

# WALTON COUNTY FLORIDA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

*FISCAL YEAR ENDED SEPTEMBER 30, 2019*

Walton County is home to fifteen named coastal dune lakes along twenty-six miles of coastline including Eastern Lake (on the cover). These lakes are a unique geographical feature and are only found in Madagascar, Australia, New Zealand, Oregon, and right here in Walton County.

Our coastal dune lakes share an intermittent connection with the Gulf of Mexico. The lake water is fed by streams, groundwater seepage, rain, and storm surge. The connection with the Gulf of Mexico, called an outfall, is a flood control and pours lake water into the Gulf as needed.

Salt water and various organisms flow back into the lake, depending on the tides and the weather. Each lake's outfall and chemistry is different. Water conditions between lakes can vary greatly, from completely fresh to significantly saline. They are generally permanent water bodies and are unusually shallow, averaging about five feet. Our coastal dune lakes were formed between 2,000 and 10,000 years ago.

The citizens of Walton County are very proud of the diverse eco-systems of the coastal dune lakes and have an aggressive program to protect them. According to the Walton County Comprehensive Plan, "no construction or disturbance will be allowed in the natural outlet from a coastal dune lake. A buffer area of not less than fifty feet of vegetated area will be left undisturbed along either side of the natural outlet from the lake."

For more information on this unique feature of Walton County, please contact Anthony Austermann, Coastal Dune Lakes coordinator at:

[www.ausanthony@co.walton.fl.us](mailto:www.ausanthony@co.walton.fl.us)



**WALTON COUNTY, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

for the fiscal year ended

September 30, 2019

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

WALTON COUNTY, FLORIDA

**PRINCIPAL OFFICERS**

**BOARD OF COUNTY COMMISSIONERS**

Tony Anderson	Chair – District 5
William Chapman	Vice-Chair – District 1
Danny Glidewell	Commissioner – District 2
Melanie Nipper	Commissioner – District 3
Trey Nick	Commissioner – District 4

**Tax Collector**

Rhonda Skipper

**Sheriff**

Michael A. Adkinson, Jr.

**Property Appraiser**

Patrick Pilcher

**Supervisor of Elections**

Bobby Beasley

**Clerk of the Circuit Court**

Alex Alford

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- CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING
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# ALEX ALFORD



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CLERK OF CIRCUIT COURT & COUNTY COMPTROLLER, WALTON COUNTY, FLORIDA

March 2, 2020

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Walton County, Florida for the fiscal year ended September 30, 2019. This report was prepared in accordance with generally accepted accounting principles by the Clerk of Courts & County Comptroller. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of Courts & County Comptroller as Chief Financial Officer of Walton County.

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

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

Chapter 218.39 of the Florida Statutes requires a financial audit of all counties in the state be performed by independent certified public accountants. This requirement has been met for the fiscal year ended September 30, 2019 and the independent auditors' report has been included in the financial section of this report. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements ("Uniform Guidance"). The standards governing single audit engagements require the independent auditor to report on the government's internal controls and compliance with legal requirements with special emphasis on the

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

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

**County Organization.** Walton County encompasses 1,066 square miles with an estimated population of 70,071. There are three incorporated cities within Walton County: Defuniak Springs, Freeport, and Paxton.

The County provides a number of services to its citizens, including police and fire protection, emergency medical services, health and social services, and cultural and recreation programs.

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

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

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

While the economy continues to grow at a modest rate, there were some bright spots from our local economy. The September 2019 unemployment rate for Walton County was 2.5%, which is 28% below the state unemployment rate of 3.2% and 40% below the federal unemployment rate of 3.5%.

The beaches of South Walton are an integral part of the local economy with an annual economic impact of approximately \$3.8 billion according to research conducted for the Walton County Tourist Development Council (TDC). Visitors to Walton County are primarily drawn here by our world class beaches and by the abundance of choices in both retail and dining. The number of visitors to our area has continued to increase over the years, tourist development taxes (TDT) collected for 2019 topped the \$27 million mark for the first time. The 7.68% increase in collections from prior year can be attributed to aggressive marketing of the destination by the TDC and an increase in enforcement activities by the office of the Walton County Clerk of Courts. We expect TDT collections in 2020 to be slightly higher as the economy continues to improve and fuel prices remain low.

In the last decade, the real estate market has been our hardest hit sector. However, the real estate market has stabilized. Real property values increased 11.24% in 2016, increased 10.51% in 2017, increased 10.18% in 2018 and increased 9.79% in 2019. Overall, real property values have increased 82.02% in the last ten years. We expect an increase in 2020 as the economy begins to level off and home inventories begin to move. The biggest concern for our citizenry in recent times has been the rate of foreclosure. Over the last year, foreclosure case filings in Walton County dropped by 3.90% from the previous year. We anticipate a slight decrease in 2020.

**Long-term financial planning.** Walton County has obtained 350 acres of land in the Mossy Head area that is in a prime location bordering Interstate 10 to the south and State Road 285 and US Highway 90 to the north. Additionally, the CSX rail line has a main track which runs along the entire northern boundary. The site has sufficient land to accommodate larger operations which few sites within a fifty mile radius have available. The intended use of this property has been to develop a mixed-use commercial/industrial park and to supply employment opportunities for the substantial population growth that is predicted for the northern part of the county. Specific businesses that will be targeted include manufacturing and distribution, and research and development companies.

In 2014, Love's Truck Stops became the first company to purchase and open a business in the Mossy Head Industrial Park. Subsequently, several other business have invested in the property at the site including Brigman Properties, Empire Truck Service and Sales, and Southern Tire Mart.



Ultimately, development of this park will diversify the County's economic base from the tourism-oriented jobs in the southern part of the county and provide employment opportunities that will improve the standard of living for all residents of Walton County.

**Relevant financial policies.** For fiscal year 2019 (2018 millage rate), the Walton County Board of County Commissioners (Board) adopted a budget that showed no increase in the general county millage rate. However, the Board's final adopted millage rate of 3.636 mills is an increase of 2.22% from the 2010 general county millage rate.

The Board moved quickly to control spending during the 2019 budgeting process due to a slight increase in projected revenues. Several departments are still being looked at for consolidation and a hiring freeze continues from past years on a limited basis. Additionally, merit increases were eliminated. The 2020 budget will continue the trend of past budgets with minimal growth projected in both revenues and expenses.

The Walton County Investment Committee monitors the County's investment portfolio in accordance with the County's written investment policy. Investment earnings are used to offset any projected revenue shortfalls in the budget. In 2019, Walton County's investment portfolio had a rate of return of 2.87%.

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

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

In 2009, the permitting process began on the restoration of the 12.9-mile stretch of beaches at Seagrove, Blue Mountain, Inlet, and Dune Allen. The permitting process for this federal project can take several years to complete. The approximate cost of this restoration is estimated to be between \$60 and \$70 million. The restoration will be paid for with tourist development taxes and federal and state funds should they become available. At present, this project is on hold pending further review by the Board of County Commissioners.

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

The cost of the upgrades is projected to be over \$44 million. The Walton County Board of County Commissioners in conjunction with the City of Defuniak Springs and the City of Freeport are requesting \$27 million over a three-year period from Triumph Gulf Coast, Inc. Additionally, dedicated matching funds for the project will consist of the following:

1. \$12 million from Walton County RESTORE ACT POT 3 funds
2. \$5 million from Walton County RESTORE ACT POT 1 funds

POT 1 funding will be available and dedicated to match this project over a three-year period. POT 3 funding will be available over a 15-year period. If the project is approved, Walton County intends to borrow or bond the anticipated revenue immediately so that the funding will be available for construction during the three-year development process.

If funding is approved, the project is expected to be completed in 2022.

Finally, on August 16, 2019, the Triumph Gulf Coast Board of Directors approved a \$1,742,407 grant to a joint Walton County Board of County Commissioners, City of Defuniak Springs and the Walton County Economic Development Alliance request to address water and sewer needs along an approximately four mile stretch from I-10 South along US Highway 331. Combined with a three million dollar Restore Act grant to fund the \$4,742,407 project.

The Triumph grant has two performance requirements. They are:

1. The acquisition of property along the four-mile corridor for development of an industrial park.
2. Creation of at least 100 Florida Qualified Targeted Industry jobs.

The creation of the 100 jobs must be accomplished within four years of the completion of the water and sewer project. Failure to achieve those numbers could result in the forfeiture of some or all of the Triumph dollars.

On December 30, 2019, utilizing a loan of \$2.3 million dollars from the Walton County Board of County Commissioners, the Economic Development Alliance acquired approximately 250 acres of land on US Highway 331 situated three miles south of I-10 for development, thereby fulfilling the first performance requirement.

Ground breaking for the four-mile water/sewer project is expected to commence in the Spring of 2020. Completion is expected in approximately thirteen months.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Walton County, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the eighteenth consecutive year that Walton County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

**Acknowledgements.** This Comprehensive Annual Financial Report is a result of the tremendous effort and dedication given by the Finance Department of the Clerk of Courts & County Comptroller of Walton County. Your hard work is evident in this report. Thank you!

We would also like to thank the staff of the Office of Management and Budget for their cooperation and assistance during this process.

Finally, we would like to thank the accounting firm of Carr, Riggs & Ingram, LLC and specifically Hilton Galloway, Keith Hundley and Tyler Dunaway for their contribution to the publication of this document.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alex Alford', with a long horizontal flourish extending to the right.

Alex Alford  
Clerk of Courts & County Comptroller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Walton County  
Florida**

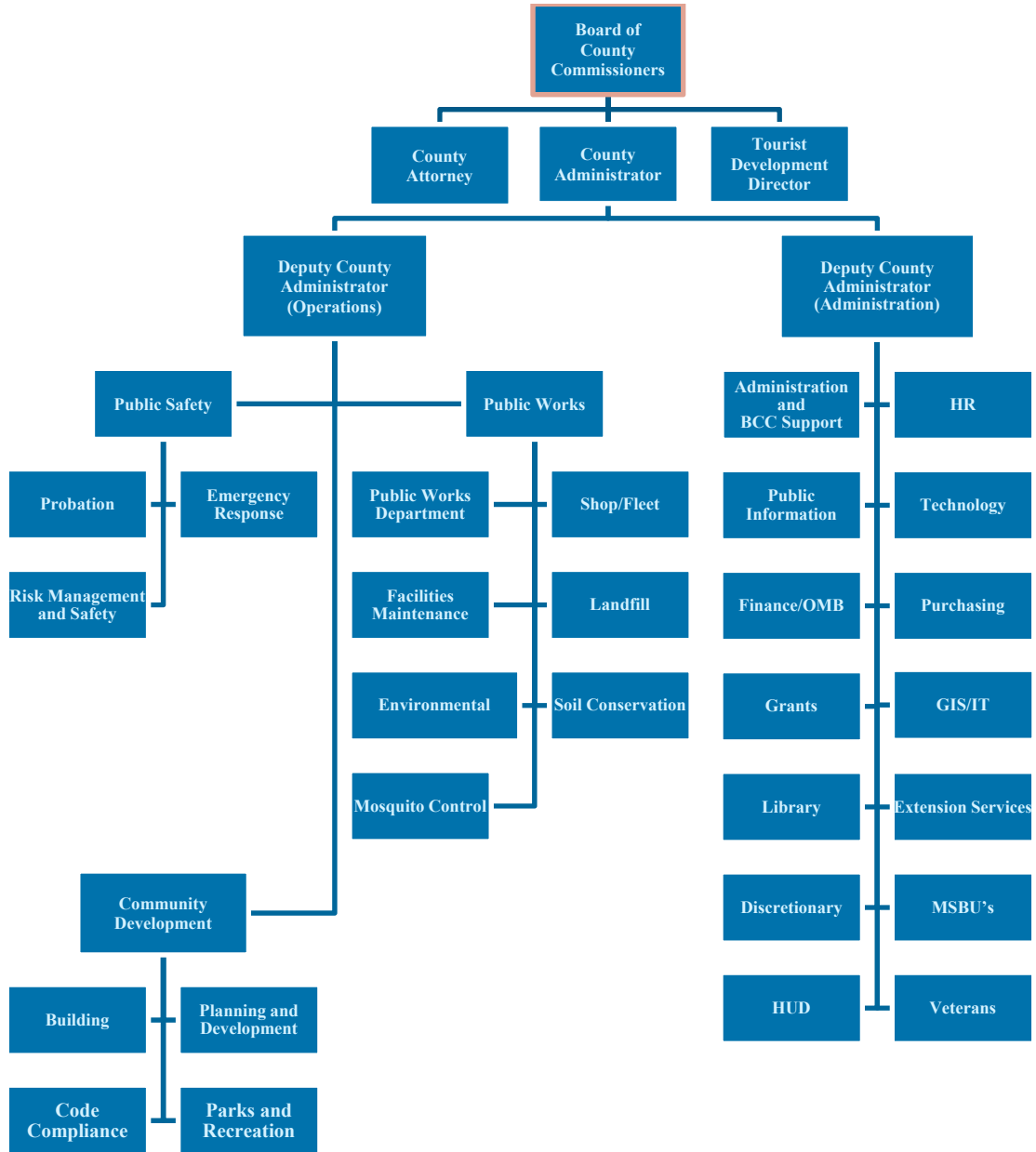
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# Walton County, Florida Organizational Chart





## **FINANCIAL SECTION**

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

## **INDEPENDENT AUDITORS' REPORT**

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

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 proprietary and fiduciary fund types of Walton County, Florida (the "County"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, the proprietary fund type and the fiduciary fund type of the County, as of September 30, 2019 and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, County Transportation Fund, Fine and Forfeiture Fund, Tourist Development Fund and Solid Waste Landfill Fund thereof for the year then ended in conformity 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 12 through 22, schedule of changes in net OPEB liability and related ratios, schedule of employer's proportionate share of the net pension liability – Florida Retirement Systems Pension Plan, schedule of employer contributions – Florida Retirement Systems Pension Plan, schedule of employer's proportionate share of the net pension liability – Health Insurance Subsidy Program and schedule of employer contributions – Health Insurance Subsidy Program, on pages 86 through 91, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, capital assets used in the operation of governmental funds schedules and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *Florida Single Audit Act*; and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill is required by Chapter 10.550, *Local Governmental Audits, Rules of the Auditor General of the State of Florida*, and neither schedule is a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, capital assets used in the operation of governmental funds schedules, the schedule of expenditures of federal awards and state financial assistance, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill 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 nonmajor fund financial statements and schedules, capital assets used in the operation of governmental funds schedules, the schedule of expenditures of federal awards and state financial assistance, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated March 2, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

March 2, 2020

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

This section of the report provides readers with a narrative overview and analysis of the financial activities of Walton County for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, beginning on page 1, and the County's financial statements.

### ***Financial Highlights***

- Walton County's primary government assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) by \$312,516,668 for fiscal year 2019 as compared to \$294,139,876 for fiscal year 2018. Unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors. Unrestricted net position at September 30, 2019 was \$11,610,275, a decrease of \$8,651,262 from the previous year.
- The County's total primary government net position for fiscal year 2019 increased \$18,376,792 over fiscal year 2018.
- At September 30, the County's governmental funds reported a combined ending fund balance of \$134,337,487, an increase of \$6,834,673 over the prior year.
- The General Fund reported an unassigned fund balance of \$16,404,867 at September 30, 2019.
- The County's outstanding notes payable and capital lease debt decreased \$500,357 during fiscal year 2019.
- The primary government's net pension and post-employment benefit liabilities increased \$16,781,668 in fiscal year 2019 to a total obligation of \$115,342,744.

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

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

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

Government-wide financial statements, which consist of the Statement of Net Position and the Statement of Activities, are designed to provide readers with a broad overview of the financial position of Walton County and are similar to private-sector financial statements. These statements begin on page 23 of the report.



The Statement of Net Position shows the County's assets and deferred outflows of resources less its liabilities and deferred inflows of resources at September 30, 2019. The difference between these assets and deferred outflows and liabilities and deferred inflows is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities follows the Statement of Net Position and presents information showing how the net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as uncollected taxes or earned but unused vacation leave).

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

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

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

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

### ***Governmental Funds***

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

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

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

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

The government funds financial statements begin on page 26.

### ***Proprietary Funds***

Walton County maintains and presents one type of proprietary fund, an internal service fund, starting on page 37.

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

### ***Fiduciary Funds***

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

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

The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 41.

### ***Other Information***

This report presents certain required supplementary information on pages 86 to 91 concerning Walton County's progress in funding its obligation to provide pensions and other post-employment benefits to its employees.

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

Comparative data for fiscal years ending September 30, 2019 and 2018 are shown below:

## Net Position-Governmental Activities

<i>For the fiscal year ended September 30,</i>	2018	2019
<b>Assets</b>		
Current and other assets	\$ 146,355,796	\$ 151,584,826
Capital assets	270,092,556	295,436,212
<b>Total assets</b>	<b>416,448,352</b>	<b>447,021,038</b>
<b>Deferred Outflows of Resources</b>	<b>39,068,599</b>	<b>42,739,955</b>
<b>Liabilities</b>		
Long-term liabilities outstanding	127,367,331	143,854,081
Other liabilities	21,294,772	19,786,899
<b>Total liabilities</b>	<b>148,662,103</b>	<b>163,640,980</b>
<b>Deferred Inflows of Resources</b>	<b>12,714,972</b>	<b>13,603,345</b>
<b>Net Position</b>		
Net investment in capital assets	247,481,794	273,325,808
Restricted	26,396,545	27,580,585
Unrestricted	20,261,537	11,610,275
<b>Total Net Position</b>	<b>\$ 294,139,876</b>	<b>\$ 312,516,668</b>

Governmental current and other assets increased \$5,229,030, with the primary increase in unrestricted cash and cash equivalents of \$4,399,752. These increases were predominately due to increases in property tax revenues arising from an increase in the tax base, sales tax revenues, and tourist development tax collections.

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

The ratio for both years is as follows:

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

<i>September 30,</i>	2018	2019
Current unrestricted assets	\$ 143,765,734	\$ 149,825,521
Current unrestricted liabilities	21,294,772	19,786,899
<b>Ratio of current assets to current liabilities</b>	<b>6.75</b>	<b>7.57</b>

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The overall financial position of the County continued to improve in both fiscal years 2019 and 2018. The net position for fiscal years ending September 30, 2019 and 2018, increased \$18,376,792 and \$17,752,246, respectively.

A portion of Walton County's net position (3.7%) represents unrestricted net position of \$11,610,275, which may be used to meet the County's ongoing obligations to citizens and creditors.

A portion of the County's net position (9.0% at September 30, 2018 and 8.8% at September 30, 2019) represents resources that are dedicated or subject to external restrictions on how they may be used. The overall dollar increase in restricted net position was \$1,184,040 for fiscal year 2019. The increase in restricted net position is principally due to increases in net position restricted for public safety and net position restricted for transportation.

