,432
Roads	9,023,428	13,535,592	-	-	22,559,020
Infrastructure	1,988,560	-	-	-	1,988,560
Total capital assets, being depreciated	59,210,619	18,001,152	1,092,373	(248,674)	75,870,724
Less: Total accumulated depreciation	28,990,763	2,928,040	1,085,173	-	30,833,630
Total capital assets, being depreciated, net	30,219,856	15,073,112	7,200	(248,674)	45,037,094
Governmental activities capital assets, net	\$ 35,039,789	\$ 16,184,512	\$ 7,200	\$ (248,674)	\$ 50,968,427

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.

Washington County, Florida
Notes to Financial Statements

Note 8: CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 1,058,013
Public safety	344,392
Physical environment	41,240
Transportation	1,211,416
Economic environment	53,737
Human services	162,381
Culture and recreation	30,930
Court related	25,931

Total depreciation expense-governmental activities	\$ 2,928,040
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Note 9: LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2021, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ADJUSTMENT NOTE 20	ENDING BALANCE
Governmental activities:					
Notes, lease and other payables:					
Interlocal agreement payable from direct borrowings	\$ 153,000	\$ -	\$ 4,500	\$ -	\$ 148,500
Capital leases	421,168	953,500	167,598	(248,674)	958,396
Notes payable from direct borrowings	4,355,486	-	524,597	-	3,830,889
Total bonds, notes, capital leases and other payables	4,929,654	953,500	696,695	(248,674)	4,937,785
Other liabilities:					
Landfill closure and post-closure costs	20,371	-	-	-	20,371
Other post employment benefit obligations	334,701	25,263	-	-	359,964
Pension liability	20,400,591		14,409,158	-	5,991,433
Compensated absences	718,560	566,823	565,035	-	720,348
Total other liabilities	21,474,223	592,086	14,974,193	-	7,092,116
Total governmental activities	\$ 26,403,877	\$ 1,545,586	\$ 15,670,888	\$ (248,674)	\$ 12,029,901

Washington County, Florida
Notes to Financial Statements

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 County's 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, 2021 are as follows:

FISCAL YEAR ENDING SEPTEMBER 30,	Governmental Activities			
	INTERLOCAL AGREEMENT PAYABLE FROM DIRECT BORROWINGS		NOTES PAYABLE FROM DIRECT BORROWINGS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2022	\$ 4,500	\$ 6,868	\$ 437,968	\$ 104,363
2023	5,000	6,660	494,500	107,082
2024	5,000	6,429	513,100	91,116
2025	5,500	6,198	529,600	74,469
2026	5,500	5,943	567,123	57,331
2027-2031	32,000	25,600	1,233,598	37,513
2032-2036	37,000	17,737	55,000	769
2037-2041	44,000	8,580	-	-
2042-2046	10,000	463	-	-
Total	\$ 148,500	\$ 84,478	\$ 3,830,889	\$ 472,643

FISCAL YEAR ENDING SEPTEMBER 30,	Governmental Activities		
	CAPITAL LEASES PAYABLE		
	PRINCIPAL	INTEREST	TOTAL
2022	\$ 162,341	\$ 44,188	\$ 206,529
2023	145,405	36,916	182,321
2024	209,110	25,217	234,327
2025	90,600	21,012	111,612
2026	350,940	2,884	353,824
Total	\$ 958,396	\$ 130,217	\$ 1,088,613

Washington County, Florida
Notes to Financial Statements

Note 9: LONG-TERM LIABILITIES (Continued)

Notes payable from direct borrowings

\$934,000 Non-Ad Valorem Tax Revenue Promissory Note, Series 2016, Charter Bank, payable in annual installments ranging from \$39,000 to \$92,000, interest at 2.75% fixed, due 2032. Collateralized by pledged revenues. \$ 708,000

\$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. 3,085,421

\$174,088 Nationwide Capital, LLC, payable in annual installments of \$40,587, interest at 8.31%, due 2022. Collateralized by equipment with a net book value of \$37,719. 37,468

Total notes payable from direct borrowings \$ 3,830,889

Capital Leases Payable

\$756,000 Caterpillar Financial Services Corp., payable in monthly installments of \$9,214 and a final lease payment of \$344,610, interest at 4.9861%, due 2025. Collateralized by equipment with a net book value of \$756,000. \$ 687,798

\$197,500 Caterpillar Financial Services Corp., payable in monthly installments of \$3,578 and a final lease payment of \$93,240, interest at 5.44%, due 2023. Collateralized by equipment with a net book value of \$197,500. 167,302

\$125,0007, BB&T Governmental Finance, payable in monthly installments of \$27,992, interest at 3.89%, due 2024. Collateralized by equipment with a net book value of \$75,000. 77,842

\$117,977, U.S. Bancorp Government Leasing and Finance, Inc., payable in monthly installments of \$2,086, interest at 2.548%, due 2022. Collateralized by equipment with a net book value of \$35,393. 25,454

Total capital leases payable from direct borrowings \$ 958,396

Interlocal Agreement Payable

\$200,000, City of Chipley, Library Building. Payable in annual installments beginning 2004 including interest at 4.625%. The County agreed to pay half of the City of Chipley, Florida, Capital Improvement Revenue Bond, Series 2003 payment and interest charges each year until 2042 to the City of Chipley, Florida. \$ 148,500

Total interlocal agreement payable from direct borrowings \$ 148,500

Total governmental activities (excluding landfill closure costs, other post employment benefit obligations, pension liability and compensated absences) \$ 4,937,785

Washington County, Florida Notes to Financial Statements

Note 9: LONG-TERM LIABILITIES (Continued)

The County also has a Short Term General Obligation Note of up to \$6 million with First Federal Bank of Chipley Florida beginning December 10, 2020. The interest rate was 1.49% and it matures December 10, 2021. There was no balance due at September 30, 2021.

Long-term landfill closure and post-closure liability - The total estimated liability for post closure landfill costs totals \$20,371 as of September 30, 2021. 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:

2022	\$	60,315
2023		60,315
2024		60,315
2025		60,315
2026		60,315
Thereafter		178,724
<hr/>		
Total	\$	480,299

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

Florida Retirement System Pension Plan

Substantially all full-time County employees are participants in the System, a defined benefit, cost sharing, multiple employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full time employees of various governmental units within the State of Florida.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentages of payroll employer contribution rates established by state law are determined using the entry-age actuarial funding method.

The System provides for those employees hired prior to July 1, 2011 for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to employees who retire at or after age 65 with eight or more years of service. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Washington County, Florida Notes to Financial Statements

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

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates are applied to employee salaries as follows: regular employees-10.82%, DROP Program-18.34%, special risk employees-25.89%, senior management-29.01% and elected officials-51.42%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications with the exception of DROP program participants who do not make contributions.

The 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.

The County has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P O Box 9000, Tallahassee, FL 32315-9000.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At September 30, 2021, the County reported a liability of \$2,799,697 for its proportionate share of the collective net pension liability for the System Pension Plan ("Pension Plan"). The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The County's proportion of the collective net pension liability was based on the employers' shares of contributions to the Pension Plan relative to the total employer contributions of all participating employers. At June 30, 2021, the System's proportion of the Pension Plan was .0371%, which was a decrease of .0027% from its proportion measured as of June 30, 2020.

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, 2021, were as follows:

Class or Plan	FRS	HIS
Florida Retirement System:		
Regular	10.82%	1.66%
County Elected Officers	51.42%	1.66%
Senior Management Service Class	29.01%	1.66%
Special Risk	25.89%	1.66%
DROP	18.34%	1.66%

The employer's contributions for the year ended September 30, 2021 were \$1,411,944 to the FRS and \$152,909 to the HIS.

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

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2021, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2021, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2021. 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.

Health Insurance Subsidy Program

Chapter 112, Florida Statutes, established the HIS, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance. Contributions to the HIS plan are included in contributions to the Pension Plan noted above. The Pension Plan contributes 1.66% of each covered employee's salary to the HIS Plan. The remainder is contributed to the Pension Plan, with the exception for 0.04% that is contributed to administrative expenses.

Eligible retirees and beneficiaries receive a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

The actuarial assumptions used in the actuarial valuation as of July 1, 2021 for the HIS Plan were based on the results of an investigation of the economic and demographic experience for the Florida Retirement System ("FRS") based upon participant data as of June 30, 2018.

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

The long-term expected rate of return for the HIS Plan investments was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Discount rate. The discount rate used to measure the total pension liability for the HIS Plan was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion rate is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Washington County, Florida
Notes to Financial Statements

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

	FRS	HIS
Net Pension Liability at June 30, 2021	\$ 2,799,697	\$ 3,191,736
Proportion at:		
Current measurement date	0.000371%	0.000260%
Prior measurement date	0.000398%	0.000257%
Pension expense (benefit)	\$ (60,248)	\$ 261,491

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 479,873	\$ -	\$ 106,778	\$ (1,337)
Change of assumption	1,915,691	-	250,739	(131,476)
Net difference between projected and actual investment earnings	-	(9,767,439)	3,327	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	637,244	(1,298,253)	231,106	(87,880)
County contributions subsequent to the measurement date	403,054	-	40,299	-
Total	\$ 3,435,862	\$ (11,065,692)	\$ 632,249	\$ (220,693)

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, 2021. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<i>Fiscal Years Ending June 30,</i>	FRS	HIS
2022	\$ (1,391,198)	\$ 101,127
2023	(1,649,205)	52,306
2024	(2,155,938)	71,371
2025	(2,746,033)	82,478
2026	(90,510)	52,998
Thereafter	-	10,977
Total	\$ (8,032,884)	\$ 371,257

Washington County, Florida Notes to Financial Statements

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, 2021, was determined by an actuarial valuation dated July 1, 2021, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.21%

The actuarial assumptions used in the actuarial valuation as of June 30, 2021 for the Pension Plan were based on the results of an investigation of the economic and demographic experience for the System based upon participant data as of June 30, 2018.