The County's net investment in capital assets such as land, buildings, and equipment, as a percentage of net position, amounts to 84.1% and 87.5% at September 30, 2018 and 2019, respectively, and accounts for the largest portion of the County's net position. The increase in capital assets of \$25,446,342 in 2019 is due primarily to the purchase of land by the Tourist Development fund for public beach access, construction of the Walton County Sports Complex, construction of Grady Brown Park, the purchase of additional land at Helen McCall Park, construction of a new solid waste transfer station at the Landfill, acquisition of land in Freeport to be utilized for parking at the Freeport Business Complex, acquisition of the Eagle Springs Recreation Facility, and various road and bridge construction projects including the Kidd Road paving project. The net investment in capital assets is presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The County uses capital assets to provide services to the citizens and consequently these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

### Changes in Net Position-Governmental Activities

<i>September 30,</i>	2018	2019
<b>Revenues</b>		
Program revenue:		
Charges for services	\$ 16,359,145	\$ <b>18,131,725</b>
Operating grants and contributions	4,501,975	<b>6,985,897</b>
Capital grants and contributions	6,111,741	<b>3,853,435</b>
General revenues:		
Property taxes	60,600,283	<b>66,731,083</b>
Other taxes	68,390,723	<b>74,595,295</b>
Other	5,742,113	<b>12,882,422</b>
<b>Total revenues</b>	<b>161,705,980</b>	<b>183,179,857</b>

<b>Expenses</b>		
General government	27,081,341	<b>29,618,838</b>
Public safety	55,294,616	<b>67,532,988</b>
Physical environment	11,458,965	<b>12,783,855</b>
Transportation	26,914,820	<b>27,376,243</b>
Economic environment	17,862,455	<b>21,108,011</b>
Human services	2,408,915	<b>2,508,656</b>
Culture/recreation	2,107,503	<b>3,000,774</b>
Interest on long-term debt	825,119	<b>873,700</b>
<b>Total expenses</b>	<b>143,953,734</b>	<b>164,803,065</b>
<b>Increase in net position</b>	<b>17,752,246</b>	<b>18,376,792</b>
Net Position - Beginning	286,611,630	<b>294,139,876</b>
Prior period adjustment	(10,224,000)	-
<b>Net Position – Beginning, as restated</b>	<b>276,387,630</b>	<b>294,139,876</b>
<b>Net Position - Ending</b>	<b>\$ 294,139,876</b>	<b>\$ 312,516,668</b>

### ***Governmental Activities***

Governmental activities net position increased \$18,376,792 in 2019. Key elements of this increase are as follows:

Charges for services increased \$1,772,580, due to a combination of higher Landfill fee collections arising from an increase in the fee schedule during fiscal year 2018, increased Building and Planning department revenues due to growth within the County, and revenues from the Eagle Springs Recreation Facility, which opened to the public under County operation in the second half of 2019. Operating grants and contributions increased \$2,483,922 due primarily to an increase in grant funding received by the Sheriff's Office. The decrease of \$2,258,306 in capital grants and contributions can be attributed to higher grant revenues recognized in fiscal year 2018 for the Walton Bridge Road and CR 183/Kidd Road paving projects. Property tax revenues increased \$6,130,800 due to higher overall property values. Other taxes increased \$6,204,572 due mostly to increases in sales tax and tourist development tax receipts. There was also an increase in other revenues of \$7,140,309 due to higher investment earnings, the recognition of revenues related to the fair marked valuation of Eagle Springs Recreation Facility over the purchase price, and increased proportionate fair share revenues recognized in 2019.

The \$2,537,497 increase in General Government expenditures can be attributed to higher capital expenditures in 2019, primarily due to the purchase of land in Freeport to be utilized as parking for the Freeport Business Complex. The increase in public safety expenditures of \$12,238,372 represented both a budgeted increase in spending as well as additional grant expenditures for the Sheriff's Office. Economic environment spending increased \$3,245,556 due to additional promotional Tourist Development spending over 2018.

**Governmental Funds**

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

The County’s governmental funds reported combined ending fund balances of \$127,502,814 at the end of fiscal year 2018 and \$134,337,487 at the end of fiscal year 2019. This was an increase of \$6,834,673 over the prior year. The unassigned General Fund balances of \$17,691,674 at September 30, 2018 and \$16,404,867 at September 30, 2019 were available for spending at the County’s discretion. Governmental funds held restricted, committed, or assigned amounts totaling \$116,731,646 in 2019 to reflect the various constraints placed on those resources for future use, as well as \$1,200,974 for non-spendable amounts, reflecting items such as inventory and prepaid items.

**Major Fund Information**

	<b>General Fund</b>	<b>County Transportation</b>	<b>Fine and Forfeiture</b>
<b>Fiscal Year 2019</b>			
Revenues and other sources	\$ 42,698,425	\$ 26,086,449	\$ 57,103,627
Expenditures and other uses	41,581,129	24,856,455	56,602,453
Increase in fund balance	\$ 1,117,296	\$ 1,229,994	\$ 501,174
<b>Fiscal Year 2018</b>			
Revenues and other sources	\$ 34,683,041	\$ 27,535,965	\$ 49,348,807
Expenditures and other uses	34,023,922	25,443,022	48,605,489
Increase in fund balance	\$ 659,119	\$ 2,092,943	\$ 743,318
	<b>Tourist Development</b>	<b>Solid Waste Landfill</b>	
<b>Fiscal Year 2019</b>			
Revenues and other sources	\$ 30,934,850	\$ 26,076,927	
Expenditures and other uses	26,735,866	25,836,751	
Increase in fund balance	\$ 4,198,984	\$ 240,176	
<b>Fiscal Year 2018</b>			
Revenues and other sources	\$ 27,649,359	\$ 23,154,942	
Expenditures and other uses	22,932,084	23,055,759	
Increase in fund balance	\$ 4,717,275	\$ 99,183	

## ***General Fund***

The General Fund is the chief operating fund of the County. At September 30, 2019, the total fund balance in the General Fund was \$24,486,117 of which \$16,404,867 was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 43.8% of total 2019 expenditures, while total fund balance is 65.3% of the same amount. For fiscal year 2018, unassigned fund balance represented 59.6% of total expenditures, while total fund balance was 78.7% of the same amount.

Total revenues in the General Fund increased 21.2%. This can be attributed to the recognition of the fair market value of the Eagle Springs Recreation Facility over the purchase price during 2019, as well as increases in property and sales taxes collected. Total expenditures increased 26.4%, mostly due to the acquisition of the Eagle Springs Recreation Facility and its operation in the second half of fiscal year 2019, as well as the purchase of property in Freeport for parking at the Freeport Business Complex.

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

The major governmental funds table also discloses information regarding the other five major governmental funds of the County. Data for the County Transportation, Fine and Forfeiture, Tourist Development Council, and Solid Waste Landfill funds are presented for fiscal years 2019 and 2018.

The County Transportation Fund accounts for ad valorem, motor fuel taxes, and various grants to finance road and bridge construction and maintenance. State statutes govern how these funds are to be used. Fiscal year 2019 showed a decrease of \$784,148 in revenues from fiscal year 2018. The primary factors contributing to this change were a decrease in grant funding recognized in 2019, partially offset by increases in gas tax revenues, interest earnings, and proportionate fair share revenues recognized in 2019. Overall expenditures decreased \$1,026,192, primarily due to higher spending on grant funded transportation projects in 2018.

The Fine and Forfeiture Fund accounts for ad valorem tax revenues, fines and forfeitures, special assessments, and various grants used to finance law enforcement. The increased revenues in fiscal 2019 can be attributed to an increase in property tax revenues allocated to this fund related to an overall increase in the overall County-wide property value, as well as lease proceeds for the acquisition of fire engines and ambulances. Increased expenditures can be attributed to an increase in the overall cost of operations and increased lease payments.

The Tourist Development Council (TDC) Fund accounts for the local option tourist development tax arising from activities related to the tourist industry. Its use is governed by State statute for promotion of the tourism industry, as well as beach maintenance and renourishment. The increased revenues in 2019 over 2018 can be attributed to a continued increase in Tourist Development Tax collections. Expenditures increased when compared to 2018 due primarily to an increase in land purchases in 2019. TDC funds are not available for the County to use for general government operation.

The Solid Waste Landfill Fund utilizes a one-cent small county sales tax to pay for operation of a landfill and provide garbage and yard debris collection to County residences. Revenues from this sales tax increased \$2,476,097 for fiscal year 2019 as a result of both overall growth and increased tourism in the County. The increase in expenditures is due to the construction of a new solid waste transfer station at the landfill, which was completed during this fiscal year. The balance of the fund is restricted, committed or assigned to fund remaining costs on capital projects, acquisition of land for landfill expansion, landfill closure costs, economic development and road paving.

Within the Solid Waste Landfill Fund, deposits are made to the fund's other cash and cash equivalents account for the purpose of complying with federal and state laws and regulations related to funding the minimum estimated landfill closure and post-closure costs. This requires the County to annually deposit funds in an interest-bearing account for the purpose of funding these costs. This amount is shown as a restricted asset within the fund and was \$1,464,785 at September 30, 2018. This was increased to \$1,564,860 at September 30, 2019.

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

A comparison of original budget to final budget for General Fund revenues shows a \$6,190,596 budget adjustment in intergovernmental revenues. Revenue budget adjustments for intergovernmental revenues included increases for RESTORE Act grant funding agreements and a NRDA grant for a coastal dune lake hydrologic restoration project.

Per the Statement of Revenues, Expenditures and Changes in Fund Balance, taxes received were \$578,769 less than budgeted. Those taxes consist of Ad Valorem taxes and the Communications Services Tax. The statement does not consider the 5% discount (\$821,644) allowance included principally for the early prepayment of ad valorem taxes. When netted against that budgeted allowance, there is \$242,875 more in revenues from taxes than was budgeted.

General Fund expenditures were \$7,376,997 less than budgeted. The primary component of that difference consisted of \$6,504,592 in grant and project funding not expended in the current year but carried over to the next fiscal year. Also contributing to this difference was a \$313,586 reduction in personnel costs due to the delayed filling of vacancies.

Differences between the General Fund's fiscal year 2019 original budget and final amended budget were an increase of \$12,621,440 to Board of County Commissioner accounts. They can be summarized as follows:

- \$4,105,644 rolled forward from fiscal year 2018 for grants and projects not completed in FY 2018
- \$5,543,101 for new grants received in FY 2019
- \$305,899 brought forward from General Fund reserves to complete the renovation of the Clerk of Court's offices in the South Walton Courthouse Annex
- \$574,057 in unanticipated revenues arising primarily from general administrative fees from an updated cost allocation plan
- \$439,625 in proportionate fair share fees utilized for the preparation of a mobility plan and the associated impact fee schedule



- \$940,000 in unanticipated revenues from increased ½ cent sales tax distributions, the sale of surplus land, higher than anticipated interest revenue distributions from the Tax Collector’s office, and higher than anticipated revenues from lien searches and development order inspections to be used to purchase property in Freeport for parking at the Freeport Business Complex
- \$127,500 in additional revenues recognized from golf course operations used for unanticipated expenses at the Eagle Springs Recreation Facility
- \$292,000 in revenue recognized from the donation of property in Paxton for Ghentsville Park
- \$243,214 in unanticipated revenues from excess fees from the Clerk of Courts and the Tax Collector to be used for the renovation of the Clerk of Court and Tax Collector’s offices in the South Walton Courthouse Annex
- \$24,000 from vessel registration fees used for derelict vessel removal
- \$26,400 in various donations for Driftwood Park, a new radio at the EOC, and the Wellness Program

**Capital Asset and Debt Administration**

The County’s investment in capital assets for its governmental activities, net of accumulated depreciation, as of September 30, 2018 amounted to \$270,092,556, and at September 30, 2019 amounted to \$295,436,212. This investment includes capital assets subject to depreciation, such as infrastructure, buildings, and equipment as well as capital assets not subject to depreciation such as land and construction in progress. The total increase in the County’s investment in capital assets for the current fiscal year was 9.38%.

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

- The purchase of properties by the Tourist Development fund for additional beach access parking totaling \$5,662,722.
- A \$1,047,155 purchase of property by the General Fund for a parking lot at the Freeport Business Complex.
- The purchase of additional property adjoining Helen McCall Park for \$1,232,018.
- The acquisition of Eagle Springs Recreation Facility valued at \$1,346,841.
- Construction in progress at September 30, 2019 consisted mostly of \$17,394,292 for transportation and stormwater infrastructure projects.

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

<i>September 30,</i>	2018	2019
Land	\$ 87,576,585	\$ 97,426,728
Buildings	50,121,673	56,374,362
Infrastructure	71,548,312	71,496,638
Improvements other than buildings	22,681,939	28,660,300
Construction in progress	19,700,272	19,509,785
Equipment	18,463,775	21,968,399
<b>Total</b>	<b>\$ 270,092,556</b>	<b>\$ 295,436,212</b>

Additional information on the County’s capital assets can be found in Note 7 on page 63 of this report.

**Long-Term Debt**

As reflected in Note 8 to the financial statements, the County had \$19,531,373 in notes payable at September 30, 2019, of which \$1,560,634 is due for repayment during fiscal year 2020.

<i>September 30,</i>	<b>2018</b>	<b>2019</b>
Note payable		
Capital Projects Loan	\$ 21,169,826	<b>\$ 19,531,373</b>

During the current fiscal year, the County’s outstanding notes payable decreased by \$1,638,453, or 7.7%. The decrease during the current year can be attributed to normal debt service principal reductions.

The Constitution of the State of Florida, Florida Statute 200.181 and Walton County set no legal debt limit. Additional information on the County’s long-term debt can be found in Note 8 on page 65 of this report.

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

The unemployment rate for the County at September 30, 2019 was 2.5%, unchanged from September 30, 2018.

Overall building permit activity continued to improve for fiscal year 2019, with 2,992 total building permits issued, including 2,380 residential permits. 2,917 building permits, including 1,487 residential permits, were issued for fiscal year 2018. These figures reflect both new housing starts and commercial construction during the County’s fiscal year.

Walton County’s population increased 3.6% from the fiscal year ending September 30, 2018, to a total population of 70,071.

The general ad valorem tax rate for fiscal year 2019 and the upcoming 2020 fiscal year remained at 3.6363 mills.

**Request for Information**

This financial report is designed to present users with a general overview of the County’s finances for all those with an interest in our government. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the County’s Finance Director at 176 Montgomery Circle, Defuniak Springs, Florida 32435, or the Director of Administrative Services for the Clerk of the Court, P.O. Box 1260, Defuniak Springs, Florida 32435. Additional information can also be found on the County’s web site: <http://www.co.walton.fl.us>.

## **Basic Financial Statements**

**Walton County, Florida**  
**Statement of Net Position**  
**September 30, 2019**

	<b>Primary Governmental Activities</b>	<b>Component Unit</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 80,699,824	\$ 18,187,368
Cash - designated for construction	-	16,628,869
Investments	57,266,717	5,000,000
Accounts receivable, net	2,622,712	2,944,174
Accounts receivable-developer agreements, net	-	1,276,410
Due from other governments	8,035,594	-
Loans receivable	102,686	-
Inventory	590,125	5,267,409
Prepaid items	507,863	-
Restricted assets:		
Cash and cash equivalents	1,740,705	-
Assessments receivable	18,600	-
<b>Total current assets</b>	<b>151,584,826</b>	<b>49,304,230</b>
Noncurrent assets		
Restricted cash		
Debt service fund	-	4,259,771
Renewal and replacement fund	-	1,218,015
Customer's deposits	-	2,229,463
Accounts receivable-developer agreements, net	-	1,335,555
Accounts receivable	-	1,893,908
Deposits	-	20,377
Land and other nondepreciable assets	116,936,513	20,052,485
Capital assets, net of depreciation	178,499,699	153,774,375
<b>Total noncurrent assets</b>	<b>295,436,212</b>	<b>184,783,949</b>
<b>Total assets</b>	<b>447,021,038</b>	<b>234,088,179</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pension	40,026,375	-
Deferred outflows related to post-employment benefits	2,713,580	-
Deferred losses on debt refundings	-	286,830
<b>Total deferred outflows of resources</b>	<b>42,739,955</b>	<b>286,830</b>

-Continued-

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

**Walton County, Florida**  
**Statement of Net Position - Continued**  
**September 30, 2019**

	<u>Primary Government</u>	
	<u>Governmental</u>	<u>Component</u>
	<u>Activities</u>	<u>Unit</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 5,409,175	\$ 271,765
Accrued liabilities	4,182,969	160,487
Accrued interest payable	169,067	-
Due to other governments	2,053,736	-
Due to individuals	137,761	-
Deposits	3,695,152	-
Unearned revenue	823,486	-
Landfill closure costs	150,500	-
Compensated absences	963,532	-
Payable from restricted assets:		
Accrued interest payable	-	358,259
Bonds payable	-	1,604,000
Capital lease obligations	640,887	-
Notes payable	1,560,634	-
<b>Total current liabilities</b>	<b>19,786,899</b>	<b>2,394,511</b>
Noncurrent liabilities		
Customer deposits	-	2,229,463
Notes payable	17,970,739	-
Capital lease obligations	1,938,144	-
Bonds payable	-	23,266,562
Net pension liability	90,702,744	-
Other post-employment benefit obligation	24,640,000	-
Landfill closure cost	5,046,536	-
Compensated absences	3,555,918	255,809
<b>Total noncurrent liabilities</b>	<b>143,854,081</b>	<b>25,751,834</b>
<b>Total liabilities</b>	<b>163,640,980</b>	<b>28,146,345</b>
<b>Deferred Inflows of Resources</b>		
Deferred outflows related to pension	12,191,345	-
Deferred outflows related to post-employment benefits	1,412,000	-
<b>Total deferred inflows of resources</b>	<b>13,603,345</b>	<b>-</b>
<b>Net Position</b>		
Net investment in capital assets	273,325,808	149,243,128
Restricted for:		
Debt service	97,248	5,477,786
Capital projects	3,768,720	-
General government	1,407,668	-
Public safety	5,948,658	-
Transportation	15,772,202	-
Economic environment	151,069	-
Human services	435,020	-
Unrestricted	11,610,275	51,507,750
<b>Total net position</b>	<b>\$ 312,516,668</b>	<b>\$ 206,228,664</b>

**Walton County, Florida**  
**Statement of Activities**  
**For the Year Ended September 30, 2019**

Functions/Programs	Expenses	Program Charges for Services
<b>Primary Government</b>		
<b>Governmental Activities:</b>		
General government	\$ 29,618,838	\$ 6,482,620
Public safety	67,532,988	10,180,708
Physical environment	12,783,855	1,098,704
Transportation	27,376,243	-
Economic environment	21,108,011	206,089
Human services	2,508,656	10,800
Culture/recreation	3,000,774	152,804
Interest on long-term debt	873,700	-
Total primary government	\$ 164,803,065	\$ 18,131,725
<b>Component Unit</b>		
Florida Community Services Corporation	\$ 27,461,762	\$ 24,735,341

**General Revenues**

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

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Total general revenues

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Change in net position

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**Total Net Position** - beginning

Prior period adjustment

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Net Position - beginning, as restated

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**Total Net Position** - ending

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

<u>Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position</u>	
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>	<u>Component Unit</u>
\$ 1,147,038	\$ -	\$ (21,989,180)	\$ -
3,148,732	1,031,681	(53,171,867)	-
108,056	10,880	(11,566,215)	-
8,931	2,423,040	(24,944,272)	-
2,451,258	277,456	(18,173,208)	-
63,591	-	(2,434,265)	-
58,291	110,378	(2,679,301)	-
-	-	(873,700)	-
<u>\$ 6,985,897</u>	<u>\$ 3,853,435</u>	<u>(135,832,008)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 2,628,152</u>	<u>-</u>	<u>(98,269)</u>
		66,731,083	-
		7,004,726	-
		37,158,087	-
		27,701,336	-
		2,731,146	-
		3,565,286	309,817
		8,770,618	9,707,759
		546,518	248,666
		<u>154,208,800</u>	<u>10,266,242</u>
		<u>18,376,792</u>	<u>10,167,973</u>
		294,139,876	194,206,582
		-	1,854,109
		<u>294,139,876</u>	<u>196,060,691</u>
		<u>\$ 312,516,668</u>	<u>\$ 206,228,664</u>

**Walton County, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2019**

	General	County Transportation	Fine and Forfeiture
<b>Assets</b>			
Cash and cash equivalents	\$ 15,767,907	\$ 10,587,660	\$ 4,687,725
Investments	12,763,619	8,053,572	1,338,177
Accounts receivable, net	148,116	9,140	399,341
Due from other governments	1,584,595	1,867,890	1,035,317
Due from other funds	181	12,023	74,319
Inventory	121,750	468,375	-
Prepaid items	337,289	306	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Assessments receivable	-	-	-
Loans receivable	102,686	-	-
<b>Total assets</b>	<b>\$ 30,826,143</b>	<b>\$ 20,998,966</b>	<b>\$ 7,534,879</b>
<b>Liabilities</b>			
Accounts payable	\$ 344,531	\$ 1,269,165	\$ 1,612,740
Accrued liabilities	1,860,613	488,360	1,331,787
Due to other governments	211,567	87,101	-
Due to individuals	-	-	-
Deposits	781,695	2,913,457	-
Due to other funds	2,958,845	-	185,719
Unearned revenue	182,775	-	68,888
<b>Total liabilities</b>	<b>6,340,026</b>	<b>4,758,083</b>	<b>3,199,134</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue on special assessments	-	-	-
<b>Fund Balance</b>			
Nonspendable	561,725	468,681	-
Restricted	1,014,933	15,772,202	4,335,745
Committed	-	-	-
Assigned	6,504,592	-	-
Unassigned	16,404,867	-	-
<b>Total fund balance</b>	<b>24,486,117</b>	<b>16,240,883</b>	<b>4,335,745</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 30,826,143</b>	<b>\$ 20,998,966</b>	<b>\$ 7,534,879</b>

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



<b>Tourist Development</b>	<b>Solid Waste Landfill</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 26,251,624	\$ 4,187,291	\$ 18,291,157	\$ 79,773,364
19,968,239	3,184,406	11,958,704	57,266,717
1,985,863	-	80,252	2,622,712
-	3,048,309	499,483	8,035,594
2,958,845	-	194,164	3,239,532
-	-	-	590,125
168,345	1,123	800	507,863
-	1,564,860	175,845	1,740,705
-	-	18,600	18,600
-	-	-	102,686
<b>\$ 51,332,916</b>	<b>\$ 11,985,989</b>	<b>\$ 31,219,005</b>	<b>\$ 153,897,898</b>
\$ 1,321,621	\$ 325,839	\$ 535,279	\$ 5,409,175
179,657	37,888	284,664	4,182,969
-	1,617,151	137,917	2,053,736
-	-	137,761	137,761
-	-	-	3,695,152
6,981	-	87,987	3,239,532
-	-	571,823	823,486
<b>1,508,259</b>	<b>1,980,878</b>	<b>1,755,431</b>	<b>19,541,811</b>
-	-	18,600	18,600
168,645	1,123	800	1,200,974
-	1,564,860	4,892,845	27,580,585
33,867,433	709,686	6,554,030	41,131,149
15,788,579	7,729,442	17,997,299	48,019,912
-	-	-	16,404,867
<b>49,824,657</b>	<b>10,005,111</b>	<b>29,444,974</b>	<b>134,337,487</b>
<b>\$ 51,332,916</b>	<b>\$ 11,985,989</b>	<b>\$ 31,219,005</b>	<b>\$ 153,897,898</b>

**Walton County, Florida**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2019**

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

Fund balances - Total governmental funds		\$ 134,337,487
Assessments receivable are not available to pay current period expenditures and therefore are deferred in the governmental funds.		18,600
Capital assets used in government activities are not current financial resources and therefore are not reported at the fund level.		295,436,212
Pension related deferred outflows, deferred inflows and net pension liability represent an acquisition or consumption of net position that applies to a future period and, therefore, are not reported as liabilities or assets in the governmental funds.		(62,867,714)
Other post-employment benefit ("OPEB") related deferred outflows, deferred inflows and net OPEB obligation represent an acquisition or consumption of net position that applies to a future period and, therefore, are not reported as liabilities or assets in the governmental funds.		(23,338,420)
Other liabilities not due and payable in the current period and therefore not reported in the funds are as follows:		
Notes payable	(19,531,373)	
Capital lease obligations	(2,579,031)	
Accrued interest payable	(169,067)	
Landfill closure costs	(5,197,036)	
Compensated absences, net of Internal Service		
Fund, \$926,460	(3,592,990)	(31,069,497)
Net position of governmental activities		\$ 312,516,668

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

**Walton County, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended September 30, 2019**

	General	County Transportation	Fine and Forfeiture
<b>Revenues</b>			
Taxes	\$ 16,189,118	\$ 5,605,176	\$ 45,392,084
Licenses and permits	604,176	-	-
Intergovernmental	15,883,802	5,424,049	2,515,587
Charges for services	4,441,589	54,863	6,523,020
Fines and forfeitures	53,625	-	57,855
Investment earnings	884,267	478,150	277,104
Miscellaneous	3,965,338	3,021,548	133,902
<b>Total revenue</b>	<b>42,021,915</b>	<b>14,583,786</b>	<b>54,899,552</b>
<b>Expenditures</b>			
Current			
General government	29,549,769	2,954,552	-
Public safety	1,791,225	-	55,993,613
Physical environment	469,808	10,448	-
Transportation	-	20,428,473	-
Economic environment	347,201	-	-
Human services	2,107,639	-	-
Culture/recreation	3,094,177	1,023,357	-
Capital projects	-	-	-
Debt service			
Principal	137,655	-	543,673
Interest	739	-	65,167
<b>Total expenditures</b>	<b>37,498,213</b>	<b>24,416,830</b>	<b>56,602,453</b>
<b>Excess Revenue Over (Under)</b>			
<b>Expenditures</b>	<b>4,523,702</b>	<b>(9,833,044)</b>	<b>(1,702,901)</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	199,170	302,663	191,843
Transfers in	446,625	11,200,000	350,000
Transfers out	(4,082,916)	(439,625)	-
Issuance of debt	30,715	-	1,662,232
<b>Total other financing sources (uses)</b>	<b>(3,406,406)</b>	<b>11,063,038</b>	<b>2,204,075</b>
Net change in fund balance	1,117,296	1,229,994	501,174
<b>Fund Balance - beginning</b>	<b>23,368,821</b>	<b>15,010,889</b>	<b>3,834,571</b>
<b>Fund Balance - ending</b>	<b>\$ 24,486,117</b>	<b>\$ 16,240,883</b>	<b>\$ 4,335,745</b>

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

<b>Tourist Development</b>	<b>Solid Waste Landfill</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 27,701,336	\$ 24,816,043	\$ 4,064,640	\$ 123,768,397
-	-	3,208,375	3,812,551
37,768	108,056	4,538,338	28,507,600
84,914	997,536	1,497,098	13,599,020
-	-	516,011	627,491
1,077,075	65,675	783,036	3,565,307
1,987,907	24,906	1,500,305	10,633,906
<b>30,889,000</b>	<b>26,012,216</b>	<b>16,107,803</b>	<b>184,514,272</b>
-	-	2,468,963	34,973,284
-	-	3,068,611	60,853,449
-	14,945,857	314,391	15,740,504
-	-	3,570,263	23,998,736
26,735,866	-	2,490,036	29,573,103
-	-	587,001	2,694,640
-	-	1,386,347	5,503,881
-	-	3,775,422	3,775,422
-	-	1,511,976	2,193,304
-	-	820,354	886,260
<b>26,735,866</b>	<b>14,945,857</b>	<b>19,993,364</b>	<b>180,192,583</b>
<b>4,153,134</b>	<b>11,066,359</b>	<b>(3,885,561)</b>	<b>4,321,689</b>
45,850	64,711	15,800	820,037
-	-	15,623,596	27,620,221
-	(10,890,894)	(12,206,786)	(27,620,221)
-	-	-	1,692,947
<b>45,850</b>	<b>(10,826,183)</b>	<b>3,432,610</b>	<b>2,512,984</b>
4,198,984	240,176	(452,951)	6,834,673
45,625,673	9,764,935	29,897,925	127,502,814
<b>\$ 49,824,657</b>	<b>\$ 10,005,111</b>	<b>\$ 29,444,974</b>	<b>\$ 134,337,487</b>

**Walton County, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balance of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended September 30, 2019**

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

Net change in fund balances - total governmental funds	\$ 6,834,673
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.	43,210,464
Depreciation expense on capital assets is not reported in governmental funds but is included in the governmental activities in the Statement of Activities.	(17,593,289)
Proceeds from the issuance of debt are reported as an other financing source in governmental funds but as an increase of long-term liabilities in the Statement of Net Position.	(1,692,947)
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the book value of the assets sold.	(273,836)
Repayment of long-term debt reported as an expenditure in governmental funds is reported as a reduction of long-term liabilities in the Statement of Net Position.	2,193,304
Assessment revenue is not collected for several months after year-end and is deferred in the governmental funds.	(17,625)
Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported in governmental funds.	12,558
Accrued landfill closure/post closure costs do no require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(111,876)
Pension related deferred outflows, deferred inflows and changes in net pension liability do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(13,071,632)
Accrued other post-employment benefits do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(926,735)
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(186,267)
<b>Change in net position of governmental activities</b>	<b>\$ 18,376,792</b>

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

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

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ 16,767,887	\$ 16,767,887	\$ 16,189,118	\$ (578,769)
Licenses and permits	338,150	338,150	604,176	266,026
Intergovernmental	14,095,389	20,285,985	15,883,802	(4,402,183)
Charges for services	2,582,620	2,920,464	4,441,589	1,521,125
Fines and forfeitures	21,976	21,976	53,625	31,649
Investment earnings	43,099	43,099	884,267	841,168
Miscellaneous	1,763,424	2,911,214	3,965,338	1,054,124
<b>Total revenues</b>	<b>35,612,545</b>	<b>43,288,775</b>	<b>42,021,915</b>	<b>(1,266,860)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General Government</b>				
Board of County Commissioners	7,530,324	16,567,104	12,948,099	3,619,005
Comptroller	4,454,037	4,469,753	3,862,930	606,823
Clerk of Court - circuit court	222,910	220,292	198,758	21,534
Clerk of Court - county court	67,338	69,956	66,892	3,064
Court technology	180,900	180,900	121,876	59,024
GIS - information services	537,090	537,090	523,118	13,972
Property Appraiser	2,205,557	2,205,557	1,924,171	281,386
Tax Collector	3,102,722	3,102,722	3,014,168	88,554
Supervisor of Elections	924,406	957,993	892,229	65,764
Legal services	871,483	871,483	690,147	181,336
State Attorney/Public Defender	91,663	91,663	79,119	12,544
Growth management and comprehensive planning	2,802,782	4,176,178	2,733,691	1,442,487
County administrator	1,240,749	1,240,749	1,228,834	11,915
Financial and administrative services	1,551,775	1,563,574	1,265,737	297,837
<b>Total general government</b>	<b>25,783,736</b>	<b>36,255,014</b>	<b>29,549,769</b>	<b>6,705,245</b>

-Continued-

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

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

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Continued**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Public Safety</b>				
Fire coordination	763,459	782,331	808,639	(26,308)
Parole and probation	336,207	336,207	317,450	18,757
Emergency operations center	367,739	573,499	442,208	131,291
Emergency medical services	-	11,493	12,429	(936)
Medical examiner	245,369	245,369	210,499	34,870
Total public safety	1,712,774	1,948,899	1,791,225	157,674
<b>Physical Environment</b>				
Extension service	415,757	415,757	394,460	21,297
Natural resource conservation service	106,352	106,352	75,348	31,004
Total physical environment	522,109	522,109	469,808	52,301
<b>Economic Environment</b>				
Economic development	204,206	204,206	204,206	-
Veteran services	154,256	154,256	142,995	11,261
Total economic environment	358,462	358,462	347,201	11,261
<b>Human Services</b>				
Health department	1,863,663	2,081,689	1,928,003	153,686
Community service	91,333	91,333	46,200	45,133
Mental health	75,000	75,000	75,000	-
Welfare	42,006	42,006	50,436	(8,430)
Developmental disabilities	8,000	8,000	8,000	-
Total human services	2,080,002	2,298,028	2,107,639	190,389
<b>Cultural and Recreation</b>				
Library	977,902	997,258	903,718	93,540
Parks and recreation	325,641	2,292,054	2,190,459	101,595
Total cultural and recreation	1,303,543	3,289,312	3,094,177	195,135
<b>Reserved for Contingencies</b>	366,667	76,909	-	76,909

-Continued-

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

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

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Continued**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Debt Service</b>				
Principal	126,477	126,477	137,655	(11,178)
Interest	-	-	739	(739)
Total debt service	126,477	126,477	138,394	(11,917)
Total expenditures	32,253,770	44,875,210	37,498,213	7,376,997
<b>Excess Revenues Over (Under)</b>				
<b>Expenditures</b>	3,358,775	(1,586,435)	4,523,702	6,110,137
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	199,170	9,956
Transfers in	2,290,894	2,737,519	446,625	(2,290,894)
Transfers out	(6,373,810)	(6,373,810)	(4,082,916)	2,290,894
Issuance of debt	-	-	30,715	30,715
Total other financing sources (uses)	(4,082,916)	(3,636,291)	(3,406,406)	40,671
Net change in fund balance	(724,141)	(5,222,726)	1,117,296	6,150,808
<b>Fund Balance - beginning</b>	23,368,821	23,368,821	23,368,821	-
<b>Fund Balance - ending</b>	\$ 22,644,680	\$ 18,146,095	\$ 24,486,117	\$ 6,150,808

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



**Walton County, Florida**  
**County Transportation Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ 5,718,083	\$ 5,718,083	\$ 5,605,176	\$ (112,907)
Intergovernmental	2,852,498	24,660,262	5,424,049	(19,236,213)
Charges for services	42,000	42,000	54,863	12,863
Investment earnings	-	-	478,150	478,150
Miscellaneous	7,000	2,294,141	3,021,548	727,407
<b>Total revenues</b>	<b>8,619,581</b>	<b>32,714,486</b>	<b>14,583,786</b>	<b>(18,130,700)</b>
<b>Expenditures</b>				
General government	3,065,178	3,443,178	2,954,552	488,626
Physical environment	-	648,546	10,448	638,098
Transportation	19,101,428	46,848,691	20,428,473	26,420,218
Culture/recreation	1,237,019	1,237,019	1,023,357	213,662
<b>Total expenditures</b>	<b>23,403,625</b>	<b>52,177,434</b>	<b>24,416,830</b>	<b>27,760,604</b>
<b>Excess Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>(14,784,044)</b>	<b>(19,462,948)</b>	<b>(9,833,044)</b>	<b>9,629,904</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	385,570	385,570	302,663	(82,907)
Transfers in	11,200,000	11,200,000	11,200,000	-
Transfers out	-	(439,625)	(439,625)	-
<b>Total other financing sources (uses)</b>	<b>11,585,570</b>	<b>11,145,945</b>	<b>11,063,038</b>	<b>(82,907)</b>
<b>Net change in fund balance</b>	<b>(3,198,474)</b>	<b>(8,317,003)</b>	<b>1,229,994</b>	<b>9,546,997</b>
<b>Fund Balance - beginning</b>	<b>15,010,889</b>	<b>15,010,889</b>	<b>15,010,889</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 11,812,415</b>	<b>\$ 6,693,886</b>	<b>\$ 16,240,883</b>	<b>\$ 9,546,997</b>

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

**Walton County, Florida**  
**Fine and Forfeiture Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ 46,954,334	\$ 46,954,334	\$ 45,392,084	\$ (1,562,250)
Intergovernmental	1,739,000	1,770,052	1,781,213	11,161
Charges for services	8,237,000	8,237,000	6,523,020	(1,713,980)
Fine and forfeitures	57,000	57,000	57,855	855
Investment earnings	19,000	19,000	277,104	258,104
Miscellaneous	698,500	985,568	133,902	(851,666)
<b>Total revenues</b>	<b>57,704,834</b>	<b>58,022,954</b>	<b>54,165,178</b>	<b>(3,857,776)</b>
<b>Expenditures</b>				
Current				
Public safety				
Sheriff department	56,294,673	58,275,025	55,259,239	3,015,786
Debt service				
Principal	-	-	543,673	(543,673)
Interest	-	-	65,167	(65,167)
<b>Total expenditures</b>	<b>56,294,673</b>	<b>58,275,025</b>	<b>55,868,079</b>	<b>2,406,946</b>
<b>Excess Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>1,410,161</b>	<b>(252,071)</b>	<b>(1,702,901)</b>	<b>(1,450,830)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	191,843	191,843
Issuance of debt	-	1,662,232	1,662,232	-
Transfers in	350,000	350,000	350,000	-
<b>Total other financing sources (uses)</b>	<b>350,000</b>	<b>2,012,232</b>	<b>2,204,075</b>	<b>191,843</b>
<b>Net change in fund balance</b>	<b>1,760,161</b>	<b>1,760,161</b>	<b>501,174</b>	<b>(1,258,987)</b>
<b>Fund Balance - beginning</b>	<b>3,834,571</b>	<b>3,834,571</b>	<b>3,834,571</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 5,594,732</b>	<b>\$ 5,594,732</b>	<b>\$ 4,335,745</b>	<b>\$ (1,258,987)</b>