Mortality rates were based on the Generational RP-2000, projected generationally with Projection Scale BB.

The long-term expected rate of return for the Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate (Property)	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	100.00%			

Washington County, Florida Notes to Financial Statements

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

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. 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 2.16% 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.

FRS Net Pension Liability			
	1% Decrease	Current Discount Rate	1% Increase
	5.80%	6.80%	7.80%
Governmental Employer's proportionate share of the net pension liability	\$ 12,520,433	\$ 2,799,697	\$ (5,325,748)

HIS Net Pension Liability			
	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Governmental Employer's proportionate share of the net pension liability	\$ 3,689,068	\$ 3,191,736	\$ 2,782,886

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

Pension Plans' Fiduciary Net Position

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued System Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2021. The auditor's report dated January 19, 2022 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of June 30, 2021 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

http://www.dms.myflorida.com/workforce_operations/retirement/publications.

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, except for those who are in the DROP program. 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, 2021, 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, 2021, 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.

Washington County, Florida
Notes to Financial Statements

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, constitutional 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	Purpose	
General fund	Funding for:	
	Long-term note receivable	\$ 2,299,102
Transportation trust fund	Funding for:	
	Inventory	175,230
<hr/>		
	Total	<hr/> \$ 2,474,332 <hr/>

Washington County, Florida
Notes to Financial Statements

Note 14: FUND EQUITY (Continued)

Restricted Fund Balance:

Funds	Purpose	
General fund	Funding for:	
	Landfill closure	\$ 58,447
	Education and crime prevention	126,474
Transportation trust fund	Funding for:	
	Transportation	5,184,196
Local housing assistance trust	Funding for:	
	Local housing assistance	53,545
Other governmental funds	Funding for:	
	Court innovations	551,408
	Emergency communications	48,241
	Law enforcement	372,243
	Probation	175,642
	Emergency management	43,098
	Road improvements	68,233
	Economic development	89,724
	Modernization of public records	67,549
	Crime prevention	95,447
	Court-related technology	33,569
	Public Health and Safety	331,431
Total		\$ 7,299,247

Committed Fund Balance:

Funds	Purpose	
Other governmental funds	Funding for:	
	Fire operations	\$ 517,816
	Municipal service business unit	312,725
	Mosquito control	117,780
	Boater improvement	82,579
	Building department	235,934
	Police education	14,009
Total		\$ 1,280,843

Washington County, Florida Notes to Financial Statements

Note 14: FUND EQUITY (Continued)

Assigned Fund Balance:

Funds	Purpose		
Other governmental funds	Funding for:		
	Emergency management	\$	344,591
	Road Improvements		3,783
	Choose Life Tags		1,867
	Public Library Fund		(9,044)
	Transportation		56,882
	Total	\$	398,079

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.

As of September 30, 2021, the Board had contractual commitments for construction projects in excess of amounts recognized in the financial statements totaling approximately \$11.3 million.

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, 2021, was \$58,447 which is included in restricted cash for the General Fund. 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.

Washington County, Florida Notes to Financial Statements

Note 16: LANDFILL CLOSURE/LONG-TERM CARE ESCROW (Continued)

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, 2021. 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 2020 amounts have been reclassified to conform with 2021 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 ALN #93.563. The net amount received was \$103,290.

Note 19: OTHER POSTEMPLOYMENT BENEFITS

The County'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 County is also required to provide retirees with the opportunity to participate in this Plan. The Plan provides healthcare benefits including medical coverage and life insurance coverage to both active and eligible retired employees. The Plan does not issue a publicly available financial report.

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

Washington County, Florida

Notes to Financial Statements

Note 19: OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Membership – At September 30, 2021, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	233
Retirees and beneficiaries currently receiving benefits	3
Total Membership	236
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 2021 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, 2021, the County reported a liability of \$359,964 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2021, and was determined by an actuarial valuation as of October 1, 2021. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2021, the County recognized OPEB expense of \$34,264. At September 30, 2021, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 998	\$ 77,772
Changes of assumptions or other inputs	31,006	4,069
Total	\$ 32,004	\$ 81,841

Washington County, Florida
Notes to Financial Statements

Note 19: OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

<i>For the years ended September 30,</i>	
2022	\$ (10,234)
2023	(10,234)
2024	(10,234)
2025	(10,237)
2026	(9,463)
Thereafter	565
Total	\$ (49,837)

The significant components of Other Postemployment Benefits follows:

	Total OPEB Liability	Deferred Inflows	Deferred Outflows	OPEB Expense
Balance at September 30, 2020	\$ 334,701	\$ 98,413	\$ 34,399	\$ -
Service Cost	36,711	-	-	36,711
Interest Cost	7,787	-	-	7,787
Changes in Benefit Terms	-	-	-	-
Differences between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	-	(15,555)	250	(15,305)
Current Year Amortization of Experience Difference	-	-	-	-
Change in Assumptions About Future Economic or Demographic Factors or Other Inputs	3,943	(1,017)	(2,645)	5,071
Current Year Amortization of Change in Assumptions	-	-	-	-
Benefit Payments	(23,178)	-	-	-
Balance as of fiscal year ended September 30, 2021	\$ 359,964	\$ 81,841	\$ 32,004	\$ 34,264

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 2.19%. 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.

Washington County, Florida
Notes to Financial Statements

Note 19: OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Method and Assumptions – The total OPEB liability in the October 1, 2020, 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	2.50%
Salary Increase Rate(s)	Varies by Service
Discount Rate	2.19%
Rate of Growth in Real Income/GDP per capita	1.50%
Extra Trend due to Technology and Other Factors	1.10%
Health Share of GDP Resistance Point	25%
Year of Limiting Cost Growth to GDP Growth	2075

All mortality rates were based on the PUB-2010 base tables projected with fully generational MP-2020 Mortality Improvement Scale. There have been no changes in the plan since the prior valuation date.

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 (1.19%) or 1 percent point higher (3.19%) than the current discount rate:

	1% Decrease (1.19%)	Current Discount Rate (2.19%)	1% increase (3.19%)
Net OPEB Liability	\$ 377,648	\$ 359,964	\$ 341,954

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:

	1% Decrease (3.00%)	Current Medical Trend (4.00%)	1% increase (5.00%)
Net OPEB Liability	\$ 313,638	\$ 359,964	\$ 416,913

Washington County, Florida
Notes to Financial Statements

Note 20: ADJUSTMENT TO CAPITAL ASSETS AND LONG-TERM LIABILITIES

Beginning Capital Assets and Long-Term Liabilities were both reduced by \$248,674 as a result of overstatement at September 30, 2020. The overstatement was the result of an unrecorded lease-purchase transaction whereby equipment was traded in and corresponding debt was reduced. This was corrected in the current year and had no net effect on fund balance or net position as of September 30, 2020.

Note 21: BUDGET

The Transportation Fund had expenditures that were in excess of the budgeted amount totaling \$120,285. This is a technical violation of Florida Statutes, Chapter 129.

Required Supplementary Information

Washington County, Florida
Schedule of Proportionate Share of Net Pension Liability - FRS
Last 8 Fiscal Years

As of and for the year ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.037063113%	0.039835893%	0.041003815%	0.039311830%	0.039421864%	0.037700000%	0.035800000%	0.034600000%
County's proportionate share of the net pension liability (asset)	\$ 2,799,697	\$ 17,265,847	\$ 14,121,142	\$ 11,840,927	\$ 11,660,723	\$ 9,508,368	\$ 4,618,120	\$ 2,113,210
County's covered payroll	\$ 8,208,854	\$ 9,315,632	\$ 8,854,312	\$ 8,297,505	\$ 7,956,177	\$ 7,837,732	\$ 7,571,054	\$ 7,380,629
County's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll	34.11%	185.34%	159.48%	142.70%	146.56%	121.32%	61.00%	28.63%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Note: Data was unavailable prior to 2013

Notes to schedules:

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

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

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

Washington County, Florida
Schedule of Contributions - FRS
Last 8 Fiscal Years

As of and for the year ended September 30,	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,411,944	\$ 1,323,520	\$ 1,271,414	\$ 1,120,355	\$ 1,028,157	\$ 918,321	\$ 871,715	\$ 758,641
Contributions in relation to the contractually required contribution	(1,411,944)	(1,323,520)	(1,271,414)	(1,120,355)	(1,028,157)	(918,321)	(871,715)	(758,641)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 8,667,835	\$ 9,254,293	\$ 8,784,277	\$ 8,251,801	\$ 7,956,177	\$ 7,837,732	\$ 7,571,054	\$ 7,380,629
Contributions as a percentage of covered payroll	16.29%	14.30%	14.47%	13.58%	12.92%	11.72%	11.51%	10.28%

Notes to schedules:

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

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

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

Washington County, Florida
Schedule of Proportionate Share of Net Pension Liability - HIS
Last 8 Fiscal Years

As of and for the year ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.026013672%	0.025673922%	0.025515740%	0.024206707%	0.024003295%	0.024000000%	0.023300000%	0.012800000%
County's proportionate share of the net pension liability (asset)	\$ 3,191,736	\$ 3,134,744	\$ 2,854,955	\$ 2,562,065	\$ 2,566,543	\$ 2,792,437	\$ 2,375,636	\$ 2,212,590
County's covered payroll	\$ 8,208,854	\$ 9,254,293	\$ 8,854,312	\$ 8,297,505	\$ 7,956,177	\$ 7,837,732	\$ 7,571,054	\$ 7,380,629
County's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll	38.88%	33.87%	32.24%	30.88%	32.26%	35.63%	31.38%	29.98%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.56	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: Data was unavailable prior to 2013

Notes to schedules:

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

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

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

Washington County, Florida
Schedule of Contributions - HIS
Last 8 Fiscal Years

As of and for the year ended September 30,	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 152,909	\$ 147,947	\$ 141,686	\$ 131,274	\$ 125,880	\$ 122,810	\$ 89,045	\$ 81,063
Contributions in relation to the contractually required contribution	(152,909)	(147,947)	(141,686)	(131,274)	(125,880)	(122,810)	(89,045)	(81,063)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 8,667,835	\$ 9,254,293	\$ 8,784,277	\$ 8,251,801	\$ 7,956,177	\$ 7,837,732	\$ 7,571,054	\$ 7,380,629
Contributions as a percentage of covered payroll	1.76%	1.60%	1.61%	1.59%	1.58%	1.57%	1.18%	1.10%

Notes to schedules:

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

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

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

Washington County, Florida

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

Last four fiscal years*

Reporting Period	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Period	10/1/2020	10/1/2019	10/1/2018	10/1/2017
Total OPEB Liability				
Service Cost	\$ 36,711	\$ 32,409	\$ 26,655	\$ 26,894
Interest	7,787	11,143	14,444	13,497
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	(108,882)	-	1,998
Changes of Assumptions	3,943	13,911	28,303	(8,137)
Benefit Payments	(23,178)	(38,176)	(44,493)	(39,002)
Net Change in Total OPEB Liability	25,263	(89,595)	24,909	(4,750)
Total OPEB Liability - Beginning	334,701	424,296	399,387	404,137
Total OPEB Liability - Ending	\$ 359,964	\$ 334,701	\$ 424,296	\$ 399,387
 Plan Fiduciary Net Position				
Contributions - employer	\$ 23,178	\$ 38,176	\$ 44,493	\$ 39,002
Benefit payments	(23,178)	(38,176)	(44,493)	(39,002)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-
Net OPEB liability - ending (a) - (b)	\$ 359,964	\$ 334,701	\$ 424,296	\$ 399,387
 Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 8,667,835	\$ 9,254,293	\$ 8,784,277	\$ 8,251,801
Net OPEB liability as a percentage of covered-employee payroll	4.15%	3.59%	4.83%	4.84%
Contributions as a percentage of covered-employee payroll	0.27%	0.40%	0.50%	0.47%

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

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

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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2021

		Special Revenue Funds							
		Public Library Fund	Small Counties Grant Fund	Buckhorn Road	Fines & Forfeitures Fund	Thirty Dollar Surcharge Fund	CARES Act	EMPG-S Grant	Agriculture Grant
Assets									
Cash and cash equivalents	\$	4,425	\$ 81,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents		-	-	-	257,641	254,748	-	-	-
Accounts receivable, net		2,584	-	-	20,938	6,581	-	-	-
Due from other funds		93,225	-	-	46,469	25	19,711	-	-
Due from other governmental units		-	50,338	523,068	-	-	-	-	9,482
Total assets	\$	100,234	\$ 131,690	\$ 523,068	\$ 325,048	\$ 261,354	\$ 19,711	\$ -	\$ 9,482
Liabilities									
Accounts payable and accrued expenses	\$	28,889	\$ 3,233	\$ 334,553	\$ 31,147	\$ -	\$ -	\$ -	\$ -
Due to other funds		80,389	71,575	188,515	166,640	1,653	-	-	9,482
Due to agency funds		-	-	-	-	-	-	-	-
Due to other governmental units		-	-	-	99,006	-	-	-	-
Unearned revenue		-	-	-	-	-	-	-	-
Total liabilities		109,278	74,808	523,068	296,793	1,653	-	-	9,482
Fund balances									
Restricted		-	-	-	28,255	259,701	-	-	-
Committed		-	-	-	-	-	-	-	-
Assigned		(9,044)	56,882	-	-	-	19,711	-	-
Unassigned		-	-	-	-	-	-	-	-
Total fund balances		(9,044)	56,882	-	28,255	259,701	19,711	-	-
Total liabilities and fund balances	\$	100,234	\$ 131,690	\$ 523,068	\$ 325,048	\$ 261,354	\$ 19,711	\$ -	\$ 9,482

See Independent Auditors' Report

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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2021

	Special Revenue Funds							
	Emergency Medical Service Fund	Municipal Service Business Unit	Fire Operation Fund	Radio Communication Fund	Comprehensive Plan & Land Development	Law Enforcement Trust Fund III	Special Projects - Impact	
Assets								
Cash and cash equivalents	\$ 67,221	\$ -	\$ 87,484	\$ -	\$ -	\$ -	\$ -	
Restricted cash and cash equivalents	-	309,795	-	45,756	-	45,904	57,843	
Accounts receivable, net	204,228	4,289	-	2,483	-	-	-	
Due from other funds	-	3,147	485,717	-	-	-	10,390	
Due from other governmental units	-	-	-	-	155,483	-	-	
Total assets	\$ 271,449	\$ 317,231	\$ 573,201	\$ 48,239	\$ 155,483	\$ 45,904	\$ 68,233	
Liabilities								
Accounts payable and accrued expenses	\$ 14,624	\$ 461	\$ 22,557	\$ -	\$ -	\$ -	\$ -	
Due to other funds	-	4,045	32,827	-	155,483	-	-	
Due to agency funds	-	-	-	-	-	-	-	
Due to other governmental units	39,927	-	-	-	-	-	-	
Unearned revenue	-	-	-	-	-	-	-	
Total liabilities	54,551	4,506	55,384	-	155,483	-	-	
Fund balances								
Restricted	-	-	-	48,239	-	45,904	68,233	
Committed	-	312,725	517,817	-	-	-	-	
Assigned	216,898	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	
Total fund balances	216,898	312,725	517,817	48,239	-	45,904	68,233	
Total liabilities and fund balances	\$ 271,449	\$ 317,231	\$ 573,201	\$ 48,239	\$ 155,483	\$ 45,904	\$ 68,233	

See Independent Auditors' Report

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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2021

	Special Revenue Funds													
	Law Enforcement Trust Fund I		Cope Road		Arthropod Control Fund		Choose Life Tag Fund		Alford Road		E911		Police Education Fund	
Assets														
Cash and cash equivalents	\$	421	\$	-	\$	122,301	\$	1,867	\$	-	\$	-	\$	-
Restricted cash and cash equivalents		-		-		-		-		-		50,170		13,603
Accounts receivable, net		-		-		-		-		-		-		406
Due from other funds		-		-		-		-		-		32,908		-
Due from other governmental units		-		-		9,239		-		699,946		57,339		-
Total assets	\$	421	\$	-	\$	131,540	\$	1,867	\$	699,946	\$	140,417	\$	14,009
Liabilities														
Accounts payable and accrued expenses	\$	-	\$	-	\$	762	\$	-	\$	406,916	\$	9,624	\$	-
Due to other funds		-		-		4,720		-		293,030		6,674		-
Due to other governmental units		-		-		-		-		-		-		-
Unearned revenue		-		-		8,278		-		-		-		-
Total liabilities		-		-		13,760		-		699,946		16,298		-
Fund balances														
Restricted		421		-		-		-		-		-		-
Committed		-		-		117,780		-		-		-		14,009
Assigned		-		-		-		1,867		-		124,119		-
Unassigned		-		-		-		-		-		-		-
Total fund balances		421		-		117,780		1,867		-		124,119		14,009
Total liabilities and fund balances	\$	421	\$	-	\$	131,540	\$	1,867	\$	699,946	\$	140,417	\$	14,009

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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2021

	Special Revenue Funds							
	Brickyard Road Resurface	Tourist Development Tax	Emergency Management Enhancement	EMPG Grant	Criminal Education Fund	Cost of Incarceration	Crime Prevention	
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Restricted cash and cash equivalents	-	63,995	38,057	-	17,932	26,500	50,040	
Accounts receivable, net	-	-	-	-	537	-	438	
Due from other funds	-	19,734	-	-	-	-	-	
Due from other governmental units	6,427	11,697	-	17,227	-	-	-	
<hr/>								
Total assets	\$ 6,427	\$ 95,426	\$ 38,057	\$ 17,227	\$ 18,469	\$ 26,500	\$ 50,478	
<hr/>								
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ 1,123	\$ 2,395	\$ -	\$ -	\$ -	\$ -	
Due to other funds	6,427	4,581	5,744	17,227	-	-	-	
Due to agency funds	-	-	-	-	-	-	-	
Due to other governmental units	-	-	-	-	-	-	-	
Unearned revenue	-	-	-	-	-	-	-	
<hr/>								
Total liabilities	6,427	5,704	8,139	17,227	-	-	-	
<hr/>								
Fund balances								
Restricted	-	89,722	29,918	-	18,469	26,500	50,478	
Committed	-	-	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	
<hr/>								
Total fund balances	-	89,722	29,918	-	18,469	26,500	50,478	
<hr/>								
Total liabilities and fund balances	\$ 6,427	\$ 95,426	\$ 38,057	\$ 17,227	\$ 18,469	\$ 26,500	\$ 50,478	

See Independent Auditors' Report

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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2021

Special Revenue Funds											
	Article V Technology	Sixty-Five Dollar Surcharge	EMPA Grant	Probation	Kirkland Road	Fire Impact Fees	Boat Ramp Fund	Wilderness Road	Culpepper Landing		
Assets											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	81,571	\$ -	\$ -		
Restricted cash and cash equivalents	58,357	294,784	-	175,816	-	2,628	-	-	-		
Accounts receivable, net	4,290	975	-	4,116	-	-	1,008	-	-		
Due from other funds	-	-	-	-	-	1,155	-	-	-		
Due from other governmental units	-	-	24,044	-	-	-	-	-	-	13,754	
Total assets	\$ 62,647	\$ 295,759	\$ 24,044	\$ 179,932	\$ -	\$ 3,783	\$ 82,579	\$ -	\$ -	13,754	
Liabilities											
Accounts payable and accrued expenses	\$ 88	\$ 1,172	\$ 2,193	\$ 935	\$ -	\$ -	\$ -	\$ -	\$ -	-	
Due to other funds	28,989	-	21,852	3,353	-	-	-	-	-	13,754	
Due to agency funds	-	-	-	-	-	-	-	-	-	-	
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	
Unearned revenue	-	-	-	-	-	-	-	-	-	-	
Total liabilities	29,077	1,172	24,045	4,288	-	-	-	-	-	13,754	
Fund balances											
Restricted	33,570	294,587	-	175,644	-	-	-	-	-	-	
Committed	-	-	(1)	-	-	-	82,579	-	-	-	
Assigned	-	-	-	-	-	3,783	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	-	-	-	
Total fund balances	33,570	294,587	(1)	175,644	-	3,783	82,579	-	-	-	
Total liabilities and fund balances	\$ 62,647	\$ 295,759	\$ 24,044	\$ 179,932	\$ -	\$ 3,783	\$ 82,579	\$ -	\$ -	13,754	