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

**Walton County, Florida**  
**Tourist Development Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ 25,408,588	\$ 25,408,588	\$ 27,701,336	\$ 2,292,748
Intergovernmental	-	750,000	37,768	(712,232)
Charges for services	80,000	80,000	84,914	4,914
Investment earnings	123,992	569,210	1,077,075	507,865
Miscellaneous	2,262,955	2,397,956	1,987,907	(410,049)
<b>Total revenues</b>	<b>27,875,535</b>	<b>29,205,754</b>	<b>30,889,000</b>	<b>1,683,246</b>
<b>Expenditures</b>				
Current				
Economic environment				
Tourist development	27,875,535	40,927,210	26,735,866	14,191,344
<b>Excess Revenues Over (Under)</b>				
<b>Expenditures</b>	-	(11,721,456)	4,153,134	15,874,590
<b>Other Financing Sources</b>				
Proceeds from sale of equipment	-	-	45,850	45,850
<b>Net change in fund balance</b>	<b>-</b>	<b>(11,721,456)</b>	<b>4,198,984</b>	<b>15,920,440</b>
<b>Fund Balance - beginning</b>	<b>45,625,673</b>	<b>45,625,673</b>	<b>45,625,673</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 45,625,673</b>	<b>\$ 33,904,217</b>	<b>\$ 49,824,657</b>	<b>\$ 15,920,440</b>

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

**Walton County, Florida**  
**Solid Waste Landfill Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 21,943,103	\$ 21,943,103	\$ 24,816,043	\$ 2,872,940
Intergovernmental	-	109,909	108,056	(1,853)
Charges for services	250,000	250,000	997,536	747,536
Investment earnings	-	-	65,675	65,675
Miscellaneous	151,000	151,000	24,906	(126,094)
<b>Total revenues</b>	<b>22,344,103</b>	<b>22,454,012</b>	<b>26,012,216</b>	<b>3,558,204</b>
<b>Expenditures</b>				
Current				
Physical environment				
Garbage and solid waste	11,453,209	15,992,236	14,945,857	1,046,379
<b>Excess Revenues Over Expenditures</b>				
	10,890,894	6,461,776	11,066,359	4,604,583
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	64,711	64,711
Transfers out	(10,890,894)	(10,890,894)	(10,890,894)	-
<b>Total other financing sources (uses)</b>	<b>(10,890,894)</b>	<b>(10,890,894)</b>	<b>(10,826,183)</b>	<b>64,711</b>
Net change in fund balance	-	(4,429,118)	240,176	4,669,294
<b>Fund Balance - beginning</b>	<b>9,764,935</b>	<b>9,764,935</b>	<b>9,764,935</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 9,764,935</b>	<b>\$ 5,335,817</b>	<b>\$ 10,005,111</b>	<b>\$ 4,669,294</b>

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

**Walton County, Florida**  
**Statement of Net Position**  
**Proprietary Fund**  
**September 30, 2019**

	Governmental Activities
	Internal Service Fund
<hr/>	
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 926,460
<hr/>	
<b>Liabilities</b>	
Current liabilities	
Accrued compensated absences	133,045
Non-current liabilities	
Accrued compensated absences	793,415
<hr/>	
Total liabilities	926,460
<hr/>	
<b>Net Position</b>	\$ -

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

**Walton County, Florida**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Fund**  
**For the Year Ended September 30, 2019**

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>Operating Revenues</b>	
Charges for services	\$ 205,495
<b>Expenses</b>	
Personal services	205,495
Change in net position	
	-
<b>Net Position - beginning</b>	
	-
<b>Net Position - ending</b>	
	\$ -

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

**Walton County, Florida**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended September 30, 2019**

	Governmental Activities
	Internal Service Fund
<b>Cash Provided by (Used in) Operating Activities</b>	
Funding of compensated absences liability	\$ 205,495
Payments on compensated absences liability	(106,302)
Net increase in cash and cash equivalents	99,193
Cash and cash equivalents at the beginning of the year	827,267
Cash and cash equivalents at the end of the year	\$ 926,460
<b>Reconciliation of Change in Net Position to Cash Provided by Operating Activities</b>	
Change in net position	\$ -
Increase in liabilities:	
Compensated absences payable	99,193
<b>Cash Provided by Operating Activities</b>	<b>\$ 99,193</b>

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

**Walton County, Florida**  
**Statement of Fiduciary Net Position**  
**September 30, 2019**

	<b>Agency Funds</b>
<hr/>	
<b>Assets</b>	
Cash	\$ 4,313,524
Receivables, net	2,279
<hr/>	
Total assets	\$ 4,315,803
<hr/> <hr/>	
<b>Liabilities</b>	
Due to other governments	\$ 656,395
Accounts payable	5,475
Deposits	2,667,419
Due to individuals	986,514
<hr/>	
Total liabilities	\$ 4,315,803
<hr/> <hr/>	

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



**NOTE**

- 1 Summary of Significant Accounting Policies
- 2 Stewardship, Compliance and Accountability
- 3 Cash, Cash Equivalents and Investments
- 4 Receivables
- 5 Interfund Activity
- 6 Restricted Assets
- 7 Capital Assets
- 8 Long-Term Debt
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- 15 Net Position
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- 17 Commitments and Contingencies
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- 21 Restatement of Beginning Balances
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Notes to Financial Statements

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

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

***Reporting Entity***

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

The financial reporting entity consists of the County and its component unit, which is a legally separate organization for which the County is financially accountable. The County is financially accountable for legally separate organizations if County officials appoint a voting majority of an organization's governing body and either the County is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burden on, the County. The County may also be financially accountable for organizations that are fiscally dependent on the County if there is a potential for the organization to provide specific financial benefits to the County or impose specific financial burdens on the County, regardless of whether the organizations have separate elected governing boards, governing boards appointed by higher levels of government, or jointly appointed boards.

Florida Community Services Corporation of Walton County's (FCSC) governing board is appointed by the County Commission and the County Commission has regulatory authority, including utility rate approval which allows the County Commission to impose its will on FCSC. FCSC which has a February 28 year-end is reported as a component unit in a separate column in the financial statements to emphasize it is legally separate from the government.

***Discretely Presented Component Unit***

**Florida Community Services Corporation of Walton County (FCSC)** was organized under the laws of the State of Florida on August 7, 1985. FCSC was incorporated as a non-profit corporation under state law. On November 26, 1985, the Board by Ordinance 85-15 rescinded the Public Service Commission's jurisdiction over FCSC and transferred regulatory authority, including utility rate approval, to the Board. FCSC was formed to acquire and improve existing water distribution facilities in the southern part of the County for incorporation into a county regional utility system

and to construct a regional sewage collection treatment and disposal facility and water transmission, storage and distribution system, exclusively for the benefit of the primary government. To fulfill its purpose, FCSC has issued revenue bonds pledging its property and revenues to secure the payment of such bonds. After the bonds have been fully paid, FCSC without consideration will transfer all of its assets to the County. FCSC retains all revenue generated by the system to provide for debt service and maintaining the system. The Corporation is reported as a proprietary fund type.

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

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

***Government-Wide and Fund Financial Statements***

Basic financial statements consist of government-wide financial statements and fund financial statements. Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole, both the primary government and its component unit, and provide a consolidated financial picture of the government. As part of the consolidation process, inter-fund activities, with the exception of inter-fund services provided and used, are eliminated to avoid distorted financial results. Fiduciary funds of the government are also eliminated from this presentation since these resources are not available for general government funding purposes. The Statement of Net Position reports all financial and capital resources of the County's governmental activities. It is presented in a net position format (assets plus deferred outflows of resources less liabilities less deferred inflows of resources equal net position) and shown with three components: net investment in capital assets, restricted net position and unrestricted net position. The Statement of Activities reports functional categories of programs provided by the County, and demonstrates how and to what degree those programs are supported by specific revenue.

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 revenue section displays revenue collected that help support all functions of government and contribute to the change in the net assets for the fiscal year.

The fund financial statements follow and report additional and detailed information about the County's operations for major funds individually and nonmajor funds in the aggregate for governmental, proprietary and fiduciary funds. Reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations. The preparation of financial statements in conformity with GAAP, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements, as well as the fund financial statements for the proprietary fund, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. Property taxes are recognized as revenue in the year for which they are levied. Grants are recognized as revenue upon completion of the grant requirements.

Proprietary fund operating revenues and expenses generally result from charges for services and operating expenses related to compensated absences for Clerk of the Courts and the Supervisor of Elections. Expenses include compensated absences and all related fringe costs. Revenue and expenses not meeting these definitions are reported as non-operating revenues and expenses.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for property taxes and ninety days for all other revenue.

Expenditures are recorded when the related fund liabilities are incurred. Exceptions to this general rule include: (1) accumulated sick pay and accumulated vacation pay, which are not recorded as expenditures; (2) prepaid insurance and similar items, which are reported only on the balance sheet and do not affect expenditures; and (3) principal and interest on long-term debt, which are recognized when due. Budgets for governmental funds are also prepared on the modified accrual basis.

In applying the susceptibility-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and substantially irrevocable; i.e., revocable only for failure to comply with prescribed compliance requirements, such as with equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

Licenses and permits, charges for services, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash, because they are generally not measurable until actually received. Investment earnings and most fines and forfeitures are recorded as earned since they are measurable and available.

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

Notes to Financial Statements

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The accounting policies and the presentation of the financial report of the County have been designed to conform to GAAP as applicable to governmental units, in accordance with the GASB.

The following are reported as major governmental funds:

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

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

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

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

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

The County also reports the following fund types:

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

**Agency Funds** – To account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units and/or funds. Agency Funds are custodial in nature and do not involve measurement of results of operations. These funds are accounted for on the accrual basis of accounting. Used to account for licenses, tags, and property taxes collected and remitted to other taxing authorities; funds held in general agency trust, witness advances, for compliance with court orders, child support, and inmate cash bonds; and unclaimed tax deed sales.

***Budgetary Accounting***

**Basis of Budgetary Accounting** – Annual budgets for governmental fund types that are legally required to prepare an annual budget are adopted on a basis consistent with GAAP. All appropriations lapse at year-end.

## Notes to Financial Statements

The Fine and Forfeiture's budget is prepared under a budgetary basis of accounting that differs from GAAP. The major differences are recognition of unanticipated grant revenue and grant expenditures. The actual results of operations in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Fine and Forfeitures Fund are presented on a budgetary basis for budgetary accounting purposes.

Adjustments to convert the results of operation of the fine and forfeitures fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

	Expenditures	Revenues
Budget basis	\$ 55,868,079	\$ 54,165,178
Non-budgeted revenues and expenditures:		
Personnel services	687,703	-
Operating expenditures	36,095	-
Capital outlay	10,576	-
Intergovernmental - grants	-	734,374
<b>GAAP basis</b>	<b>\$ 56,602,453</b>	<b>\$ 54,899,552</b>

The following special revenue funds are not budgeted and budget information is not presented: Inmate Canteen (Sheriff), Criminal Justice Education, Special Law Enforcement, State Law Enforcement Trust, Abandoned Property, Marijuana Eradication, Federal Forfeiture Sharing, Law Enforcement Automation, Domestic Violence Trust, Aviation and Traffic & Parking Enforcement.

**Board of County Commissioners** – Pursuant to Chapter 129, Florida Statutes, General Budget Policies, the following procedures are followed by the Board in establishing, adopting and maintaining the operating budget.

Prior to July 15, the Director of the Office of Management and Budget and the Clerk of the Circuit Court, as ex-officio Clerk of the Board, submits to the Board a tentative budget for the fiscal year commencing the following October 1.

Taxpayers are informed of the proposed budget and tentative millage rates through legal advertising. Public hearings are held to elicit taxpayer comments.

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

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

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

Notes to Financial Statements

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

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

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

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

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

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

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

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

The Comptroller and Clerk of Court – Departments within the Clerk's office such as Finance and MIS that deal primarily or exclusively with the County are budgeted with appropriations from the Board. The fees generated by the various non-court departments of the Clerk of Circuit Court are used to pay operating expenditures of that department. All excess fees are remitted to the Board at year-end.

**Sheriff** – Florida Statutes Chapter 30.49 and 129.03 governs the preparation, adoption and administration of the Sheriff's annual budget. By June 1 each year, the Sheriff shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year. No later than August 1 of each year, the Board shall approve the Sheriff's budget. The Sheriff's budget is funded primarily from property taxes maintained in the Fine and Forfeiture Fund.

**Tax Collector and Property Appraiser** – Florida Statutes Chapter 195.087 details the preparation, adoption and administration of the budgets of the Tax Collector and Property Appraiser. On or before a legally designated date each year, the Tax Collector and the Property Appraiser shall submit to the Florida Department of Revenue a budget for the ensuing fiscal year. A copy of such budget shall be furnished at the same time to the Board. Final approval of the budgets is given by the Florida Department of Revenue.

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

***Cash, Cash Equivalents, and Pooled Cash Investments***

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

***Investments***

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

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



Notes to Financial Statements

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

FLGIT reports all share information at Net Asset Value (NAV) and reflects fair value in accordance with GASB 72.

The County invests throughout the year in the Florida PRIME account, administered by the SBA, under the regulatory oversight of the State of Florida. Florida PRIME is rated by Standard and Poor's as AAAM. At September 30, 2019, Florida PRIME's investments dollar weighted average days to maturity (WAM) was 37 days. Next interest rate reset dates for floating rate securities are used in the calculation of WAM and weighted average life (WAL) is 85 days. Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2018 through September 30, 2019. As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the County's daily access to 100 percent of their account value.

The County also invests in FLGIT, a public entity investment trust organized under the laws of the State of Florida. FLGIT is based on current net asset value, variations in value of these assets is determined on a daily basis in the FLGIT portfolio. At September 30, 2019, the FLGIT portfolio included certain asset-backed securities, corporate securities and mortgage-backed securities. These securities amounted to 8.4%, 10.3% and 2.4% respectively of the FLGIT Investment Trust portfolio. The asset backed securities and mortgage-backed securities credit quality rating as rated by Fitch Ratings was AAAMmf. At September 30, 2019, FLGIT's investments dollar WAM was 30 days.

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

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

***Receivables and Unbilled Revenue***

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

***Allowance for Doubtful Accounts***

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

***Inventories and Prepaid Items***

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

***Interfund Loans and Transfers***

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

***Restricted Assets***

The Highway 331 bridge fund, solid waste landfill fund, and component unit, based on certain debt covenants and regulations, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt and landfill closure cost.

***Capital Assets***

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

The County maintains a \$5,000 threshold for additions to equipment and a \$25,000 threshold for additions to land, buildings, infrastructure and other capital assets. The County also maintains a fixed asset listing for all tangible personal property equal to or greater than \$1,000 as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006.

## Notes to Financial Statements

Depreciation has been provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

<b>Asset</b>	<b>Years</b>
Buildings	30 - 40
Building improvements	30 - 40
System infrastructure	20
Vehicles	5
Equipment	5 - 7
Improvements other than buildings	20

***Bond Premiums, Discounts and Issuance Costs - FCSC***

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

***Losses on Refunding - FCSC***

Losses on refunding resulting from differences between the costs incurred to refund debt and the carrying value of the refunded debt at the time of refunding are deferred and amortized on the straight-line basis over the shorter of the term of the new debt or the refunded debt. Unamortized losses on refunding are presented as deferred outflows of resources within the Statement of Net Position.

***Compensated Absences***

It is the County's policy to allow employees to accumulate unused sick leave and vacation benefits. For the fiscal year ended September 30, 2019, for all governmental fund types, the liability relating to such vested unused vacation and sick leave to the extent of certain maximum hours is recorded in the accompanying financial statements. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources.

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

***Lease Obligations***

Capital lease obligations are stated at the original fair market value of leased assets capitalized, less payments since the inception of the lease discounted at the implicit rate of interest in the lease.

Also, in the year an asset is acquired by capital lease, the expenditure for the asset and the offsetting amount of the financing source are reflected in the fund financial statements in the Statement of Revenues, Expenditures and Changes in Fund Balances. Capital lease obligations of proprietary funds and governmental activities in the government-wide financial statements are reported as depreciable assets and lease obligations payable. The County has elected not to utilize any operating leases.

***Long-Term Liabilities***

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

***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 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.

***Net Position/Fund Equity***

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

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

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

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

Fund equity is reported in the fund financial statements as either nonspendable or spendable as follows:

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

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

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

*Assigned* – Includes spendable fund balance amounts established by the Board (resolution) that are intended to be used for specific purposes and are neither considered restricted or committed.

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

The authority to establish, modify or rescind a committed or assigned fund balance rests with the Board and these actions are accomplished through an adopted resolution. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the County's policy to use committed funds first, then assigned, and finally unassigned.

### ***Property Taxes***

Property taxes in the County are levied by the Board. The millage levies are determined on the basis of estimates of revenue needs and the total taxable valuations within the jurisdiction of the Board. No aggregate ad valorem tax millage in excess of 10 mills on the dollar can be levied against property of the County as specified in Florida Statute 200.071.

Each year the total taxable valuation is established by the County Property Appraiser and the list of property assessments is submitted to the State Department of Revenue for approval. Taxes, assessed as of January 1 of each year, are due and payable on November 1 of each year or as soon thereafter as the assessment roll is opened for collection. Pursuant to Florida Law, all owners of property have the responsibility of ascertaining the amount due and paying it before April 1 of the year following the year in which the tax was assessed.

2019 property tax calendar:

Lien date	- January 1, 2018
Levy date	- November 1, 2018
Tax bills mailed	- November 1, 2018
Collection dates	- November 30, 2018: 4% discount - Through January 2, 2019: 3% discount - Through January 31, 2019: 2% discount - Through February 29, 2019: 1% discount
Delinquent date	- April 1, 2019
Tax sale - 2018 delinquent property taxes	- on or before June 1, 2019

***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 Post-Employment 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 benefit terms.

***Management Estimates and Assumptions***

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

***Impact of Recently Issued Accounting Pronouncements***

In fiscal year 2019, the County adopted two new statements of financial accounting standards issued by the GASB:

## Notes to Financial Statements

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

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

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. The impact of GASB 88 on the County’s financial statements is shown in Note 8.

#### ***Pronouncements Issued But Not Yet Effective***

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

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

## Notes to Financial Statements

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*****Budgetary Information***

During the fiscal year 2019, there were supplemental appropriations of \$85,014,286 or 51 percent of the original budget. The following items represent the major additional appropriations:

**General Fund**

Various projects in work and capital projects	\$ 6,416,337
Various operating costs	472,675
Various federal and state grants	5,732,428

**County Transportation Trust**

Paving projects funded with current revenue, federal and state grants, and available fund balance	28,773,809
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**Fine and Forfeiture**

Various personnel services and operating costs	1,949,300
Various federal and state grants	31,052

**Tourist Development**

Various operating and promotional expenditures	13,051,675
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**Solid Waste Landfill**

Various capital improvements, facility repairs and upgrades	4,539,027
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**Nonmajor Funds**

Capital Project Fund, various capital improvements, facility repairs and upgrades	11,812,396
Capital Project Fund - Mossy Head Industrial Park, various capital improvements, facility repairs and upgrades	518,935
Capital Projects Fund - Infrastructure Improvements, various capital improvements, facility repairs and upgrades	157,229
Capital Projects Fund - Infrastructure Improvements (TIF), various stormwater capital improvements	4,495,573
Various capital improvements, facility repairs and upgrades	5,575,765
Various personnel services and operating costs	1,488,085

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Total	\$ 85,014,286
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**NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS**

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



## Notes to Financial Statements

**Investments****Custodial Credit Risk - Deposits**

The County and FCSC maintain cash balances at various banks which are "Qualified Public Depositories" as defined by Chapter 280, Florida Statutes. Cash accounts are also insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000.

The entire amount of the Board's demand deposits in fiscal year 2019 were transferred to a public fund net interest bearing checking account, paying interest at the current federal funds rate less .05%, with no reserve requirements.

**Custodial Credit Risk - Investments**

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

**Interest Rate Risk**

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

Investment Type	Total				More Than
	Fair Value	0-1 Year	1-5 Year	5-10 Year	10 Year
Certificate of deposit	\$ 3,340,027	\$ 1,888,597	\$ 1,451,430	\$ -	\$ -
Corporate bonds	30,212,791	5,427,801	23,915,245	869,745	-
Municipal bonds	4,609,842	748,780	3,285,781	575,281	-
U.S. Government and agency securities	7,521,386	522,983	5,072,388	485,574	1,440,441
	45,684,046	\$ 8,588,161	\$ 33,724,844	\$ 1,930,600	\$ 1,440,441
Money market	573,939				
Equity securities	464,601				
	<u>\$ 46,722,586</u>				

## Notes to Financial Statements

**Concentration of Credit Risk**

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

Investment Type	Credit Rating	Concentration Risk at Fair Value	Percentage of Total Investments
Florida Local Government Investment Trust (FLGIT)	AAAmmf	\$ 10,415,292	18.19%

**Fair Value Measurement**

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

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

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

At September 30, 2019, the County's pooled investments are valued as follows:

## Notes to Financial Statements

Investment Type	9/30/2019 Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Certificates of deposit	\$ 3,340,027	\$ 3,340,027	\$ -
Money market funds	573,939	573,939	-
U.S. government and agency securities	7,521,386	2,284,800	5,236,586
Municipal bonds	4,609,842	-	4,609,842
Corporate bonds	30,212,791	-	30,212,791
Equity securities	464,601	464,601	-
Total investments at fair value	46,722,586	\$ 6,663,367	\$ 40,059,219
<b>Investments Measured at Net Asset Value (NAV)</b>			
Florida Local Government Investment Trust (FLGIT)	10,415,292		
<b>Investments Measured at Amortized Cost</b>			
Florida PRIME (SBA)	128,839		
Total investments valued at NAV and amortized cost	10,544,131		
<b>Total Investments</b>	<b>\$ 57,266,717</b>		

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

#### **Florida Community Services Corporation**

For the year ended February 28, 2019, the Corporation invested certain reserve funds through the Blackrock T-Fund (BTRXX) at the Bank of New York Mellon. The fund strategy is to invest at least 99.5% of its total assets in cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Treasury, and repurchase agreements secured by such obligation or cash. The average weighted maturity of investments held by the fund is 25 days; therefore, the Corporation considers these cash equivalents. Blackrock T-Fund has a Standard & Poor's credit rating of AAAM and a Moody's credit rating of Aaa-mf. At February 28, 2019, total invested in the fund with The Bank of New York Mellon totaled \$10,359,182.

For the year ended February 28, 2019, the Corporation also invested in the Goldman Sachs Financial Square Treasury Obligations Fund (FYAXX and FTOXX) at the Bank of New York Mellon. The fund is a high quality money market portfolio that comprises U.S. Government and U.S. Treasury securities including bills, bonds, notes and repurchase agreements. The average weighted maturity of investments held by the fund is 21 days; therefore, the Corporation considers these cash equivalents. Goldman has a Standard & Poor's credit rating of AAAM and a Moody's credit rating of Aaa-mf. At February 28, 2019, total invested in the fund with The Bank of New York Mellon totaled \$2,503,608 (FYAXX) and \$1,790,660 (FTOXX).

**NOTE 4: RECEIVABLES**

**Accounts Receivables** consists primarily of franchise fee and ambulance billings in the General Fund, Tourist Development Council tax in the Special Revenue Fund and fraud recoveries in the Housing and Urban Development (“HUD”) non-major special revenue fund. All accounts receivables are considered collectible and no allowance for uncollectibles is deemed necessary, except for ambulance billings which had a balance of \$718,807 and an allowance of \$362,351 and HUD which had billings of \$206,936 and an allowance of \$206,936.

**Florida Community Services Corporation (FCSC)** charges accounts to bad debt expense as they are billed and deemed uncollectible. At February 28, 2019, the allowance for uncollectible accounts was \$36,694, and gross balances for accounts receivable totaled \$2,980,868.

**Due From Other Governments** is comprised of grants reimbursements of \$1,794,703 and revenue sharing and taxes due to the County of \$6,240,891.

**Assessment Receivable** is the amount due from property owners in various MSBUs. At September 30, 2019, assessments receivable is related to the Leisure Lake MSBU. Receivables are collected annually to the extent of the debt service on bonds issued to pay for the cost of infrastructure.

**Loans Receivable** consists of a loan agreement with the City of Freeport for extension of water and sewer service in the Bay area. The outstanding balance at September 30, 2019 is \$102,686 and will be paid interest free in 1 annual installment of \$102,686.

**FCSC - Developers Agreements Receivable**

As of February 28, 2019, FCSC had gross balances for accounts receivable related to developers’ agreements of \$4,677,528. These receivables represent amounts owed by developers for water and/or sewer connection fees under the terms of contracts between the parties and FCSC.

As of February 28, 2019, FCSC had taken legal action related to the collection of the past due amounts by filing liens. However, management believes there is uncertainty regarding the collectability of the past due amounts. Therefore, at February 28, 2019, FCSC had established an allowance for doubtful accounts of \$2,065,563. Revenues related to developer agreements are reported as non-operating revenues.

**NOTE 5: INTERFUND ACTIVITY**

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

## Notes to Financial Statements

**Due From Other Funds:****General Fund**

Other governmental funds	\$	181
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Amount due from other governmental funds is for miscellaneous reimbursements. All amounts due will be paid within one year of the financial statement date.

**County Transportation**

Other governmental funds	\$	5,042
Tourist Development Council		6,981
	\$	12,023

Amounts due from Tourist Development Council and other governmental funds represents fleet charges. All amounts due will be paid within one year of the financial statement date.

**Fine and Forfeiture**

Other governmental funds	\$	74,319
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Amounts due from other governmental funds represent grant reimbursements. All amounts due will be paid within one year of the financial statement date.

**Tourist Development Council**

General Fund	\$	2,958,845
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Amounts due are from Clerk of the Courts for the September 2019 Tourist Development Tax. All amounts due will be paid within one year of the financial statement date.

**Other Governmental Funds**

Fine and forfeiture	\$	185,719
Other governmental funds		8,445
	\$	194,164

Amount due from Fine and Forfeiture and other governmental funds represent various operating and grant reimbursements. All amounts due will be paid within one year of the financial statement date.

***Interfund Transfers***

Transfers are used to (1) use unrestricted general fund revenues to finance public safety and fire department activities that are accounted for in other funds, (2) use nonmajor governmental fund revenues, general fund revenues and solid waste landfill revenues to cover road paving expenditures in county transportation fund, (3) transfer general fund revenues, solid waste landfill revenues, and nonmajor governmental fund revenues to fund capital projects, and (4) transfer general fund revenues to fine and forfeiture fund for personnel services.

## Notes to Financial Statements

**Transfers to General Fund from:**

County transportation fund	\$	439,625	
Other governmental funds		7,000	
<b>Total</b>	<b>\$</b>		<b>446,625</b>

**Transfers to County Transportation Fund from :**

Solid waste landfill		8,000,000	
Other governmental funds		3,200,000	
<b>Total</b>			<b>11,200,000</b>

**Transfers to Fine and Forfeiture Fund from:**

Other governmental funds			350,000
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**Transfers to Other Governmental Funds from:**

Solid waste landfill		2,890,894	
General fund		4,082,916	
Other governmental funds		8,649,786	
<b>Total</b>			<b>15,623,596</b>

<b>Total interfund transfers</b>	<b>\$</b>		<b>27,620,221</b>
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**NOTE 6: RESTRICTED ASSETS**

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

	<b>Cash and Cash Equivalents</b>	<b>Assessments Receivable</b>	<b>Total</b>
<b>Walton County - Primary Government</b>			
Debt service funds	\$ 175,845	\$ -	\$ 175,845
Infrastructure improvements	-	18,600	18,600
Landfill closure costs	1,564,860	-	1,564,860
	<b>\$ 1,740,705</b>	<b>\$ 18,600</b>	<b>\$ 1,759,305</b>
<b>Florida Community Service Corporation</b>			
Debt service funds	\$ 4,259,771	\$ -	\$ 4,259,771
Renewal and replacement funds	1,218,015	-	1,218,015
Customer deposits	2,229,463	-	2,229,463
	<b>\$ 7,707,249</b>	<b>\$ -</b>	<b>\$ 7,707,249</b>

## Notes to Financial Statements

**NOTE 7: CAPITAL ASSETS**

Capital assets activity for the fiscal year is as follows:

	October 1, 2018	Additions	Deductions	September 30, 2019
Capital assets not being depreciated				
Land	\$ 87,576,585	\$ 9,850,143	\$ -	\$ 97,426,728
Construction in progress	19,700,272	3,633,734	3,824,221	19,509,785
<b>Total non-depreciable assets</b>	<b>\$ 107,276,857</b>	<b>\$ 13,483,877</b>	<b>\$ 3,824,221</b>	<b>\$ 116,936,513</b>
Capital assets being depreciated:				
Buildings	\$ 74,359,495	\$ 8,299,490	\$ 172,784	\$ 82,486,201
Improvements other than buildings	38,475,282	7,652,887	37,943	46,090,226
Infrastructure	163,458,801	6,698,682	-	170,157,483
Machinery and equipment	65,994,603	10,899,749	2,765,675	74,128,677
<b>Total depreciable assets</b>	<b>342,288,181</b>	<b>33,550,808</b>	<b>2,976,402</b>	<b>372,862,587</b>
Less accumulated depreciation:				
Buildings	24,237,822	1,961,129	87,112	26,111,839
Improvements other than buildings	15,793,343	1,659,191	22,608	17,429,926
Infrastructure	91,910,489	6,750,356	-	98,660,845
Machinery and equipment	47,530,828	7,222,613	2,593,163	52,160,278
<b>Total accumulated depreciation</b>	<b>179,472,482</b>	<b>17,593,289</b>	<b>2,702,883</b>	<b>194,362,888</b>
<b>Total depreciable capital assets, net</b>	<b>162,815,699</b>	<b>15,957,519</b>	<b>273,519</b>	<b>178,499,699</b>
<b>Total governmental activities capital assets, net</b>	<b>\$ 270,092,556</b>	<b>\$ 29,441,396</b>	<b>\$ 4,097,740</b>	<b>\$ 295,436,212</b>

## Notes to Financial Statements

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

<b>Governmental Activities</b>	
General government	\$ 1,618,106
Public safety	4,618,789
Physical environment	636,968
Transportation	8,826,622
Economic environment	986,815
Human services	355
Culture and recreation	905,634
<b>Total</b>	<b>\$ 17,593,289</b>

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

	<b>March 1, 2018</b>	<b>Additions</b>	<b>Transfer/ Deductions</b>	<b>February 28, 2019</b>
Capital assets not being depreciated				
Land	\$ 10,446,045	\$ -	\$ (198,792)	\$ 10,247,253
Construction in progress	16,825,503	10,526,108	(17,546,379)	9,805,232
<b>Total non-depreciable assets</b>	<b>\$ 27,271,548</b>	<b>\$ 10,526,108</b>	<b>\$ (17,745,171)</b>	<b>\$ 20,052,485</b>
Capital assets being depreciated:				
Buildings	\$ 10,865,654	\$ 1,444	\$ 405,663	\$ 11,272,761
Utility system	276,674,417	9,851,297	17,140,716	303,666,430
Automobiles and trucks	5,843,222	286,042	(111,669)	6,017,595
Furniture and fixtures	786,209	14,075	(2,568)	797,716
Machinery and equipment	17,366,177	1,181,382	-	18,547,559
<b>Total depreciable assets</b>	<b>311,535,679</b>	<b>11,334,240</b>	<b>17,432,142</b>	<b>340,302,061</b>
Less accumulated depreciation:	171,256,362	15,379,614	(108,290)	186,527,686
<b>Total depreciable capital assets, net</b>	<b>140,279,317</b>	<b>(4,045,374)</b>	<b>17,540,432</b>	<b>153,774,375</b>
<b>Total governmental activities capital assets, net</b>	<b>\$ 167,550,865</b>	<b>\$ 6,480,734</b>	<b>\$ (204,739)</b>	<b>\$ 173,826,860</b>



## Notes to Financial Statements

**NOTE 8: LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended September 30, 2019:

	Balance 10/01/18	Additions	Reductions	Balance 09/30/19	Due Within One Year
Capital leases from					
direct borrowings	\$ 1,440,935	\$ 1,692,947	\$ 554,851	\$ 2,579,031	\$ 640,887
Notes from direct					
borrowings	21,169,826	-	1,638,453	19,531,373	1,560,634
Compensated					
absences	4,233,990	4,320,555	4,035,095	4,519,450	963,532
Net pension liability	75,456,076	15,246,668	-	90,702,744	-
Net OPEB liability	23,105,000	3,892,000	2,357,000	24,640,000	-
Landfill closure costs	5,085,160	111,876	-	5,197,036	150,500
	<u>\$ 130,490,987</u>	<u>\$ 25,264,046</u>	<u>\$ 8,585,399</u>	<u>\$ 147,169,634</u>	<u>\$ 3,315,553</u>

***Capital Leases From Direct Borrowings***

The County has entered into multiple lease agreements as lessee for vehicles and equipment. These lease agreements qualify as capital leases for accounting purposes.

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

	Tax Collector	Sheriff	Board	Total
2020	\$ 8,550	\$ 441,011	\$ 302,637	\$ 752,198
2021	7,500	419,976	167,884	595,360
2022	7,077	398,942	77,527	483,546
2023	6,628	373,659	42,400	422,687
2024	2,212	239,552	42,400	284,164
Thereafter	-	271,940	-	271,940
Total minimum payments	31,967	2,145,080	632,848	2,809,895
Less: amount representing interest	(1,550)	(187,822)	(41,492)	(230,864)
Present value of minimum capital lease payments	<u>\$ 30,417</u>	<u>\$ 1,957,258</u>	<u>\$ 591,356</u>	<u>\$ 2,579,031</u>
Gross capital asset value	\$ 49,339	\$ 2,329,390	\$ 1,833,407	\$ 4,212,136
Accumulated depreciation	(21,990)	(325,466)	(1,278,424)	(1,625,880)
Net capital asset value	<u>\$ 27,349</u>	<u>\$ 2,003,924</u>	<u>\$ 554,983</u>	<u>\$ 2,586,256</u>

## Notes to Financial Statements

**Notes From Direct Borrowings**

September 30,

2019

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

\$ 19,531,373

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

Year Ending September 30,	Principal	Interest	Total
2020	\$ 1,560,634	\$ 653,489	\$ 2,214,123
2021	1,614,481	599,642	2,214,123
2022	1,668,341	545,782	2,214,123
2023	1,723,998	490,125	2,214,123
2024	1,780,337	433,786	2,214,123
2025-2029	9,839,004	1,231,612	11,070,616
2030	1,344,578	44,981	1,389,559
	\$ 19,531,373	\$ 3,999,417	\$ 23,530,790

**Florida Community Services Corporation (FCSC)**

The following is a summary of changes in FCSC long-term debt for the year:

FCSC's bonds and notes payable were comprised of the following at February 28, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds,					
Series 2011	\$ 5,645,000	\$ -	\$ 390,000	\$ 5,255,000	\$ 315,000
Series 2012	1,024,000	-	1,024,000	-	-
Series 2013	5,590,000	-	340,000	5,250,000	345,000
Series 2015	14,423,000	-	111,000	14,312,000	944,000
Revenue bonds and notes payable	26,682,000	-	1,865,000	24,817,000	1,604,000
Plus unamortized bond premium	57,875	-	4,313	53,562	-
Total revenue bonds and notes payable	\$ 26,739,875	\$ -	\$ 1,869,313	\$ 24,870,562	\$ 1,604,000

## Notes to Financial Statements

<b>February 28, 2019</b>	<b>Current</b>	<b>Long-term</b>	<b>Total</b>
\$8,685,000 Revenue Bonds, Series 2011, serial bonds for the purpose of refunding the outstanding Water and Sewer Revenue Refunding Bonds, Series 2001, principal and interest payments are due semi-annually with principal due in increasing amounts and interest rates from 2.0% to 4.75%. The bonds are secured by the assets of the Corporation and by future revenues.	\$ 315,000	\$ 4,940,000	\$ 5,255,000
\$6,800,000 Water and Sewer Revenue Note, Series 2013, for the purpose of refunding the outstanding Water and Sewer Revenue Refunding Bonds, Series 2003, principal and interest payments are due semi-annually with principal due in increasing amounts and an interest rate of 2.47%. The note is secured by the assets of the Corporation and by future revenues.	345,000	4,905,000	5,250,000
\$14,626,000 Water and Sewer Revenue Note, Series 2015, for the purpose of refunding the outstanding Water and Sewer Revenue Refunding Bonds, Series 2006, principal and interest payments are due semi-annually with principal due in increasing amounts and an interest rate of 2.54%. The note is secured by the assets of the Corporation and by future revenues.	944,000	13,368,000	14,312,000
Total revenue bonds and notes outstanding	1,604,000	23,213,000	24,817,000
Unamortized premium	-	53,562	53,562
Total revenue bonds and notes, net	\$ 1,604,000	\$ 23,266,562	\$ 24,870,562

FCSC's annual requirements to amortize all debts outstanding as of February 28, 2019 on the bonds and notes are as follows:

<b>Year Ending February 28,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 1,604,000	\$ 700,269	\$ 2,304,269
2021	1,649,000	656,304	2,305,304
2022	1,695,000	609,533	2,304,533
2023	1,744,000	561,279	2,305,279
2024-2028	9,494,000	2,030,030	11,524,030
2029-2032	8,631,000	572,082	9,203,082
	\$ 24,817,000	\$ 5,129,497	\$ 29,946,497

## Notes to Financial Statements

***Bond Covenants***

FCSC's outstanding bond and note issues require FCSC to provide in each fiscal year net revenues and water and sewer impact fees that are adequate to pay at least 115% of the annual debt service. Additionally, annual net revenues must be adequate to pay 105% of FCSC's annual debt service plus any amounts required to be deposited in reserve and certain other accounts. As of February 28, 2019, FCSC was in compliance with all of its debt covenants.

***Indenture Provisions***

FCSC's outstanding bond and note issues require the establishment of certain debt service reserve accounts to be maintained. At February 28, 2019, FCSC was in compliance with the debt service reserve requirements of the outstanding bond and note issues. FCSC's outstanding bond and note issues require the establishment of a renewal and replacement fund which must maintain a balance equal to 5% of the gross revenues received by the issuer in the immediately preceding fiscal year. FCSC met this requirement for fiscal year 2019. Within the same bank account, FCSC maintains additional funds which are designated by FCSC's Board for use in replacement and repairs due to natural disasters, such as hurricanes.