See Independent Auditors' Report

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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2021

	Special Revenue Funds							
	Building Department	Inmate Welfare Fund	EMS Impact Fees	Orange Hill & South Blvd	Hurricane Sally	Tropical Storm Fred	Public Records Modernization Trust Fund	
Assets								
Cash and cash equivalents	\$ 214,625	\$ -	\$ -	\$ -	\$ 19,843	\$ -	\$ -	
Restricted cash and cash equivalents	-	304,809	11,072	-	-	-	-	68,014
Accounts receivable, net	2,737	-	-	-	-	-	-	-
Due from other funds	46,837	-	2,100	-	-	-	-	32,476
Due from other governmental units	-	-	-	23,056	521,354	-	-	-
Total assets	\$ 264,199	\$ 304,809	\$ 13,172	\$ 23,056	\$ 541,197	\$ -	\$ -	100,490
Liabilities								
Accounts payable and accrued expenses	\$ 8,300	\$ 50,492	\$ -	\$ -	\$ 1,650	\$ 1,125	\$ -	-
Due to other funds	19,965	-	-	23,056	912,812	126,390	-	32,941
Due to agency funds	-	-	-	-	-	-	-	-
Due to other governmental units	-	920	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	28,265	51,412	-	23,056	914,462	127,515	-	32,941
Fund balances								
Restricted	-	253,397	13,172	-	-	-	-	67,549
Committed	235,934	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(373,265)	(127,515)	-	-
Total fund balances	235,934	253,397	13,172	-	(373,265)	(127,515)	-	67,549
Total liabilities and fund balances	\$ 264,199	\$ 304,809	\$ 13,172	\$ 23,056	\$ 541,197	\$ -	\$ -	100,490

See Independent Auditors' Report

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Washington County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2021

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Law Enforcement Trust Fund II	Highway 79 Corridor	Old Bonifay Road	COVID 19	FFCRA COVID 19	Hurricane Irma		
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	681,110
Restricted cash and cash equivalents	84,810	100,000	-	795,970	-	-	-	3,128,244
Accounts receivable, net	-	-	-	-	-	-	-	255,610
Due from other funds	-	-	-	-	-	-	-	793,894
Due from other governmental units	-	1,037,358	40,512	-	-	-	-	3,200,324
Total assets	\$ 84,810	\$ 1,137,358	\$ 40,512	\$ 795,970	\$ -	\$ -	\$ -	8,059,182
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ 250,371	\$ -	\$ 3,825	\$ -	\$ -	\$ -	1,176,435
Due to other funds	-	928,597	42,453	456,460	16,137	-	-	3,675,771
Due to other governmental units	-	-	-	4,254	-	-	-	144,107
Unearned revenue	-	-	-	-	-	-	-	8,278
Total liabilities	-	1,178,968	42,453	464,539	16,137	-	-	5,004,591
Fund balances								-
Restricted	84,810	(41,610)	(1,941)	331,431	-	-	-	1,876,449
Committed	-	-	-	-	-	-	-	1,280,843
Assigned	-	-	-	-	(16,137)	-	-	398,079
Unassigned	-	-	-	-	-	-	-	(500,780)
Total fund balances	84,810	(41,610)	(1,941)	331,431	(16,137)	-	-	3,054,591
Total liabilities and fund balances	\$ 84,810	\$ 1,137,358	\$ 40,512	\$ 795,970	\$ -	\$ -	\$ -	8,059,182

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Washington County, Florida

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended September 30, 2021

	Special Revenue Funds							
	Public Library Fund	Small Counties Grant Fund	Buckhorn Road	Fines & Forfeiture Fund	Thirty Dollar Surcharge Fund	CARES Act	EMPG-S Grant	Agriculture Grant
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	374,572	-	-	-	-
Charges for services	-	-	-	531,730	83,484	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Grants	233,889	93,750	523,067	103,290	-	1,204,900	576	148,732
Investment earnings	-	-	-	-	-	-	-	-
Other fees and miscellaneous revenues	13,864	38,325	-	798	55	-	-	-
Total revenue	247,753	132,075	523,067	1,010,390	83,539	1,204,900	576	148,732
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public health and safety	-	-	-	-	-	1,499,905	576	-
Physical environment	-	125,464	-	-	-	-	-	-
Transportation	-	-	211	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Culture and recreation	643,898	-	-	-	-	-	-	-
Court related	-	-	-	883,155	89,347	-	-	-
Capital outlay	-	-	522,856	-	-	1,165,270	-	148,732
Debt service								
Principal	4,500	-	-	-	-	-	-	-
Interest and other charges	7,076	-	-	-	-	-	-	-
Total expenditures	655,474	125,464	523,067	883,155	89,347	2,665,175	576	148,732
Excess (deficiency) of revenues over (under) expenditures	(407,721)	6,611	-	127,235	(5,808)	(1,460,275)	-	-
Other financing sources (uses)								
Transfers in	397,752	-	-	-	-	1,523,909	-	-
Transfers out	-	-	-	-	-	-	-	-
Installment loan proceeds	-	-	-	-	-	-	-	-
Transfer to State of Florida	-	-	-	(98,980)	-	-	-	-
Net other financing sources (uses)	397,752	-	-	(98,980)	-	1,523,909	-	-
Net change in fund balances	(9,969)	6,611	-	28,255	(5,808)	63,634	-	-
Fund balances - beginning	925	50,271	-	-	265,509	(43,923)	-	-
Fund balances - ending	\$ (9,044)	\$ 56,882	\$ -	\$ 28,255	\$ 259,701	\$ 19,711	\$ -	-

See Independent Auditors' Report

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Washington County, Florida

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

For the year ended September 30, 2021

	Special Revenue Funds						
	Emergency Medical Service Fund	Municipal Service Business Unit	Fire Operation Fund	Radio Communication Fund	Comprehensive Plan & Land Development	Law Enforcement Trust Fund III	Special Projects - Impact
Revenues							
Taxes	\$ -	\$ 469,520	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-	-	30,188
Intergovernmental	-	-	-	-	-	-	-
Charges for services	1,461,672	-	-	30,395	-	-	-
Grants	-	-	5,668	-	162,483	-	-
Investment earnings	-	-	-	-	-	-	-
Other fees and miscellaneous revenues	-	-	25,020	-	-	-	3,614
Total revenue	1,461,672	469,520	30,688	30,395	162,483	-	33,802
Expenditures							
Current							
General government	-	-	-	-	162,483	-	-
Public health and safety	2,055,960	-	333,731	10,362	-	-	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	3,614
Economic environment	-	230,199	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Court related	-	-	-	-	-	-	-
Capital outlay	-	-	11,950	-	-	-	-
Debt service							
Principal	22,041	-	47,158	-	-	-	-
Interest and other charges	906	-	8,826	-	-	-	-
Total expenditures	2,078,907	230,199	401,665	10,362	162,483	-	3,614
Excess (deficiency) of revenues over (under) expenditures	(617,235)	239,321	(370,977)	20,033	-	-	30,188
Other financing sources (uses)							
Transfers in	633,243	-	468,267	-	-	-	-
Transfers out	(14,903)	-	-	-	-	-	-
Installment loan proceeds	-	-	-	-	-	-	-
Transfer to State of Florida	-	-	-	-	-	-	-
Net other financing sources (uses)	618,340	-	468,267	-	-	-	-
Net change in fund balances	1,105	239,321	97,290	20,033	-	-	30,188
Fund balances - beginning	215,793	73,404	420,527	28,206	-	45,904	38,045
Fund balances - ending	\$ 216,898	\$ 312,725	\$ 517,817	\$ 48,239	\$ -	\$ 45,904	\$ 68,233

See Independent Auditors' Report

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Washington County, Florida

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended September 30, 2021

	Special Revenue Funds						
	Law Enforcement Fund I	Cope Road	Arthropod Control Fund	Choose Life Tag Fund	Alford Road	E911	Police Education Fund
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	13,105	-	-	-	-
Charges for services	-	-	-	-	-	158,415	4,884
Grants	-	198,228	47,603	-	699,946	12,492	-
Investment earnings	-	-	-	-	-	-	-
Other fees and miscellaneous revenues	-	-	-	-	-	18,169	-
Total revenue	-	198,228	60,708	-	699,946	189,076	4,884
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Public health and safety	-	-	-	-	-	186,911	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	198,228	-	-	699,946	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	56,490	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Court related	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	-	198,228	56,490	-	699,946	186,911	-
Excess (deficiency) of revenues over (under) expenditures	-	-	4,218	-	-	2,165	4,884
Other financing sources (uses)							
Transfers in	-	-	-	-	-	17,916	-
Transfers out	-	-	-	-	-	(6,000)	-
Installment loan proceeds	-	-	-	-	-	-	-
Transfer to State of Florida	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	11,916	-
Net change in fund balances	-	-	4,218	-	-	14,081	4,884
Fund balances - beginning	421	-	113,562	1,867	-	110,038	9,125
Fund balances - ending	\$ 421	\$ -	\$ 117,780	\$ 1,867	\$ -	\$ 124,119	\$ 14,009