**NOTE 9: REVENUES PLEDGED*****Sales Tax Revenues Pledged***

The County has pledged a portion of its future half-cent sales tax revenue to repay the \$27,000,000 Note Payable – SunTrust Bank issued in fiscal year 2015 to finance the planning, development, acquisition, construction, equipping and maintenance of certain improvements and public facilities in the County. The note is payable solely from the half-cent sales tax approved by the Board and effective January 1, 2013. The half-cent sales tax is projected to produce 100 percent of the debt service requirements over the life of the note. For the current year, principal and interest paid and half-cent sales tax revenues were \$2,332,330 and \$12,040,899, respectively.

**NOTE 10: DEFERRED OUTFLOWS OF RESOURCES**

FCSC defers losses resulting from the refunding of debt issues and amortizes the losses over the lesser of the remaining life of the refunded debt or the life of the new debt. Unamortized deferred losses on debt refunding are presented as deferred outflows of resources within the Statement of Net Position and are summarized as follows as of February 28, 2019:

Unamortized loss on Series 2001 refunding	\$	150,883
Unamortized loss on Series 2003 refunding		53,120
Unamortized loss on Series 2006 refunding		82,827
<b>Total deferred losses on debt refunding</b>	<b>\$</b>	<b>286,830</b>

**NOTE 11: DEPOSITS**

At September 30, 2019, deposits totaled \$3,695,152. Of this total, \$769,092 was for bid bond deposits and cash sureties for infrastructure paid by developers and \$2,926,060 was for proportionate fair share deposits. Proportionate fair share is a funding mechanism passed by the Florida Legislature designed to mitigate the impact of development on transportation facilities by the cooperative efforts of the public and private sectors.

**NOTE 12: RECOGNITION OF LANDFILL CLOSURE AND POST-CLOSURE COSTS**

State and federal laws require final cover and closure as well as post-closure care of landfills. Closure cost estimates include final cover, anticipated costs of equipment and facilities constructed near or after closure and thirty years of monitoring and maintenance costs subsequent to closing. Closure costs estimates are subject to regulatory review. The County has one landfill site for which closure and post-closure cost estimates are required. Presently, the County is utilizing a 120 acre site located on Highway 83 North. This site contains approximately 40 acres of filled Class I cells that have been closed, approximately 16 acres of Class III cells that are approximately 89% filled and 5.1 acres of Class I cells constructed and available that have not been utilized. Since construction of the new Class I cell, the County has elected to ship all Class I materials to a facility outside the County. The current closure cost estimate for the 16 acre Class III cells of \$5,862,904 represents closure costs of \$1,800,239 and post-closure cost of \$4,062,665. A portion of the cost is reported each period as operating expense based on landfill capacity used as of each balance sheet date. The estimated closure/post-closure cost of \$5,197,036 for this used capacity is reflected as a liability at September 30, 2019. Closure and post-closure costs of \$665,868 remain to be recognized in the estimated four years of remaining useful life.

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

**NOTE 13: EMPLOYEE RETIREMENT SYSTEM**

***Florida Retirement System Pension Plan***

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

Notes to Financial Statements

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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 reduction of benefits for each year a member retires 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.

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-8.47% DROP Program-14.60%, special risk employees-25.48%, senior management-25.41% and elected officials-48.82%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications with the exception of DROP program participants who do not make contributions.

The County's contributions to the plan for the years ended September 30, 2019, 2018, and 2017 were \$7,694,674, \$7,237,833, and \$6,476,207 respectively, and equal to the actuarially determined contributions for each year. These contributions were paid by their due date. Total payroll for the County employees covered by the System was \$51,393,221 the year ended September 30, 2019. The County's total payroll was \$52,172,980 for the same period. Net pension liabilities are generally liquidated by the general fund.

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

*Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions.* At September 30, 2019, the Board reported a liability of \$73,879,975 for its proportionate share of the collective net pension liability for the Florida Retirement System Pension Plan ("Pension Plan"). The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Board's proportion of the collective net pension liability was based

## Notes to Financial Statements

on the employers' shares of contributions to the Pension Plan relative to the total employer contributions of all participating employers. At June 30, 2019, the System's proportion of the Pension Plan was 0.214527%, which was a decrease of 0.013374% from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the Board recognized pension expense of \$12,223,900 for the Pension Plan. At September 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 4,382,033	\$ 45,849
Changes of assumptions	18,975,556	-
Net difference between projected and actual earnings on pension plan investments	-	4,087,425
Changes in proportion and difference between employer contributions and proportionate	9,376,455	5,374,880
Employer contributions subsequent to the measurement date	1,856,438	-
<b>Total</b>	<b>\$ 34,590,482</b>	<b>\$ 9,508,154</b>

\$1,856,438 reported as deferred outflows of resources related to the Pension Plan resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<b>Year Ended September 30,</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Pension Expense, Net</b>
2020	\$ 6,061,861	\$ 2,025,695	\$ 4,036,166
2021	6,061,861	2,025,695	4,036,166
2022	6,061,861	2,025,695	4,036,166
2023	6,061,861	2,025,695	4,036,166
2024	6,061,861	1,003,839	5,058,022
Thereafter	2,424,739	401,535	2,023,204
	<b>\$ 32,734,044</b>	<b>\$ 9,508,154</b>	<b>\$ 23,225,890</b>

## Notes to Financial Statements

*Actuarial assumptions.* The total pension liability for the Pension Plan was determined by an actuarial valuation as of July 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Investment rate of return*	6.90%
Projected salary increases	3.25%

\* Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of July 1, 2019 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 PUB-2010 base table, projected generationally with Scale MP-2018.

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

<b>Asset Class</b>	<b>Target Allocation(1)</b>	<b>Annual Arithmetic Return*</b>	<b>Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1%	3.3%	3.3%	1.2%
Fixed income	18%	4.1%	4.1%	3.5%
Global equity	54%	8.0%	6.8%	16.5%
Real estate (property)	10%	6.7%	6.1%	11.7%
Private equity	11%	11.2%	8.4%	25.8%
Strategic investments	6%	5.9%	5.7%	6.7%
<b>Total</b>	<b>100%</b>			

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

\* Includes assumed rate of inflation of 2.60%

*Discount rate.* The discount rate used to measure the total pension liability for the Pension Plan was 6.90%. The Plan's fiduciary net position was projected to be available to make all future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.



## Notes to Financial Statements

*Sensitivity of the Board's proportionate share of the net pension liability to changes in the discount rate.* The following table presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.90% for the Pension Plan, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage point higher (7.90%) than the current rate:

	<b>1% Decrease 5.90%</b>	<b>Current Discount Rate 6.90%</b>	<b>1% Increase 7.90%</b>
Board's proportionate share of collective pension liability	\$ 127,713,875	\$ 73,879,975	\$ 28,919,563

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. The supporting actuarial information is included in the GASB Statement No. 68 Report for the FRS prepared as of June 30, 2019. The auditor's report dated January 3, 2020 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, 2019 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

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

### **Health Insurance Subsidy Program**

Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy Program ("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.

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

*Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions.* At September 30, 2019, the Board reported a liability of \$16,822,769 for its proportionate share of the collective net pension liability. For the Health Insurance Subsidy program ("HIS Plan"), the net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Board's proportion of the collective net pension liability was based on the

## Notes to Financial Statements

employers' shares of contributions to the HIS Plan relative to the total employer contributions of all participating employers. At June 30, 2019, the Board's proportion of the HIS Plan was 0.150351%, which was an increase of 0.009877% from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the Board recognized pension expense of \$848,366 for the HIS Plan. At September 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 204,332	\$ 20,599
Changes of assumptions	1,947,919	1,374,957
Net difference between projected and actual earnings on pension plan investments	10,857	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	3,051,885	1,287,635
Employer contributions subsequent to the measurement date	220,900	-
<b>Total</b>	<b>\$ 5,435,893</b>	<b>\$ 2,683,191</b>

\$220,900 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in the pension's expense as follows:

<b>Year Ended September 30,</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Pension Expense, Net</b>
2020	\$ 842,091	\$ 432,772	\$ 409,319
2021	842,091	432,772	409,319
2022	842,091	432,772	409,319
2023	842,092	432,772	409,320
2024	839,377	432,772	406,605
Thereafter	1,007,251	519,331	487,920
	<b>\$ 5,214,993</b>	<b>\$ 2,683,191</b>	<b>\$ 2,531,802</b>

The total pension liability for the HIS Plan was determined by an actuarial valuation as of July 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Investment rate of return*	3.50%
Projected salary increases	3.25%

\* Net of pension plan investment expense

Notes to Financial Statements

The actuarial assumptions used in the actuarial valuation as of July 1, 2018 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, 2013.

Mortality rates were based on the Generational RP-2000 Mortality Table with Projection 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 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion rate is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

*Sensitivity of the Board’s proportionate share of the net pension liability to changes in the discount rate.* The following table presents the Board’s proportionate share of the net pension liability calculated using the discount rate of 3.50% for the HIS Plan as well as what the Board’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.50%) or 1-percentage point higher (4.50%) than the current rate:

	<b>1% Decrease 2.50%</b>	<b>Current Discount Rate 3.50%</b>	<b>1% Increase 4.50%</b>
Board's proportionate share of collective pension liability	\$ 19,204,053	\$ 16,822,769	\$ 14,839,429

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. The supporting actuarial information is included in the GASB Statement No. 68 Report for the FRS prepared as of June 30, 2019. The auditor’s report dated January 3, 2020 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, 2019 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

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

## Notes to Financial Statements

**Schedule of Pension Information**

	System	HIS	Total
Assets	\$ 350,909,156	\$ 454,128	\$ 351,363,284
Deferred Outflows	34,590,482	5,435,893	40,026,375
Liabilities	424,789,131	17,276,897	442,066,028
Deferred Inflows	9,508,154	2,683,191	12,191,345
Expenditures	12,223,900	848,366	13,072,266

**NOTE 14: POST-EMPLOYMENT BENEFITS OTHER THAN PENSION**

**Plan Description** - The Board administers a single-employer defined benefit healthcare plan (the "Plan"). In accordance with Section 112.0801 of the Florida Statutes, because Walton County provides a medical plan to active employees of the County and their eligible dependents, the County is also required to provide retirees with the opportunity to participate in this Plan. The Plan provides healthcare benefits including medical coverage, prescription drug benefits, and life insurance coverage to both active and eligible retired employees. The Plan is administered through an agreement with Blue Cross Blue Shield of Florida (BCBSFL). Four plans are offered: (i) a Blue Cross PPO plan with a \$500 deductible (Plan 0727), or (ii) a Blue Cross PPO plan with a \$1,000 deductible (Plan 3359), a Blue Cross PPO plan with a \$1,500 deductible (Plan 5360), and a Blue Cross PPO plan with a \$2,000 deductible (Plan 5901). Once the retiree becomes eligible for Medicare coverage, the monthly premium is reduced. The Plan does not issue a publicly available financial report.

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

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

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

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

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

The benefit is payable immediately upon retirement for life.

## Notes to Financial Statements

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

**Membership** – At October 1, 2018, the date of the actuarial valuation, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	908
Inactive (employees or beneficiaries currently receiving benefits)	250
<u>Inactive (employees entitled but not yet receiving benefits)</u>	<u>0</u>
<u>Total membership</u>	<u>1,158</u>
<u>Participating employers</u>	<u>1</u>

**Funding Policy** – A qualifying trust or agency fund has not been authorized by the County. The County negotiates the premium rates with BCBSFL. The required contribution is based on pay-as-you-go financing requirements. Upon a retiree or beneficiary reaching age 65 years of age, they are required to contribute 100% of their current premium costs. Prior to a retiree or beneficiary reaching age 65 years of age, the County pays a portion of the premium and the beneficiary is required to pay the remainder. The County contributes the remainder to cover the costs of providing the benefits to the retirees.

**Net OPEB Liability** – The County’s net OPEB liability is reported herein as of September 30, 2019 for the County’s fiscal year and reporting period of October 1, 2018 to September 30, 2019. The values shown for this fiscal year and reporting period are based on a measurement date of October 1, 2018 and the corresponding measurement period of October 1, 2017 to September 30, 2018. The measurement of the total OPEB liability is based on a valuation date of October 1, 2018. The following shows the changes in the County’s net OPEB liability:

## Notes to Financial Statements

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Pension (b)	Net OPEB Liability (a)+(b)
	Balance at October 1, 2018	\$ 23,105,000	\$ -
Service cost	738,000	-	738,000
Interest cost	822,000	-	822,000
Difference between expected and actual	2,332,000	-	2,332,000
Employer contributions	-	693,000	693,000
Employee contributions	-	-	-
Net investment income	-	-	-
Changes in assumptions	-	-	-
Benefit Payments	(693,000)	(693,000)	(1,386,000)
Administrative expense	-	-	-
Other changes	(1,664,000)	-	(1,664,000)
<b>Net Changes</b>	<b>1,535,000</b>	<b>-</b>	<b>1,535,000</b>
Balance at September 30, 2019	\$ 24,640,000	\$ -	\$ 24,640,000

**Sensitivity of the net OPEB liability to changes in the discount rate** – The following represents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.83%) or 1- percentage-point higher (4.83%) than the current discount rate:

	1% Decrease 2.83%	Current Discount Rate 3.83%	1% Increase 4.83%
Net OPEB liability	\$ 30,203,000	\$ 24,640,000	\$ 20,433,000

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates** – The following represents the net OPEB liability, as well as what net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.0%) or 1-percentage-point higher (7.0%) than the current healthcare trend rates:

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Net OPEB liability	\$ 20,602,000	\$ 24,640,000	\$ 30,031,000

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

## Notes to Financial Statements

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,979,000	\$ -
Changes of assumptions	-	1,412,000
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions subsequent to the measurement date	734,580	-
<b>Total</b>	<b>\$ 2,713,580</b>	<b>\$ 1,412,000</b>

\$734,580 reported as deferred outflows of resources related to post-employment benefits resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	OPEB Expense, Net
2020	\$ 101,000
2021	101,000
2022	101,000
2023	101,000
2024	101,000
2025	62,000
	<b>\$ 567,000</b>

**Actuarial Methods and Assumptions** – The actuarial report dated March 2, 2020 for the fiscal year end date of September 30, 2019 was prepared using GAAP and practices, and relied on unaudited census data and medical claims data reported by the County. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2019 actuarial valuation, the entry age normal actuarial cost method was used to determine the Plan's funding liabilities and assets. The actuarial assumption included a 3.83% discount rate, general wage increases of 2.6% and a medical trend rate for fiscal year 2018 of 6.00%, graded down 0.5% per year to 5.0%. The discount rate represents the Municipal GO AA 20-year yield curve rates as of September 30, 2018. Mortality rates were based on the Generational RP-2000 Mortality Table.

## Notes to Financial Statements

**NOTE 15: NET POSITION*****Net Investment in Capital Assets***

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

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

The government-wide statement of net position reports \$27,580,585 of restricted net position, of which \$24,556,393 is restricted by enabling legislation.

**NOTE 16: FUND BALANCE**

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

At September 30, 2019, fund balance is comprised of the following:

<b>Nonspendable</b>			
General fund			
Inventory	\$	121,750	
Prepays		337,289	
Loan receivable		102,686	
<hr/>			
Total general fund			\$ 561,725
County transportation			
Inventory		468,375	
Prepays		306	
<hr/>			
Total county transportation			468,681
Tourist development			
Prepays			168,645
Solid waste landfill			
Prepays			1,123
Nonmajor funds			
Prepays			800
<hr/>			
Total nonspendable fund balance			\$ 1,200,974
<hr/>			



## Notes to Financial Statements

**Restricted**

General fund		
Court technology	\$	649,487
Court innovations		365,446
<hr/>		
Total general fund	\$	1,014,933
County transportation		
Road and bridge		15,772,202
Fine and forfeiture		
Public safety		4,335,745
Solid waste landfill		
Closure costs		1,564,860
Nonmajor governmental funds		
Debt service		97,248
Housing and Urban Development (HUD)		151,069
Mosquito control		435,020
Court technology		786,652
Public Records Modernization		250,497
Criminal justice education		326,151
Child support enforcement		392,735
Transportation		1,082,634
Infrastructure		84,077
Law enforcement		1,286,762
<hr/>		
Total nonmajor governmental funds		4,892,845
<hr/>		
Total restricted fund balance	\$	27,580,585

**Committed**

Tourist development		
Beach renourishment	\$	26,722,415
New product development		7,045,808
Emerging markets		99,210
<hr/>		
Total tourist development	\$	33,867,433
Solid waste landfill		
Land purchase		709,686
Nonmajor governmental funds		
Code enforcement		2,375,628
Preservation		3,937,492
Sidewalk		240,910
<hr/>		
Total nonmajor governmental funds		6,554,030
<hr/>		
Total committed fund balance	\$	41,131,149

## Notes to Financial Statements

<b>Assigned</b>		
General fund		
Capital projects	\$ 1,645,517	
2020 budget appropriations and encumbrances	4,859,075	
<hr/>		
Total general fund		\$ 6,504,592
Tourist development		
2020 budget appropriations and encumbrances	1,827,126	
Administration	13,961,453	
<hr/>		
Total tourist development		15,788,579
Solid waste landfill		
2020 budget appropriations and encumbrances	169,033	
Landfill operations and capital projects	7,560,409	
<hr/>		
Total solid waste landfill		7,729,442
Nonmajor governmental funds		
Capital projects and improvements and encumbrances	17,930,207	
Public safety	49,583	
Culture and recreation	17,509	
<hr/>		
Total nonmajor governmental funds		17,997,299
<hr/>		
Total assigned fund balance		\$ 48,019,912

Encumbrances represent commitments for future expenditures, based on purchase orders or contracts issued, when goods or services have been ordered but not received. Significant encumbrances for the governmental funds include construction contracts, as included in the construction commitments in Note 17. The County has the following encumbrances as of September 30, 2019.

<b>Governmental Activities</b>	<b>Encumbrance</b>
General fund	\$ 973,371
Tourist development	1,827,126
Solid waste landfill	169,033
Other governmental funds	1,833,271
<hr/>	
Total encumbrances	\$ 4,802,801

**NOTE 17: COMMITMENTS AND CONTINGENCIES**

**Grants** - Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such reviews may result in requests for reimbursement due to disallowed expenditures. The County is not aware of any potential disallowed grant expenditures.

## Notes to Financial Statements

**Construction Commitments** - The County has open contract commitments as follows:

Project	Contract Amount	Expended to Date	Remaining Commitment
Various road and bridge projects	\$ 3,224,008	\$ 1,071,454	\$ 2,152,554
Freeport Business Center	3,031,752	2,762,905	268,847
South Walton Sports Complex	6,182,860	5,660,551	522,309
Solid Waste Transfer Station	4,768,405	3,760,542	1,007,863
<b>Total contract commitments</b>	<b>\$ 17,207,025</b>	<b>\$ 13,255,452</b>	<b>\$ 3,951,573</b>

#### NOTE 18: RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County handles these risks in several ways including participation in several public entity risk pools. The County maintains workers' compensation coverage through Preferred Governmental Insurance Trust, automobile liability and property coverage through the Florida League of Cities, and general liability coverage through the Florida Association of County Trust. The County pays yearly premiums to these pools which cover all losses incurred subject to policy and contract limitations and coverage.

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

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

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

#### NOTE 19: LITIGATION

The County is involved in numerous litigations and claims arising in the ordinary course of operations. In the opinion of legal counsel, the range of potential recoveries or liabilities in excess of insurance coverage, if any, is not reasonably determinable and no loss contingencies have been recorded.

Customary Use of Dry Sand Area of Beaches

On March 28, 2017 the Walton County Board of County Commissioners passed Ordinance 77-10 protecting the public's long-standing customary use of the dry sand areas of the beaches, clarifying which uses are permitted and prohibited for members of the public on the dry sand areas of the beach that are owned by private entities; providing for a buffer area around private permanent structures; providing for penalties of violation of this ordinance; providing authority, severability, and an effective date. Customary use doctrine in Walton County states that the County's beaches have been accessed by the public for as long as mankind has walked upon them and therefore some portion of that beach should remain available to the public.

On March 23, 2018, Governor Rick Scott signed into law HB631 Possession of Real Property. A section of the bill bans local governments from adopting ordinances finding or declaring customary use of the beach, after January 1, 2016, unless the ordinance is based on a judicial declaration affirming the existence of customary use. The bill requires the local government wishing to adopt a customary use ordinance to follow a procedure whereby beachfront property owners are notified prior to a public hearing and upon filing a complaint in circuit court. Walton County's current customary use ordinance became void on July 1, 2018, the effective date of the bill. Should Walton County wish to adopt a new customary use ordinance, it will be required to comply with procedures outlined in the bill.

Management is currently evaluating the potential economic impact of HB631 and the impact, if any, is not reasonably determinable at this time.

**NOTE 20: TAX ABATEMENT**

As part of the November 6, 2012 General Election, a referendum was placed on the ballot to authorize the Board authority to grant property tax exemptions to new businesses and expansions of existing businesses that are expected to create, new full time jobs in Walton County. The referendum received a 63.42% affirmative vote establishing authority for the Board to grant ad valorem tax exemptions for economic development.

The Board determines the percentage amount which can range from 10% to 100% and duration of the tax abatement, which is not to exceed 10 years. The amount of the abatement is automatically deducted from the property owner's tax bill.

For the year ended September 30, 2019, the County abated property taxes totaling \$4,250 under this program. The Board has elected to disclose all tax abatement agreements without consideration of materiality.

## Notes to Financial Statements

<b>Name of Business</b>	<b>Purpose</b>	<b>Percent Abated</b>	<b>Amount Abated</b>
Professional Products	To make improvements to real property and purchase tangible personal property to facilitate expansion.	54%	\$ 1,710
Empire Truck Sales, LLC	To construct a new Freightliner Truck dealership.	62%	\$ 1,741
Triangle Chevrolet-Buick, Co. Inc.	Construction of a new dealership, building and related improvements.	90%	\$ 799

**NOTE 21: RESTATEMENT OF BEGINNING BALANCES*****Net Position Restatement – FCSC, Component Unit***

In prior years, FCSC did not recognize unbilled receivables for the portion of revenues earned but not recognized for installment payments of water and sewer connection fees. These long-term receivables are being repaid by customers over 30 years. The resulting restatement of net position creates an unbilled long-term accounts receivable of \$1,811,775 as of February 28, 2018 along with a restatement of net position. For 2018, there is an additional increase to the receivable balance of \$42,334 to both long-term accounts receivable and retained earnings as of February 28, 2018.

**NOTE 22: SUBSEQUENT EVENTS**

Management has evaluated events occurring subsequent to September 30, 2019 and through March 2, 2020, the date these financial statements were available for issue and there are none to disclose.

**Walton County, Florida**  
**Required Supplementary Information**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last 10 Fiscal Years\***

<i>For the year ended September 30,</i>	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 738,000	\$ 719,000
Interest	822,000	792,000
Changes of benefit terms	-	-
Differences between expected and actual experience	2,332,000	-
Changes of assumptions	(1,664,000)	-
Benefit payments	(693,000)	(651,000)
Other changes	-	-
Net change in total OPEB liability	1,535,000	860,000
<b>Total OPEB liability - beginning, as restated</b>	<b>23,105,000</b>	<b>22,245,000</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 24,640,000</b>	<b>\$ 23,105,000</b>
Plan Fiduciary Net Position		
Contributions - employer	693,000	651,000
Benefit payments	(693,000)	(651,000)
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	-	-
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ 24,640,000</b>	<b>\$ 23,105,000</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered-employee payroll	\$ 47,319,000	\$ 36,941,000
Net OPEB liability as a percentage of covered-employee payroll	52.07%	62.55%
Contributions as a percentage of covered-employee payroll	1.46%	1.76%

\*This schedule is intended 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.*

**Walton County, Florida**  
**Required Supplementary Information**  
**Schedule of Employer's Proportionate Share of the Net Pension Liability**  
**Florida Retirement Systems Pension Plan**

<i>As of June 30,</i>	<b>2019</b> <sup>(1)</sup>	<b>2018</b> <sup>(1)</sup>	<b>2017</b> <sup>(1)</sup>	<b>2016</b> <sup>(1)</sup>	<b>2015</b> <sup>(1)</sup>
Employer's proportion of the net pension liability	0.214527%	0.201152%	0.201467%	0.192488%	0.177419%
Employer's proportionate share of the net pension liability	\$ 73,879,975	\$ 60,588,162	\$ 59,592,706	\$ 48,603,420	\$ 22,916,098
Employer's covered payroll*	\$ 51,069,047	\$ 48,245,952	\$ 44,398,430	\$ 40,627,415	\$ 39,986,370
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	144.67%	125.58%	134.22%	119.63%	57.31%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%

(1) Information is not available for years prior to 2015. This schedule is intended to show information for 10 years and additional years will be presented as it becomes available.

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

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

**Walton County, Florida**  
**Required Supplementary Information**  
**Schedule of Employer Contributions**  
**Florida Retirement Systems Pension Plan**

<i>For the year ended September 30,</i>	<b>2019</b> <sup>(1)</sup>	<b>2018</b> <sup>(1)</sup>	<b>2017</b> <sup>(1)</sup>	<b>2016</b> <sup>(1)</sup>	<b>2015</b> <sup>(1)</sup>
Contractually required contribution**	\$ 6,842,066	\$ 6,734,188	\$ 5,742,586	\$ 5,183,622	\$ 4,710,495
Contributions in relation to the actuarially determined contribution	6,842,066	6,734,188	5,742,586	5,183,622	4,710,495
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 51,393,221	\$ 46,957,748	\$ 44,194,033	\$ 41,440,841	\$ 39,760,306
Contributions as a percentage of covered payroll	13.31%	14.34%	12.99%	12.51%	11.85%

(1) Information is not available for years prior to 2015. This schedule is intended to show information for 10 years and additional years will be presented as it becomes available.

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

\*\* The amount contractually required contribution is equal to the amount that would be recognized as additions from the employer's contributions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the employer's fiscal year.

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



**Walton County, Florida**  
**Required Supplementary Information**  
**Schedule of Employer's Proportionate Share of the Net Pension Liability**  
**Health Insurance Subsidy Program**

<i>As of June 30,</i>	<b>2019</b> <sup>(1)</sup>	<b>2018</b> <sup>(1)</sup>	<b>2017</b> <sup>(1)</sup>	<b>2016</b> <sup>(1)</sup>	<b>2015</b> <sup>(1)</sup>
Employer's proportion of the net pension liability	0.150351%	0.140474%	0.138520%	0.131258%	0.127901%
Employer's proportionate share of the net pension liability	\$ 16,822,769	\$ 14,867,914	\$ 14,811,187	\$ 15,297,561	\$ 13,043,922
Employer's covered payroll*	\$ 51,069,047	\$ 48,245,952	\$ 44,398,430	\$ 40,627,415	\$ 39,986,370
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	32.94%	30.82%	33.36%	37.65%	32.62%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%

(1) Information is not available for years prior to 2015. This schedule is intended to show information for 10 years and additional years will be presented as it becomes available.

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

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

**Walton County, Florida  
Required Supplementary Information  
Schedule of Employer Contributions  
Health Insurance Subsidy Program**

<i>For the year ended September 30,</i>	<b>2019</b> <sup>(1)</sup>	<b>2018</b> <sup>(1)</sup>	<b>2017</b> <sup>(1)</sup>	<b>2016</b> <sup>(1)</sup>	<b>2015</b> <sup>(1)</sup>
Contractually required contribution**	\$ 852,608	\$ 779,499	\$ 733,621	\$ 687,918	\$ 660,558
Contributions in relation to the actuarially determined contribution	852,608	779,499	733,621	687,918	660,558
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 51,393,221	\$ 46,957,748	\$ 44,194,033	\$ 41,440,841	\$ 39,760,306
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%

(1) Information is not available for years prior to 2015. This schedule is intended to show information for 10 years and additional years will be presented as it becomes available.

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

\*\* The amount contractually required contribution is equal to the amount that would be recognized as additions from the employer's contributions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the employer's fiscal year

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

**Walton County, Florida**  
**Notes to Required Supplementary Information Schedules**  
**September 30, 2019**

**NOTE 1: POST-EMPLOYMENT BENEFITS PLAN**

The following actuarial assumptions changed in 2019:

- The discount rate of return was increased from 3.50% to 3.83%.

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

The following actuarial assumptions changed in 2019:

- The long-term expected rate of return was decreased from 7.00% to 6.90%, and the active member mortality assumption was updated.
- The economic and demographic experience study as of June 30, 2013 was updated as of June 30, 2018.

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

The following actuarial assumptions changed in 2019:

- The municipal rate used to determine total pension liability was decreased from 3.87% to 3.50%

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

**Inmate Canteen (Sheriff)** - To account for inmate canteen activities.

**Daughette MSBU** - To account for a special assessment charged to Daughette property owners to provide for infrastructure.

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

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

**Local Option Gas Tax** - To account for the local option gas tax restricted to expenditures pursuant to Florida Statute Section 206.41(1)(b).

**Criminal Justice Education** - To account for a surcharge assessed on fines to be used for crime prevention.

**Special Law Enforcement** - To account for special revenue from fines and forfeitures to conduct criminal investigations.

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

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

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

**State Law Enforcement Trust** - To account for funds used to investigate or prevent drug related crimes.

**Crime Prevention Trust** - To account for funds used to educate the public in crime prevention.

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

**Marijuana Eradication** - To account for grant revenue restricted to drug eradication.

**Federal Forfeiture Sharing** - To account for federal forfeitures restricted to law enforcement.

**Law Enforcement Automation** - To account for funds collected under F.S. 318.21(9).

**Domestic Violence Trust** - To account for funds used in the prevention of domestic violence.

**Aviation** - To account for funds restricted to on-going maintenance of Sheriff department aircraft.

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

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

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

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

#### **DEBT SERVICE FUND**

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

#### **CAPITAL PROJECT FUNDS**

**Tax Increment Financing 30A Project** - To segregate a designated portion of new, incremental tax revenues generated by the geographical TIF area to fund infrastructure improvements within that area.

**Capital Projects Fund** - To account for financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary operations.

**Mossy Head Industrial Park** - To account for the activities associated with the improvements and development of the industrial park.

**Infrastructure Improvements** - To account for infrastructure improvements at the Mossy Head Industrial Park.

**Tax Increment Financing US Hwy 331 Project** - To segregate a designated portion of new, incremental tax revenues generated by the geographical TIF area to fund infrastructure improvements within that area.

**Walton County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2019**

**Special**

	<b>Mosquito Control Grant</b>	<b>Housing and Urban Development</b>	<b>SHIP Grant</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 28,328	\$ 154,213	\$ 249,989
Investments	21,548	117,303	190,155
Accounts receivable, net	-	-	-
Due from other governments	-	5,171	-
Due from other funds	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Assessments receivable	-	-	-
<b>Total assets</b>	<b>\$ 49,876</b>	<b>\$ 276,687</b>	<b>\$ 440,144</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 4,437	\$ -
Accrued liabilities	-	12,100	-
Due to other governments	-	-	-
Due to individuals	-	62,054	-
Due to other funds	-	224	-
Unearned revenue	49,876	46,803	440,144
<b>Total liabilities</b>	<b>49,876</b>	<b>125,618</b>	<b>440,144</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue on special assessments	-	-	-
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted	-	151,069	-
Committed	-	-	-
Assigned	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>151,069</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 49,876</b>	<b>\$ 276,687</b>	<b>\$ 440,144</b>

**Revenue Funds**

<b>N. Walton Mosquito Control District</b>	<b>Building Department</b>	<b>Recreation Plat</b>	<b>Inmate Canteen (Sheriff)</b>	<b>Daughette MSBU</b>
\$ 254,969	\$ 1,407,065	\$ 624,593	\$ 618,033	\$ 32,348
193,944	1,069,685	475,101	-	24,606
-	-	-	80,252	-
20	-	-	-	320
-	-	-	121,805	-
-	800	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>\$ 448,933</b>	<b>\$ 2,477,550</b>	<b>\$ 1,099,694</b>	<b>\$ 820,090</b>	<b>\$ 57,274</b>
\$ 436	\$ 31,096	\$ -	\$ 101,828	\$ -
13,477	70,026	-	-	-
-	-	-	-	-
-	-	-	48,902	-
-	-	-	14,978	-
-	-	-	-	-
<b>13,913</b>	<b>101,122</b>	<b>-</b>	<b>165,708</b>	<b>-</b>
-	-	-	-	-
-	800	-	-	-
435,020	-	-	654,382	57,274
-	2,375,628	-	-	-
-	-	1,099,694	-	-
<b>435,020</b>	<b>2,376,428</b>	<b>1,099,694</b>	<b>654,382</b>	<b>57,274</b>
<b>\$ 448,933</b>	<b>\$ 2,477,550</b>	<b>\$ 1,099,694</b>	<b>\$ 820,090</b>	<b>\$ 57,274</b>

-Continued-

**Walton County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Continued**  
**September 30, 2019**

	Court Technology	Record Modern- ization	Local Option Gas Tax
<b>Assets</b>			
Cash and cash equivalents	\$ 793,909	\$ 250,497	\$ 462,601
Investments	-	-	351,881
Accounts receivable, net	-	-	-
Due from other governments	-	-	268,152
Due from other funds	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Assessments receivable	-	-	-
<b>Total assets</b>	<b>\$ 793,909</b>	<b>\$ 250,497</b>	<b>\$ 1,082,634</b>
<b>Liabilities</b>			
Accounts payable	\$ 229	\$ -	\$ -
Accrued liabilities	7,028	-	-
Due to other governments	-	-	-
Due to individuals	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>7,257</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue on special assessments	-	-	-
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted	786,652	250,497	1,082,634
Committed	-	-	-
Assigned	-	-	-
<b>Total fund balance</b>	<b>786,652</b>	<b>250,497</b>	<b>1,082,634</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 793,909</b>	<b>\$ 250,497</b>	<b>\$ 1,082,634</b>



**Special Revenue Funds**

<b>Criminal Justice Education</b>	<b>Special Law Enforcement</b>	<b>Preservation</b>	<b>Sidewalk</b>	<b>E-911</b>
\$ 268,057	\$ 7,417	\$ 2,278,202	\$ 136,830	\$ 8,691
25,613	5,642	1,732,929	104,080	6,610
-	-	-	-	-
-	-	21,591	-	105,018
34,125	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>\$ 327,795</b>	<b>\$ 13,059</b>	<b>\$ 4,032,722</b>	<b>\$ 240,910</b>	<b>\$ 120,319</b>
\$ 1,579	\$ -	\$ 95,230	\$ -	\$ -
-	-	-	-	-
-	-	-	-	6,461
-	-	-	-	-
65	-	-	-	64,275
-	-	-	-	-
<b>1,644</b>	<b>-</b>	<b>95,230</b>	<b>-</b>	<b>70,736</b>
-	-	-	-	-
-	-	-	-	-
326,151	13,059	-	-	-
-	-	3,937,492	240,910	-
-	-	-	-	49,583
<b>326,151</b>	<b>13,059</b>	<b>3,937,492</b>	<b>240,910</b>	<b>49,583</b>
<b>\$ 327,795</b>	<b>\$ 13,059</b>	<b>\$ 4,032,722</b>	<b>\$ 240,910</b>	<b>\$ 120,319</b>

-Continued-

**Walton County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Continued**  
**September 30, 2019**

**Special**

	<b>State Law Enforcement Trust</b>	<b>Crime Prevention Trust</b>	<b>Abandoned Property</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 5,580	\$ 176,383	\$ 55,616
Investments	-	86,989	-
Accounts receivable, net	-	-	-
Due from other governments	-	-	-
Due from other funds	8,445	168	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Assessments receivable	-	-	-
<b>Total assets</b>	<b>\$ 14,025</b>	<b>\$ 263,540</b>	<b>\$ 55,616</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,500	\$ 420	\$ -
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Due to individuals	-	-	26,805
Due to other funds	-	-	8,445
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>1,500</b>	<b>420</b>	<b>35,250</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue on special assessments	-	-	-
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted	12,525	263,120	20,366
Committed	-	-	-
Assigned	-	-	-
<b>Total fund balance</b>	<b>12,525</b>	<b>263,120</b>	<b>20,366</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 14,025</b>	<b>\$ 263,540</b>	<b>\$ 55,616</b>

**Revenue Funds**

<b>Marijuana Eradication</b>	<b>Federal Forfeiture Sharing</b>	<b>Law Enforcement Automation</b>	<b>Domestic Violence Trust</b>	<b>Aviation</b>
\$ 6,128	\$ 11,090	\$ 48,357	\$ 69,648	\$ 56,177
-	-	36,783	52,979	-
-	-	-	-	-
-	-	-	-	-
29,614	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>\$ 35,742</b>	<b>\$ 11,090</b>	<b>\$ 85,140</b>	<b>\$ 122,627</b>	<b>\$ 56,177</b>
\$ 286	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
35,000	-	-	-	-
<b>35,286</b>	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
456	11,090	85,140	122,627	56,177
-	-	-	-	-
-	-	-	-	-
<b>456</b>	<b>11,090</b>	<b>85,140</b>	<b>122,627</b>	<b>56,177</b>
<b>\$ 35,742</b>	<b>\$ 11,090</b>	<b>\$ 85,140</b>	<b>\$ 122,627</b>	<b>\$ 56,177</b>