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Washington County, Florida

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

For the year ended September 30, 2021

	Special Revenue Funds						
	Brickyard Road Resurface	Tourist Development Tax	Emergency Management Enhancement	EMPG Grant	Criminal Education Fund	Cost of Incarceration	Crime Prevention
Revenues							
Taxes	\$ -	\$ 129,644	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	6,733	2,490	10,595
Grants	6,427	-	-	45,826	-	-	-
Investment earnings	-	-	-	-	-	-	-
Other fees and miscellaneous revenues	-	-	-	-	1	-	1
Total revenue	6,427	129,644	-	45,826	6,734	2,490	10,596
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Public health and safety	-	-	75,353	-	-	-	-
Physical environment	-	-	-	-	-	-	-
Transportation	6,427	-	-	-	-	-	-
Economic environment	-	117,013	-	45,826	-	-	-
Human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Court related	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	6,427	117,013	75,353	45,826	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	12,631	(75,353)	-	6,734	2,490	10,596
Other financing sources (uses)							
Transfers in	-	-	61,675	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Installment loan proceeds	-	-	-	-	-	-	-
Transfer to State of Florida	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	61,675	-	-	-	-
Net change in fund balances	-	12,631	(13,678)	-	6,734	2,490	10,596
Fund balances - beginning	-	77,091	43,596	-	11,735	24,010	39,882
Fund balances - ending	\$ -	\$ 89,722	\$ 29,918	\$ -	\$ 18,469	\$ 26,500	\$ 50,478

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Washington County, Florida

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended September 30, 2021

	Special Revenue Funds								
	Article V Technology	Sixty-Five Dollar Surcharge	EMPA Grant	Probation	Kirkland Road	Fire Impact Fees	Boat Ramp Fund	Wilderness Road	Culpepper Landing
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-	3,082	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	46,086	24,002	-	92,234	-	-	-	-	-
Grants	-	-	110,761	-	-	-	-	-	13,754
Investment earnings	-	-	-	-	-	-	-	-	-
Other fees and miscellaneous revenues	-	-	-	-	-	-	7,517	-	-
Total revenue	46,086	24,002	110,761	92,234	-	3,082	7,517	-	13,754
Expenditures									
Current									
General government	-	-	110,761	-	-	-	-	-	-
Public health and safety	-	-	-	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-
Transportation	-	6,001	-	-	98	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	13,754
Court related	15,683	-	-	94,708	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	1	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Total expenditures	15,683	6,001	110,761	94,708	98	-	-	1	13,754
Excess (deficiency) of revenues over (under) expenditures	30,403	18,001	-	(2,474)	(98)	3,082	7,517	(1)	-
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(28,989)	-	-	-	-	-	-	-	-
Installment loan proceeds	-	-	-	-	-	-	-	-	-
Transfer to State of Florida	-	-	-	-	-	-	-	-	-
Net other financing sources (uses)	(28,989)	-	-	-	-	-	-	-	-
Net change in fund balances	1,414	18,001	-	(2,474)	(98)	3,082	7,517	(1)	-
Fund balances - beginning	32,156	276,586	(1)	178,118	98	701	75,062	1	-
Fund balances - ending	\$ 33,570	\$ 294,587	\$ (1)	\$ 175,644	\$ -	\$ 3,783	\$ 82,579	\$ -	\$ -

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Washington County, Florida

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

For the year ended September 30, 2021

	Special Revenue Funds						
	Building Department	Inmate Welfare Fund	EMS Impact Fees	Orange Hill & South Blvd	Hurricane Sally	Tropical Storm Fred	Public Records Modernization Trust Fund
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	273,735	-	5,603	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	215,655	-	-	-	-	56,827
Grants	-	-	-	23,056	236,423	-	-
Investment earnings	-	352	-	-	-	-	-
Other fees and miscellaneous revenues	2,525	3,498	-	-	-	-	-
Total revenue	276,260	219,505	5,603	23,056	236,423	-	56,827
Expenditures							
Current							
General government	-	-	-	-	-	-	4,306
Public health and safety	212,953	86,785	-	-	-	-	-
Physical environment	-	-	-	-	547,044	-	-
Transportation	-	-	-	23,056	-	113,423	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Court related	-	-	-	-	-	-	28,229
Capital outlay	-	34,100	-	-	62,644	14,092	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	212,953	120,885	-	23,056	609,688	127,515	32,535
Excess (deficiency) of revenues over (under) expenditures	63,307	98,620	5,603	-	(373,265)	(127,515)	24,292
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(9,169)	-	-	-	-	-
Installment loan proceeds	-	-	-	-	-	-	-
Transfer to State of Florida	-	-	-	-	-	-	-
Net other financing sources (uses)	-	(9,169)	-	-	-	-	-
Net change in fund balances	63,307	89,451	5,603	-	(373,265)	(127,515)	24,292
Fund balances - beginning	172,627	163,946	7,569	-	-	-	43,257
Fund balances - ending	\$ 235,934	\$ 253,397	\$ 13,172	\$ -	\$ (373,265)	\$ (127,515)	\$ 67,549

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Washington County, Florida

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

For the year ended September 30, 2021

	Special Revenue Funds						Debt Service Funds			Total Nonmajor Governmental Funds
	Law Enforcement Trust Fund II	Highway 79 Corridor	Old Bonifay Road	COVID 19	FFCRA COVID 19	Hurricane Irma	Series 2009 A & B Debt Service	Loan Fund	Debt Service Fund	
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	599,164
Licenses and permits	-	-	-	-	-	-	-	-	-	312,608
Intergovernmental	-	-	-	-	-	-	-	-	-	387,677
Charges for services	-	-	-	-	-	-	-	-	-	2,725,202
Grants	-	1,212,236	-	427,001	-	16,636	-	-	-	5,526,744
Investment earnings	-	-	-	-	-	-	-	-	-	352
Other fees and miscellaneous revenues	-	-	-	-	-	-	-	-	-	113,387
Total revenue	-	1,212,236	-	427,001	-	16,636	-	-	-	9,665,134
Expenditures										
Current										
General government	-	-	-	-	-	-	-	-	-	277,550
Public health and safety	-	-	-	411,254	-	-	-	-	-	4,873,790
Physical environment	-	-	-	-	-	-	-	-	-	672,508
Transportation	-	-	1,941	-	-	-	-	-	-	1,052,945
Economic environment	-	1,253,846	-	-	-	-	-	-	-	1,646,884
Human services	-	-	-	-	-	-	-	-	-	56,490
Culture and recreation	-	-	-	-	-	-	-	-	-	657,652
Court related	-	-	-	-	-	-	-	-	-	1,111,122
Capital outlay	-	-	-	130,556	-	-	-	-	-	2,090,201
Debt service										
Principal	-	-	-	-	-	-	390,000	-	-	463,699
Interest and other charges	-	-	-	-	-	-	109,697	-	-	126,505
Total expenditures	-	1,253,846	1,941	541,810	-	-	499,697	-	-	13,029,346
Excess (deficiency) of revenues over (under) expenditures	-	(41,610)	(1,941)	(114,809)	-	16,636	(499,697)	-	-	(3,364,212)
Other financing sources (uses)										
Transfers in	-	-	-	-	-	-	499,697	-	-	3,602,459
Transfers out	-	-	-	-	-	(16,636)	-	-	-	(75,697)
Installment loan proceeds	-	-	-	-	-	-	-	-	-	-
Transfer to State of Florida	-	-	-	-	-	-	-	-	-	(98,980)
Net other financing sources (uses)	-	-	-	-	-	(16,636)	499,697	-	-	3,427,782
Net change in fund balances	-	(41,610)	(1,941)	(114,809)	-	-	-	-	-	63,570
Fund balances - beginning	84,810	-	-	446,240	(16,137)	-	-	-	-	2,991,021
Fund balances - ending	\$ 84,810	\$ (41,610)	\$ (1,941)	\$ 331,431	\$ (16,137)	\$ -	\$ -	\$ -	\$ -	3,054,591

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

September 30, 2021

		Clerk of the Circuit Court											
		General Trust		Child Support		Jury and Witness		Tax Deeds		Cash Bonds		Registry of Court	
Assets													
Cash		\$	148,114	\$	5,202	\$	4,185	\$	321,778	\$	18,542	\$	159,608
Due from other funds			1,620		1,610		480		70		-		2,946
Due from others			-		-		-		-		-		-
Total assets		\$	149,734	\$	6,812	\$	4,665	\$	321,848	\$	18,542	\$	162,554
Liabilities													
Due to others		\$	149,365	\$	4,256	\$	4,665	\$	321,848	\$	18,500	\$	162,274
Due to other funds			369		2,556		-		-		42		280
Total liabilities		\$	149,734	\$	6,812	\$	4,665	\$	321,848	\$	18,542	\$	162,554

See Independent Auditors' Report

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

September 30, 2021

	<i>Clerk</i>		<i>Sheriff</i>		<i>Tax Collector</i>			
	Dependency		Inmate		Escrow	Tag	Tax	Total
	Mediation		Welfare Trust					
Assets								
Cash	\$	-	\$ 69,965	\$	177,641	\$ 1,429	\$ 25,232	\$ 931,696
Due from other funds		-	-		-	-	-	6,726
Due from others		-	-		-	1,972	293	2,265
Total assets	\$	-	\$ 69,965	\$	177,641	\$ 3,401	\$ 25,525	\$ 940,687
Liabilities								
Due to others	\$	-	\$ 69,965	\$	177,641	\$ 3,401	\$ 25,525	\$ 937,440
Due to other funds		-	-		-	-	-	3,247
Total liabilities	\$	-	\$ 69,965	\$	177,641	\$ 3,401	\$ 25,525	\$ 940,687

See Independent Auditors' Report

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

September 30, 2021

	<i>Clerk of the Circuit Court</i>					
	General Trust	Child Support	Jury and Witness	Tax Deeds	Cash Bonds	Registry of Court
Additions:						
Collections for others	\$ 4,829,815	\$ 68,219	\$ 1,876	\$ 793,362	\$ 106,620	\$ 980,547
Total additions	4,829,815	68,219	1,876	793,362	106,620	980,547
Deductions:						
Payments to others	4,829,815	68,219	1,876	793,362	106,620	980,547
Increase in liabilities	-	-	-	-	-	-
Total deductions	4,829,815	68,219	1,876	793,362	106,620	980,547
Net increase (deficiency) in fiduciary net position	-	-	-	-	-	-
Fund balances - beginning, as restated	-	-	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report

Page 2 of 2
Washington County, Florida
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds

September 30, 2021

	Clerk Dependency Mediation	Sheriff Inmate Welfare Trust	Tax Collector			
			Escrow	Tag	Tax	Total
Additions:						
Collections for others	\$ 1,700	\$ 323,955	\$ 277,419	\$ 4,520,830	\$ 18,066,625	\$ 29,970,968
Total additions	1,700	323,955	277,419	4,520,830	18,066,625	29,970,968
Deductions:						
Payments to others	1,700	303,578	277,419	4,520,830	18,066,625	29,950,591
Increase in liabilities	-	20,377	-	-	-	20,377
Total deductions	1,700	323,955	277,419	4,520,830	18,066,625	29,970,968
Net increase (deficiency) in fiduciary net position	-	-	-	-	-	-
Fund balances - beginning, as restated	-	-	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Florida (the "County") as of and for the year ended September 30, 2021, 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 November 21, 2022.

In our report on the financial statements, our opinion was qualified because, as described in the "Basis for Qualified Opinion on Governmental Activities" section in the report on the financial statements, 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 the County does not have adequate records to accurately record historical cost, gains and losses on disposition of capital assets, 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.

Internal Control Over Financial Reporting

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

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

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

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items BCC 2021-001, BCC 2021-002, SH 2021-001, SH 2021-002, SOE 2021-001, SOE 2021-002, CLERK 2021-001, BCC 1997-001, and SOE 2019-001 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items PA 2003-003, SOE 2003-003, and TC 2003-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item BCC 2021-004.

We also noted certain other matters that we reported to the management of the County in a separate letter dated November 21, 2022.

Washington County, Florida's Response to Findings

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

Purpose of this Report

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

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

Marianna, Florida
November 21, 2022

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

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

Report on Compliance for Each Major Federal Program and State Project

We have audited 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 *State of Florida, Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2021. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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 for Local Government Entity Audits* (Rules of the Auditor General). Those standards, the Uniform Guidance, and the Rules of the 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 major 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, 2021.

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 major 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 major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Rules of the 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of 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 have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items BCC 2021-003 and BCC 2021-005 that we consider to be significant deficiencies.

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

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying management response letters. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Cam, Riggs & Ingram, L.L.C.

Marianna, Florida
November 21, 2022

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Washington County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance

For the year ended September 30, 2021

Federal Agency					
Pass through entity			Contract/Grant	Total	Passed to
Federal Program	ALN		Number	Expenditures	Subrecipients
United States Department of Treasury					
Passed through Florida Division of Emergency Management					
COVID-19: Coronavirus Relief Fund	21.019	101-2020		\$ 58,003	\$ -
COVID-19: Coronavirus Relief Fund	21.019	Y2302		1,182,412	91,397
Total United States Department of Treasury				1,240,415	91,397
United States Department of Homeland Security					
Passed through Florida Division of Emergency Management					
Emergency Management Performance Grants (EMPG)	97.042	G0227		17,227	-
Emergency Management Performance Grants (EMPG)	97.042	G0217		16,705	-
Total Emergency Management Performance Grants (EMPG)				33,932	-
Homeland Security Grant Program	97.067	G0176		28,598	-
Homeland Security Grant Program	97.067	G0149		576	-
Total Homeland Security Grant Program				29,174	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)					
DR-4399 - Hurricane Michael	97.036	Z0843		21,659,653	-
DR-4564 - Hurricane Sally	97.036	Z2595		468,711	-
DR-4337 - Hurricane Irma	97.036	Z1268		16,636	-
DR-4138 - Severe Storms and Flooding	97.036	DEM-14-FS-8Q-02-77-02-502		969,727	-
COVID-19: DR-4399 - COVID-19	97.036	Z2029		338,164	-
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)				23,452,891	-
Total United States Department of Homeland Security				23,515,997	-
United States Department of Justice					
Adam Walsh Grant	16.750	2020-AW-BX-0044		32,113	-
Passed through Florida Department of Legal Affairs, Office of the Attorney General					
Crime Victim Assistance	16.575	VOCA-2020-Washington County Sheriff-00759		35,431	-
Passed through Florida Department of Law Enforcement					
Edward Byrne Memorial Justice Assistance Grants	16.738	2021-JAGC-WASH-1-B-089		26,060	-
Total United States Department of Justice				93,604	-

See Independent Auditors' Report and
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

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

For the year ended September 30, 2021

Federal Agency					
Pass through entity			Contract/Grant	Total	Passed to
Federal Program	ALN		Number	Expenditures	Subrecipients
United States Department of Transportation					
Passed through Florida Department of Transportation					
Highway Safety Cluster					
State and Community Highway Safety	20.600		G1R55	55,083	-
Highway Planning and Construction Cluster					
Highway Planning and Construction (Federal-Aid Highway Program)	20.205		G1L17	433,406	-
Passed through Florida Department of Management Services					
E-911 Grant Program	20.615		20-04-35	249,973	-
Total United States Department of Transportation				738,462	-
United States Department of Health and Human Services					
Passed through Florida Department of Revenue					
Child Support Enforcement	93.563		COC67	103,290	-
Total United States Department of Health and Human Services				103,290	-
United States Election Assistance Commission					
Passed through Florida Department of State, Division of Elections					
Help America Vote Act Requirements Payments	90.401		MOA-2018-2019-001	619	-
COVID-19: HAVA Election Security Grants	90.404		20.e.cs.000.067	22,488	-
Total United States Election Assistance Commission				23,107	-
Total Expenditures of Federal Awards				\$ 25,714,875	\$ 91,397

*See Independent Auditors' Report and
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance*

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

For the year ended September 30, 2021

State Agency State Project	CSFA	Contract/Grant Number	Expenditures	Passed to Subrecipients
Florida Department of Transportation				
Small County Road Assistance Program (SCRAP)				
Orange Hill & South Blvd	55.016	G1J52	\$ 23,056	\$ -
Cope Road	55.016	G1F35	198,228	-
Brickyard Road	55.016	G1U63	6,427	-
Total Small County Road Assistance Program (SCRAP)			227,711	-
Small County Outreach Program (SCOP)				
Clayton Road	55.009	G1T86	136,796	-
Alford Road	55.009	G1L17	266,539	-
Buckhorn Road	55.009	G1F38	523,067	-
Total Small County Outreach Program (SCOP)			926,402	-
Total Florida Department of Transportation			1,154,113	-
Florida Executive Office of the Governor				
Emergency Management Program	31.063	A0121	89,460	-
Emergency Management Program	31.063	A0171	21,301	-
Total Executive Office of the Governor			110,761	-
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	421,891	-
Hurricane Housing Recovery Program (HHRP)	40.902	858-2020	377,847	-
Total Florida Housing Finance Corporation			799,738	-
Florida Department of Environmental Protection				
Small County Consolidated Grants	37.012	SC132	93,750	-
Total Florida Department of Environmental Protection			93,750	-
Florida Department of State and Secretary of State				
State Aid to Libraries	45.030	21-ST-90	223,921	-
Total Florida Department of State and Secretary of State			223,921	-
Florida Department of Management Services				
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	19-02-27	6,695	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	20-04-33	5,797	-
Total Florida Department of Management Services			12,492	-

*See Independent Auditors' Report and
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
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Washington County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance

For the year ended September 30, 2021

State Agency State Project	CSFA	Contract/Grant Number	Expenditures	Passed to Subrecipients
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	26499	47,603	-
Agriculture Education and Promotion Facility	42.047	23902	148,732	-
Total Florida Department of Agriculture and Consumer Services			196,335	-
Florida Department of Economic Opportunity				
Growth Management Implementation	40.024	P0382	35,000	-
Division of Housing and Community Development	40.038	DL003	64,375	-
Regional Rural Development and Infrastructure Fund	40.042	D0164	162,483	-
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0006	1,177,236	1,177,236
Total Florida Department of Economic Opportunity			1,439,094	1,177,236
Florida Fish and Wildlife Conservation Commission				
Florida Boating Improvement Program	77.006	17210	13,754	-
Total Florida Fish and Wildlife Conservation Commission			13,754	-
Florida Department of Financial Services				
Fire Decontamination Equipment Grant Project	43.013	FM592	5,668	-
Total Florida Department of Financial Services			5,668	-
Total Expenditures of State Financial Assistance			4,049,626	1,177,236
Total Expenditures of Federal Awards and State Financial Assistance			\$ 29,764,501	\$ 1,268,633

*See Independent Auditors' Report and
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance*

Washington County, Florida
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the year ended September 30, 2021

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.

Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position or fund balance of the County.

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 RATE

The County has not elected to use the 10% *de minimis* indirect cost rate allowed under the Uniform Guidance.

NOTE 5: OTHER TYPES OF FINANCIAL ASSISTANCE

The County did not receive any other type of financial assistance to be included in the schedule of expenditures of federal awards and state financial assistance, such as endowments, insurance in effect, or noncash assistance such as food commodities, donated property (including donated surplus property) or free rent.

Washington County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

- | | |
|--|-----------|
| 1. Type of auditors’ report issued | Qualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified? | Yes |
| c. Noncompliance material to the financial statements noted? | Yes |

Federal 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? | Yes |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | Yes |
| 4. Identification of major programs: | |

Assistance Listing Number	Federal Program
21.019	COVID-19: Coronavirus Relief Fund
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$771,446 |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | No |

State Financial Assistance:

- | | |
|---|------------|
| 1. Type of auditors’ report issued on compliance for major projects | Unmodified |
| 2. Internal control over major projects: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None noted |

Washington County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS (Continued)

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General? None noted

4. Identification of major projects:

<u>CSFA Number</u>	<u>State Project</u>
55.009	Small County Outreach Program (SCOP)
40.902	Hurricane Housing Recovery Program (HHRP)
40.043	Economic Development Tax Refund, Tax Credit, and Grant Program

5. Dollar threshold used to distinguish between type A and type B projects: \$750,000

SECTION II – FINANCIAL STATEMENT FINDINGS

CAPITAL EXPENDITURES, BCC 2021-001

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

CONDITION: Existing control activities and procedures did not detect material errors in reporting of capital expenditures and related lease purchase liabilities.

CAUSE: Accounting staff needs additional training and resources to properly classify and report this volume of transactions, particularly nonrecurring or unusual transactions.

EFFECT: Capital outlay expenditures were mistakenly charged to other accounts such as professional fees and contractual services. A lease-purchase of equipment and related payments were not properly recorded in the correct accounts.

RECOMMENDATION: We recommend that accounting staff request assistance in recording nonrecurring or unusual transactions, particularly related to leases or construction of county owned assets to improve accuracy of reporting capital expenditures.

VIEW OF RESPONSIBLE OFFICIALS: See Management’s Response and Corrective Action Plan beginning on page 104.

Washington County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

FINANCIAL REPORTING, BCC 2021-002

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

CONDITION: Existing control activities and procedures did not detect material errors in multiple account balances and classifications.

CAUSE: Accounting staff needs additional training and resources to properly classify and report this volume of transactions, particularly nonrecurring or unusual transactions.

EFFECT: Various accounts including accounts receivable, accounts payable, accrued expenses, interfund balances, fund balances and related income and expenses were materially incorrect.

RECOMMENDATION: We recommend that all material accounts be carefully reviewed to provide for timely detection and correction of potential errors.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 104.

TIMELINESS OF AUDIT, BCC 2021-004

CRITERIA: 2 CFR 200.512 of the Uniform Guidance requires that the audit must be completed and the data collection form and reporting package must be submitted to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditors' report, or nine months after the end of the audit period.

CONDITION: The September 30, 2021 audit was due to the Federal Audit Clearinghouse by June 30 2022 and was not filed until after that date.

CAUSE: Due to the tremendous increase in the volume of grant activity for the County in fiscal year 2021, there were significant additional demands placed on existing staff. It was not possible to complete the documentation for reporting prior to the filing deadline as a result of this.

EFFECT: Due to the above condition, the September 30, 2021 audit package was submitted late resulting in noncompliance.

RECOMMENDATION: We recommend that the audit process begin as early as possible and for County staff to work closely with the various agencies and funding sources to allow submission of the reports in a timely manner in the coming year.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 104.

Washington County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2021

FINANCIAL STATEMENT FINDINGS (Continued)

FINANCIAL REPORTING, SH 2021-001

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

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

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

EFFECT: Various accounts including insurance revenues, inter-fund payables and grant income required corrections.

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

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 104.

GRANTS, SH 2021-002

CRITERIA: Internal control activities and procedures should be structured to provide for grant compliance, including timely reimbursement for grant expenditures.

CONDITION: Existing control activities and procedures did not include all the steps required to obtain timely reimbursement under the Adam Walsh Grant. This reimbursement was delayed for seven months before being noted as a result of grantor monitoring.

CAUSE: Staff was not fully trained in the reimbursement process for this grant. Accounting staff was not monitoring the collection status of recorded accounts receivable.

EFFECT: Delays in reimbursement can create cash flow issues and lack of training related to grant procedures could result in noncompliance which might affect grant funding.

RECOMMENDATION: We recommend that staff responsible for grants obtain adequate knowledge and understanding of all grant requirements to insure compliance. We recommend that accounting staff periodically review outstanding balances for receivables to provide for proper follow up and collection in a timely manner.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 104.

Washington County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

FINANCIAL REPORTING, CLERK 2021-001

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

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

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

EFFECT: Various accounts including fund balance, deferred revenue, and related income and expenses were materially incorrect.

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

VIEW OF RESPONSIBLE OFFICIALS: See Management’s Response and Corrective Action Plan beginning on page 104.

REVIEW OF BANK RECONCILIATIONS, SOE 2021-001

CRITERIA: Internal control activities and procedures should include a timely review of monthly bank statements and reconciliations by management to detect potential errors or unauthorized activity.

CONDITION: Existing control activities and procedures did not indicate review of the monthly bank reconciliations or statements by the Supervisor of Elections.

CAUSE: Lack of understanding of the importance of this procedure resulted in failure to perform this control activity.

EFFECT: Bank statements and transactions were not reviewed by the Supervisor of Elections.

RECOMMENDATION: We recommend that all monthly bank statements and related reconciliations be reviewed by the Supervisor of Elections on a timely basis and notation of performance for this procedure be provided on the documents reviewed.

VIEW OF RESPONSIBLE OFFICIALS: See Management’s Response and Corrective Action Plan beginning on page 104.

Washington County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

ACCOUNTS PAYABLE MANAGEMENT, SOE 2021-002

CRITERIA: Internal control activities and procedures should be structured and monitored to provide timely payment of obligations using available funds.

CONDITION: Numerous transactions were noted with descriptions referencing 'past due' or 'late' and the payroll account was overdrawn in August 2021, resulting in bank transfers from the operating account to cover the shortfall.

CAUSE: Errors in data entry and payroll fund transfer timing contributed to the results described above.

EFFECT: Vendors will reflect a slow payment history, service charges and fees may be incurred as a result of late payments or overdrafts.

RECOMMENDATION: We recommend that cash flow and spending be managed and monitored to provide for timely payment of all expenses incurred and overdrafts in any account be avoided.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 104.

Washington County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2021

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

BCC 2021-003 – SUBRECIPIENT MONITORING – CONTROLS

FEDERAL AGENCY: U.S. DEPARTMENT OF TREASURY

PASS-THROUGH ENTITY: FLORIDA EXECUTIVE OFFICE OF GOVERNOR, DIVISION OF EMERGENCY MANAGEMENT

PROGRAM: COVID-19: CORONAVIRUS RELIEF FUND, ALN 21.019

AWARD YEAR: 2020

FINDING TYPE: SIGNIFICANT DEFICIENCY

QUESTIONED COST: NONE

CRITERIA: Under 2 CFR 200.332(f), pass-through entities must verify that every subrecipient is audited as required by 2 CFR Part 200 Subpart F when it is expected that the subrecipient's federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501.

CONDITION: The County did not verify that its subrecipient for this program had a single audit performed, and does not have a policy or control in place to review subrecipient audit reports.

CAUSE: Lack of knowledge of the requirement due to the County not historically having subrecipients.

EFFECT: Without policies and controls in place there is a possibility that the subrecipient did not have a single audit performed when one was required, or that the subrecipient had single audit findings for this program that the County should have followed up on. However, the subrecipient's audit reports were reviewed during the audit and it was determined that the subrecipient did have a single audit performed as required, with no findings.

RECOMMENDATION: We recommend the County establish a policy and controls for subrecipient monitoring in accordance with Uniform Guidance and other federal and/or state requirements, including reviewing subrecipient audit reports.

VIEWS OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning page 104.

Washington County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2021

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

BCC 2021-005 – REPORTING – CONTROLS

FEDERAL AGENCY: U.S. DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY

PASS-THROUGH ENTITY: FLORIDA EXECUTIVE OFFICE OF GOVERNOR, DIVISION OF EMERGENCY MANAGEMENT

PROGRAM: COVID-19: DISASTER GRANTS-PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS), ALN 97.036

AWARD YEAR: DR 4486 - 2020

FINDING TYPE: SIGNIFICANT DEFICIENCY

QUESTIONED COST: NONE

CRITERIA: Per the County's grant agreements with Florida Division of Emergency Management (FDEM), quarterly reports are required to be submitted through FloridaPA.com that include project costs and expenditures for each large project. Amounts in the quarterly reports should reconcile to the County's accounting records and represent actual expenditures.

CONDITION: For the large project under COVID-19 disaster 4486 tested for compliance with this requirement (the only project under this grant), including all quarterly reports submitted during the 2021 fiscal year, the reported expenditures were unable to be reconciled to actual quarterly expenditures per the invoices and other supporting documentation in the County's files.

CAUSE: Estimated expenditures for this large project in the quarterly reports as the County was still working on identifying all expenditures to be claimed for this project, and through date of the audit this identification of expenditures is still in process.

EFFECT: Incorrect project expenditures were reported to FDEM in quarterly reports, which can affect project cost tracking. Under the terms of the grant agreement, submission of inaccurate or incomplete reports could result in FDEM ceasing disbursements to the County, termination of the agreements, or other remedies. However, it is believed this only affects this single large project as it was an expedited project which was paid up front, rather than a cost-reimbursement project.

RECOMMENDATION: We recommend staff handling quarterly reports ensure that only actual expenditures are reported for all projects, and a specific review of quarterly report information by a higher level prior to submission to ensure accurate reporting of project costs.

VIEWS OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning page 104.

Washington County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2021

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

CAPITAL ASSETS RECORDS, BCC 1997-001

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

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

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

EFFECT: The lack of supporting documentation for the recorded capital asset balances and related depreciation amounts as reported on the government-wide Statement of net Position does not allow for an unmodified 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 104.

Washington County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2021

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

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 due to lack of understanding of accrual accounting practices.

EFFECT: Various accounts including fund balance, unearned revenue, and related income and expenses were materially incorrect.

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

STATUS: This condition continues to exist and has not been corrected. This resulted in over spending of budgeted amounts for 2020.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 104.

NEED FOR SEGREGATION OF DUTIES, PA 2003-003

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

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of the 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.

**Washington County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2021**

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

NEED FOR SEGREGATION OF DUTIES, PA 2003-003 (continued)

STATUS: This condition continues to exist.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 104.

NEED FOR SEGREGATION OF DUTIES, SOE 2003-003

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

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

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

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

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

STATUS: This condition continues to exist.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 104.

NEED FOR SEGREGATION OF DUTIES, TC 2003-003

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

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

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

Washington County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2021

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

NEED FOR SEGREGATION OF DUTIES, TC 2003-003 (continued)

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 104.

NEED FOR SEGREGATION OF DUTIES, SH 2003-001 - RESOLVED

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

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of the 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 has been resolved.

FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

None.

**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, 2021, and have issued our report thereon dated November 21, 2022. That report has a modified opinion, as more fully explained in Note 1 to the financial statements.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance For Each Major Federal Program and State Project and on Internal Control over Compliance Required By Uniform Guidance and Chapter 10.550 Rules of the 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 November 21, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading "Schedule of Findings and Questioned Costs."

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 communicate any recommendations to improve financial management. In connection with our audit, we didn't 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 charges with governance. No such instances were noted.

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

Purpose of this Letter

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

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

Marianna, Florida
November 21, 2022



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***

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, 2021. 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 whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management, the Board of County Commissioners and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, LLC

Marianna, Florida
November 21, 2022



Carr, Riggs & Ingram, LLC
4267 Lafayette Street
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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES,
*DISTRIBUTION AND USE OF E911 FUNDS***

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

We have examined Washington 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, 2021. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

Our examination does not provide a legal determination on the County's compliance with specified requirements.

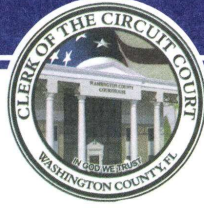
In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management, the Board of County Commissioners and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, LLC

Marianna, Florida
November 21, 2022

Washington County, Florida Management's Response



Clerk of Court and Comptroller
Washington County, Florida | Fourteenth Judicial Circuit

November 22, 2022

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, 2021, and offer my response to the audit findings noted in the Independent Auditors' Reports on Internal Control over Financial Reporting and Schedule of Findings and Questioned Costs. Accordingly, the following comments are provided.

Capital Assets Records, BCC 1997-001

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 infrastructure 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. It should be noted that this finding is not expected to be present in subsequent audits.

Capital Expenditures, BCC 2021-001

This finding resulted from the failure to recognize certain transactions made during the year that required capitalization. In one instance, the County hastily constructed a Covid vaccination site using a variety of local vendors. The total of these expenditures, taken in the aggregate, did meet the threshold for capitalization but they were inadvertently recorded as contractual services. In another instance, significant repairs were made to the County's AG Center that required capitalization but they were inadvertently recorded as repairs. Lastly, The County entered into an equipment leasing arrangement that required capitalization but the finance office was not provided adequate documentation to determine this. As such, the lease payments were misclassified.

The County has been in the process of developing a Capital Asset Policy to address these type transactions for some time and such a policy has been adopted by the Board of Commissioners with an effective date of June 1, 2022. Staff training relating to these type transactions has already begun and is expected to continue on an as needed basis. This finding is not expected to be present in subsequent audits.

Financial Reporting, BCC 2021-002

A Public Office is a Public Trust

Washington County, Florida Management's Response

During the fiscal year ending September 30, 2021, the County had a large volume of financial transactions that are considered nonrecurring or unusual in nature. These were the result of receiving significant State and Federal Grant funds related to Covid, the Cares Act, Hurricane Michael, and numerous others. Some of these transactions involved other local governments and Constitutional Offices and the proper recording was of a more complex nature than the accounting staff was accustomed to. As a result, some transactions were misclassified when they were originally recorded and numerous adjustments were required during the audit process.

While much of this issue is considered isolated in nature, additional training has been provided for the accounting staff and this finding is not expected to be present in subsequent audits.

Sub-Recipient Monitoring - Controls, BCC 2021-003

This issue of Non-Compliance is considered isolated in nature and is not expected to be present in subsequent audits. The County routinely participates in Grant funding from various sources and has designated personnel assigned to monitor Grant activities. The Grant in question was associated with COVID-19 funding to local communities and contained pass-through provisions that the County staff were not accustomed to. The County is in the process of establishing policies to strengthen controls over the monitoring of Grant compliance requirements.

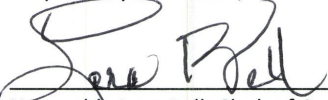
Timeliness of Audit, BCC 2021-004

While the information provided in the Auditors' finding is not disputed, it should also be noted that the audit firm did not begin their work in a timely manner which was a contributing factor in the late filing of this report. It is fully expected that future audit reports will be filed within the time period prescribed by law.

Reporting - Controls, BCC 2021-005

The County contracted with outside consultants to manage all aspects of this Grant program, including the preparation and submission of all required reports. This program was expedited as a means of providing a COVID-19 vaccine site. Grant funding was obligated based on estimated program expenditures and quarterly reports have been submitted, as required, using the best available information. A final reconciliation of all actual costs allowable under this Grant is due by December 31, 2022. This reconciliation is in process now and it is anticipated that all expenditures under this program will be supported by actual invoices and other documentation.

Respectfully submitted,



Honorable Lora Bell, Clerk of Court
Washington County

Washington County, Florida Management's Response



Clerk of Court and Comptroller
Washington County, Florida | Fourteenth Judicial Circuit

July 28, 2022

To whom it may concern:

I am in receipt of the audit report for the Washington County, Florida, Clerk of the Circuit Court, for the fiscal year ending September 30, 2021, and offer my response to the audit findings noted in the Independent Auditors' Reports on Internal Control and Compliance. Accordingly, the following comments are provided.

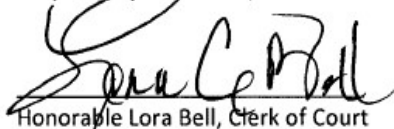
CC 2022-001 - FINANCIAL REPORTING

This finding is considered to be an isolated incident and not an indication of a systemic weakness in internal control activities or procedures. We do, however, recognize the need for increased oversight in this area and have taken necessary steps to accomplish this. We have retained an outside accounting professional to assist in monitoring individual account balances throughout the year which will enable us to recognize the possibility of errors in our financial records and also ensure that proper reconciliation is provided prior to the annual audit. This finding is not expected to be present in subsequent audits.

COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES, DEPOSITORY FOR FEES

The auditor's findings on page 31 of this report, reflect delayed payment of fees. This was an accounting oversight that we have recognized, in part, to be a result of our employees sharing time between home and office due to COVID-19 restrictions. The problem occurred in the previous fiscal year and carried over into the first two months of the current fiscal year. This matter has been corrected as of November, 2020, and no further instances of non-compliance have occurred since that time.

Respectfully submitted,


Honorable Lora Bell, Clerk of Court
Washington County

A Public Office is a Public Trust

Washington County, Florida
Management's Response



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

August 30, 2022

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, 2021.

Financial Reporting, SH2021-001

These reports will be reviewed in further detail prior to close of books at year end. The agency's finance clerk/benefits administrator position was staffed with different personnel during 2020/2021 fiscal year end. Staff understands the issue and this will not be an issue in the future.

Grants, SH2021-002

Due to the new staffing in our finance and grant management department there was a lack of training on the reimbursement process. There was a delay in requesting reimbursement of expenses with the Adam Walsh grant due to staff not fully understanding the different steps and processes of requesting reimbursement. This was a newly awarded grant with an entirely different, two-step process for requesting reimbursements. This issue has since been resolved and staff is trained and aware of the reimbursement process for the Adam Walsh grant.

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

Sincerely,

A handwritten signature in green ink that reads "Kevin Crews".

Kevin Crews
Sheriff, Washington County

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



Phone: (850) 638-6205

**GIL CARTER, CFA
WASHINGTON COUNTY PROPERTY APPRAISER**

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



Email: gil.carter@washcofl.com
Website: www.qpublic.net/fl/washington

February 14, 2022

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, 2021. In response to the internal control and compliance the following applies:

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

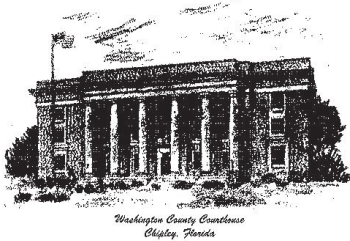
If I can be of further assistance please contact me at 850-638-6205.

Sincerely,

A handwritten signature in blue ink that reads "Gil Carter".

Gil Carter, CFA
Washington County Property Appraiser

Washington County, Florida Management's Response



Carol Finch Rudd
Supervisor of Elections
Washington County

Mailing Address:
1424 Jackson Ave., Suite C
Chipley, FL 32428

Telephone No.
850-638-6230

Fax No.
850-638-6238

To Whom It May Concern:

Subject: Washington County, Florida Supervisor of Elections – Management Response

We are in receipt of audit report for the Washington County Supervisor of Elections office for fiscal year ending September 2021. I have reviewed the letter regarding compliance and internal control schedule of findings and questioned costs and the management letter.

This is a small office with employees who have overlapping job duties. I will continue to ensure there are checks and balances in the daily work and the ledger is fully balanced on a monthly basis. There have been some questions that we have reached out to the accountant for assistance with. We will continue to lean on them at any point in which we are not fully confident in our answers. Their office has been of great assistance in assisting in making corrections. This could be avoided initially if we had a more common interaction with the CPA. Keeping properly maintained records is of most importance to my office.

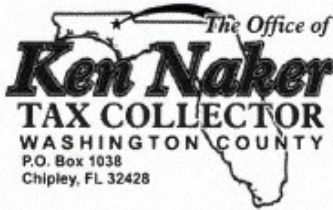
If I may be of further service, please do not hesitate to contact our office.

Sincerely,



Carol F. Rudd, MFCEP
Supervisor of Elections
Washington Co., FL

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

March 3, 2022

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, 2021. I have reviewed the letter regarding compliance and internal control, the schedule of findings and questioned costs and the management letter. Concerning the items noted, the following apply:

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

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

Sincerely,

Ken Naker, CFC
Tax Collector