-Continued-

**Walton County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Continued**  
**September 30, 2019**

**Special Revenue Funds**

	<b>Traffic and Parking Enforcement</b>	<b>Title IV-D</b>	<b>Clerk's Fine &amp; Forfeiture</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 47,820	\$ 358,085	\$ 245,300
Investments	-	-	-
Accounts receivable, net	-	-	-
Due from other governments	-	37,401	61,778
Due from other funds	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Assessments receivable	-	-	-
<b>Total assets</b>	<b>\$ 47,820</b>	<b>\$ 395,486</b>	<b>\$ 307,078</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 3,403
Accrued liabilities	-	2,751	172,219
Due to other governments	-	-	131,456
Due to individuals	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>2,751</b>	<b>307,078</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue on special assessments	-	-	-
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted	47,820	392,735	-
Committed	-	-	-
Assigned	-	-	-
<b>Total fund balance</b>	<b>47,820</b>	<b>392,735</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 47,820</b>	<b>\$ 395,486</b>	<b>\$ 307,078</b>

		<u>Debt Service Fund</u>		<u>Capital Projects Funds</u>					
				Tax					
				Increment	Capital	Mossy Head			
				Financing	Projects	Industrial			
				30A Project		Park			
		MSBU	Highway 331						
		Various	Bridge						
\$	15,205	\$	-	\$	2,912,694	\$	6,437,719	\$	201,277
	11,566		133,756		2,215,560		4,896,892		153,102
	-		-		-		-		-
	32		-		-		-		-
	-		-		-		7		-
	-		-		-		-		-
	-		175,845		-		-		-
	18,600		-		-		-		-
<hr/>									
\$	45,403	\$	309,601	\$	5,128,254	\$	11,334,618	\$	354,379
<hr/>									
\$	-	\$	212,353	\$	81,482	\$	1,000	\$	-
	-		-		7,063		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		212,353		88,545		1,000		-
<hr/>									
	18,600		-		-		-		-
<hr/>									
	-		-		-		-		-
	26,803		97,248		-		-		-
	-		-		-		-		-
	-		-		5,039,709		11,333,618		354,379
<hr/>									
	26,803		97,248		5,039,709		11,333,618		354,379
<hr/>									
\$	45,403	\$	309,601	\$	5,128,254	\$	11,334,618	\$	354,379
<hr/>									

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**Walton County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Continued**  
**September 30, 2019**

	Infrastructure Improvements	Tax Increment Financing US Hwy 331	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 55,679	\$ 12,657	\$ 18,291,157
Investments	42,353	9,627	11,958,704
Accounts receivable, net	-	-	80,252
Due from other governments	-	-	499,483
Due from other funds	-	-	194,164
Prepaid items	-	-	800
Restricted assets:			
Cash and cash equivalents	-	-	175,845
Assessments receivable	-	-	18,600
<b>Total assets</b>	<b>\$ 98,032</b>	<b>\$ 22,284</b>	<b>\$ 31,219,005</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 535,279
Accrued liabilities	-	-	284,664
Due to other governments	-	-	137,917
Due to individuals	-	-	137,761
Due to other funds	-	-	87,987
Unearned revenue	-	-	571,823
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>1,755,431</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue on special assessments	-	-	18,600
<b>Fund Balance</b>			
Nonspendable	-	-	800
Restricted	-	-	4,892,845
Committed	-	-	6,554,030
Assigned	98,032	22,284	17,997,299
<b>Total fund balance</b>	<b>98,032</b>	<b>22,284</b>	<b>29,444,974</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 98,032</b>	<b>\$ 22,284</b>	<b>\$ 31,219,005</b>

**Walton County, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2019**

**Special**

	<b>Mosquito Control Grant</b>	<b>Housing and Urban Development</b>	<b>SHIP Grant</b>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	29,203	2,135,180	334,996
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	152	1,114	3,394
Miscellaneous	-	-	-
<b>Total revenue</b>	<b>29,355</b>	<b>2,136,294</b>	<b>338,390</b>
<b>Expenditures</b>			
Current			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	2,158,646	331,390
Human services	45,155	-	-
Culture/recreation	-	-	-
Capital projects	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>45,155</b>	<b>2,158,646</b>	<b>331,390</b>
<b>Excess Revenue Over (Under)</b>			
<b>Expenditures</b>	<b>(15,800)</b>	<b>(22,352)</b>	<b>7,000</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	15,800	-	-
Transfers in	-	-	-
Transfers out	-	-	(7,000)
<b>Total other financing sources (uses)</b>	<b>15,800</b>	<b>-</b>	<b>(7,000)</b>
Net change in fund balance	-	(22,352)	-
<b>Fund Balance - beginning</b>	<b>-</b>	<b>173,421</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ -</b>	<b>\$ 151,069</b>	<b>\$ -</b>

**Revenue Funds**

<b>N. Walton Mosquito Control District</b>		<b>Building Department</b>	<b>Recreation Plat</b>	<b>Inmate Canteen (Sheriff)</b>	<b>Daughette MSBU</b>
\$	534,659	\$ -	\$ -	\$ -	\$ -
	-	3,208,375	-	-	-
	801	-	-	-	-
	10,800	166,723	-	-	44,103
	-	-	-	-	-
	15,832	261,835	22,658	-	1,671
	-	77,047	881,003	424,389	320
	562,092	3,713,980	903,661	424,389	46,094
	-	-	-	-	-
	-	1,485,298	-	439,411	-
	-	-	-	-	21,921
	-	-	-	-	-
	-	-	-	-	-
	541,846	-	-	-	-
	-	-	1,240,277	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	541,846	1,485,298	1,240,277	439,411	21,921
	20,246	2,228,682	(336,616)	(15,022)	24,173
	-	-	-	-	-
	-	-	-	-	-
	-	(8,649,786)	-	-	-
	-	(8,649,786)	-	-	-
	20,246	(6,421,104)	(336,616)	(15,022)	24,173
	414,774	8,797,532	1,436,310	669,404	33,101
\$	435,020	\$ 2,376,428	\$ 1,099,694	\$ 654,382	\$ 57,274

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**Walton County, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Nonmajor Governmental Funds - Continued**  
**For the Year Ended September 30, 2019**

	Court Technology	Record Modernization	Local Option Gas Tax
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ 3,529,932
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	263,851	86,635	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	11,809
Miscellaneous	-	-	-
<b>Total revenue</b>	<b>263,851</b>	<b>86,635</b>	<b>3,541,741</b>
<b>Expenditures</b>			
Current			
General government	250,632	47,377	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Capital projects	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>250,632</b>	<b>47,377</b>	<b>-</b>
<b>Excess Revenue Over (Under)</b>			
<b>Expenditures</b>	<b>13,219</b>	<b>39,258</b>	<b>3,541,741</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	-	-	-
Transfers in	-	-	-
Transfers out	-	-	(3,200,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(3,200,000)</b>
Net change in fund balance	13,219	39,258	341,741
<b>Fund Balance - beginning</b>	<b>773,433</b>	<b>211,239</b>	<b>740,893</b>
<b>Fund Balance - ending</b>	<b>\$ 786,652</b>	<b>\$ 250,497</b>	<b>\$ 1,082,634</b>

**Special Revenue Funds**

	<b>Criminal Justice Education</b>	<b>Special Law Enforcement</b>	<b>Preservation</b>	<b>Sidewalk</b>	<b>E-911</b>
\$	-	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-
	17,051	-	21,591	-	1,392,512
	-	-	-	-	-
	-	-	-	-	-
	1,251	332	101,810	7,961	1,845
	4,827	-	65,167	6,471	-
	23,129	332	188,568	14,432	1,394,357
	-	-	191,246	-	-
	1,518	-	-	-	1,024,533
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	1,518	-	191,246	-	1,024,533
	21,611	332	(2,678)	14,432	369,824
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	(350,000)
	-	-	-	-	(350,000)
	21,611	332	(2,678)	14,432	19,824
	304,540	12,727	3,940,170	226,478	29,759
\$	326,151	\$ 13,059	\$ 3,937,492	\$ 240,910	\$ 49,583

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**Walton County, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Nonmajor Governmental Funds – Continued**  
**For the Year Ended September 30, 2019**

**Special**

	State Law Enforcement Trust	Crime Prevention Trust	Abandoned Property
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	28,486	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	4,738	-
Miscellaneous	8,452	24,179	8,223
<b>Total revenue</b>	<b>8,452</b>	<b>57,403</b>	<b>8,223</b>
<b>Expenditures</b>			
Current			
General government	-	-	-
Public safety	-	34,338	26,158
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Capital projects	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>34,338</b>	<b>26,158</b>
<b>Excess Revenue Over (Under)</b>			
<b>Expenditures</b>	<b>8,452</b>	<b>23,065</b>	<b>(17,935)</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>8,452</b>	<b>23,065</b>	<b>(17,935)</b>
<b>Fund Balance - beginning</b>	<b>4,073</b>	<b>240,055</b>	<b>38,301</b>
<b>Fund Balance - ending</b>	<b>\$ 12,525</b>	<b>\$ 263,120</b>	<b>\$ 20,366</b>

**Revenue Funds**

	<b>Marijuana Eradication</b>	<b>Federal Forfeiture Sharing</b>	<b>Law Enforcement Automation</b>	<b>Domestic Violence Trust</b>	<b>Aviation</b>
\$	-	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-
	28,661	-	-	10,498	-
	-	-	-	-	-
	-	-	26,428	-	-
	-	-	1,761	-	-
	1	24	-	-	102
	28,662	24	28,189	10,498	102
	-	-	-	-	-
	28,662	9,165	-	19	19,509
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	28,662	9,165	-	19	19,509
	-	(9,141)	28,189	10,479	(19,407)
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	(9,141)	28,189	10,479	(19,407)
	456	20,231	56,951	112,148	75,584
\$	456	\$ 11,090	\$ 85,140	\$ 122,627	\$ 56,177

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**Walton County, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Nonmajor Governmental Funds - Continued**  
**For the Year Ended September 30, 2019**

**Special Revenue Funds**

	<b>Traffic and Parking Enforcement</b>	<b>Title IV-D</b>	<b>Clerk's Fine &amp; Forfeiture</b>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	309,178	230,181
Charges for services	-	-	920,568
Fines and forfeitures	4,774	-	484,809
Investment earnings	-	-	6,203
Miscellaneous	68	-	-
<b>Total revenue</b>	<b>4,842</b>	<b>309,178</b>	<b>1,641,761</b>
<b>Expenditures</b>			
Current			
General government	-	195,640	1,641,761
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Capital projects	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>195,640</b>	<b>1,641,761</b>
<b>Excess Revenue Over (Under)</b>			
<b>Expenditures</b>	<b>4,842</b>	<b>113,538</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>4,842</b>	<b>113,538</b>	<b>-</b>
<b>Fund Balance - beginning</b>	<b>42,978</b>	<b>279,197</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 47,820</b>	<b>\$ 392,735</b>	<b>\$ -</b>

		Debt Service Fund		Capital Projects					
MSBU Various		Highway 331 Bridge	Tax Increment Financing 30A Project	Capital Projects	Mossy Head Industrial Park				
\$	-	\$	-	\$	6	\$	-		
	-		-		-		-		
	-		-		-		-		
	4,418		-		-		-		
	-		-		-		-		
	820	26,580	164,966	130,256		12,840			
	32	-	-	-		-			
	5,270	26,580	164,966	130,262		12,840			
	-	-	141,869	-		438			
	-	-	-	-		-			
	11,087	-	-	-		281,383			
	-	-	3,562,014	-		-			
	-	-	-	-		-			
	-	-	-	-		-			
	-	-	-	146,070		-			
	-	1,379,549	-	2,395,423		176			
	-	-	-	1,511,976		-			
	-	-	-	820,354		-			
	11,087	1,379,549	3,703,883	4,873,823		281,997			
	(5,817)	(1,352,969)	(3,538,917)	(4,743,561)		(269,157)			
	-	-	-	-		-			
	-	-	4,071,398	11,540,680		-			
	-	-	-	-		-			
	-	-	4,071,398	11,540,680		-			
	(5,817)	(1,352,969)	532,481	6,797,119		(269,157)			
	32,620	1,450,217	4,507,228	4,536,499		623,536			
\$	26,803	\$	97,248	\$	5,039,709	\$	11,333,618	\$	354,379

-Continued-

**Walton County, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2019**

	Infrastructure Improvements	Tax Increment Financing US Hwy 331	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes	\$ 43	\$ -	\$ 4,064,640
Licenses and permits	-	-	3,208,375
Intergovernmental	-	-	4,538,338
Charges for services	-	-	1,497,098
Fines and forfeitures	-	-	516,011
Investment earnings	2,663	545	783,036
Miscellaneous	-	-	1,500,305
<b>Total revenue</b>	<b>2,706</b>	<b>545</b>	<b>16,107,803</b>
<b>Expenditures</b>			
Current			
General government	-	-	2,468,963
Public safety	-	-	3,068,611
Physical environment	-	-	314,391
Transportation	8,249	-	3,570,263
Economic environment	-	-	2,490,036
Human services	-	-	587,001
Culture/recreation	-	-	1,386,347
Capital projects	274	-	3,775,422
Debt service:			
Principal	-	-	1,511,976
Interest	-	-	820,354
<b>Total expenditures</b>	<b>8,523</b>	<b>-</b>	<b>19,993,364</b>
<b>Excess Revenue Over (Under)</b>			
<b>Expenditures</b>	<b>(5,817)</b>	<b>545</b>	<b>(3,885,561)</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	-	-	15,800
Transfers in	-	11,518	15,623,596
Transfers out	-	-	(12,206,786)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>11,518</b>	<b>3,432,610</b>
<b>Net change in fund balance</b>	<b>(5,817)</b>	<b>12,063</b>	<b>(452,951)</b>
<b>Fund Balance - beginning</b>	<b>103,849</b>	<b>10,221</b>	<b>29,897,925</b>
<b>Fund Balance - ending</b>	<b>\$ 98,032</b>	<b>\$ 22,284</b>	<b>\$ 29,444,974</b>

**Walton County, Florida**  
**Mosquito Control Grant Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 33,403	\$ 78,001	\$ 29,203	\$ (48,798)
Investment earnings	-	-	152	152
<b>Total revenues</b>	<b>33,403</b>	<b>78,001</b>	<b>29,355</b>	<b>(48,646)</b>
<b>Expenditures</b>				
Current				
Human services				
Mosquito control	33,403	78,001	45,155	32,846
<b>Excess Revenues Under Expenditures</b>	-	-	(15,800)	(15,800)
<b>Other Financing Sources</b>				
Proceeds from sale of equipment	-	-	15,800	15,800
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**Walton County, Florida**  
**Housing and Urban Development Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 2,291,632	\$ 2,527,972	\$ 2,135,180	\$ (392,792)
Investment earnings	-	-	1,114	1,114
<b>Total revenues</b>	<b>2,291,632</b>	<b>2,527,972</b>	<b>2,136,294</b>	<b>(391,678)</b>
<b>Expenditures</b>				
Current				
Economic environment				
Housing Assistance	2,291,632	2,527,972	2,158,646	369,326
<b>Excess Revenues Under Expenditures</b>	<b>-</b>	<b>-</b>	<b>(22,352)</b>	<b>(22,352)</b>
<b>Fund Balance - beginning</b>	<b>173,421</b>	<b>173,421</b>	<b>173,421</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 173,421</b>	<b>\$ 173,421</b>	<b>\$ 151,069</b>	<b>\$ (22,352)</b>

**Walton County, Florida**  
**SHIP Grant Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 350,000	\$ 334,996	\$ (15,004)
Investment earnings	-	-	3,394	3,394
<hr/>				
Total revenues	-	350,000	338,390	(11,610)
<b>Expenditures</b>				
Current				
Economic environment				
SHIP Program	-	768,140	331,390	436,750
<hr/>				
<b>Excess Revenues Over (Under)</b>				
<b>Expenditures</b>	-	(418,140)	7,000	425,140
<b>Other Financing Uses</b>				
Transfers out	-	(7,000)	(7,000)	-
<hr/>				
Net change in Fund Balance	-	(425,140)	-	425,140
<hr/>				
<b>Fund Balance - beginning</b>	-	-	-	-
<hr/>				
<b>Fund Balance - ending</b>	\$ -	\$ (425,140)	\$ -	\$ 425,140

**NOTE:** Deficit to appropriate unearned revenue at October 1, 2018.

**Walton County, Florida**  
**North Walton Mosquito Control District Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 551,464	\$ 551,464	\$ 534,659	\$ (16,805)
Intergovernmental	-	-	801	801
Charges for services	10,800	10,800	10,800	-
Investment earnings	5,048	5,047	15,832	10,785
<b>Total revenues</b>	<b>567,312</b>	<b>567,311</b>	<b>562,092</b>	<b>(5,219)</b>
<b>Expenditures</b>				
Current				
Human services				
Mosquito control district	636,949	766,652	541,846	224,806
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(69,637)</b>	<b>(199,341)</b>	<b>20,246</b>	<b>219,587</b>
<b>Fund Balance - beginning</b>	<b>414,774</b>	<b>414,774</b>	<b>414,774</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 345,137</b>	<b>\$ 215,433</b>	<b>\$ 435,020</b>	<b>\$ 219,587</b>

**Walton County, Florida**  
**Building Department Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Licenses and permits	\$ 1,582,891	\$ 1,663,154	\$ 3,208,375	\$ 1,545,221
Charges for services	50,000	50,000	166,723	116,723
Investment earnings	-	-	261,835	261,835
Miscellaneous	-	-	77,047	77,047
<b>Total revenues</b>	<b>1,632,891</b>	<b>1,713,154</b>	<b>3,713,980</b>	<b>2,000,826</b>
<b>Expenditures</b>				
Current				
Planning and inspections	1,632,891	1,860,900	1,485,298	375,602
<b>Excess Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>(147,746)</b>	<b>2,228,682</b>	<b>2,376,428</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(8,649,786)	(8,649,786)	-
<b>Net change in fund balance</b>	<b>-</b>	<b>(8,797,532)</b>	<b>(6,421,104)</b>	<b>2,376,428</b>
<b>Fund Balance - beginning</b>	<b>8,797,532</b>	<b>8,797,532</b>	<b>8,797,532</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 8,797,532</b>	<b>\$ -</b>	<b>\$ 2,376,428</b>	<b>\$ 2,376,428</b>

**Walton County, Florida**  
**Recreation Plat Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 22,658	\$ 22,658
Miscellaneous	100,000	100,000	881,003	781,003
<b>Total revenues</b>	<b>100,000</b>	<b>100,000</b>	<b>903,661</b>	<b>803,661</b>
<b>Expenditures</b>				
Current				
Cultural/recreation				
Parks department	100,000	1,536,310	1,240,277	296,033
<b>Excess Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>(1,436,310)</b>	<b>(336,616)</b>	<b>1,099,694</b>
<b>Fund Balance - beginning</b>	<b>1,436,310</b>	<b>1,436,310</b>	<b>1,436,310</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 1,436,310</b>	<b>\$ -</b>	<b>\$ 1,099,694</b>	<b>\$ 1,099,694</b>

**Walton County, Florida**  
**Daughette MSBU Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 45,500	\$ 45,500	\$ 44,103	\$ (1,397)
Investment earnings	-	-	1,671	1,671
Miscellaneous	-	-	320	320
<b>Total revenues</b>	<b>45,500</b>	<b>45,500</b>	<b>46,094</b>	<b>594</b>
<b>Expenditures</b>				
Current				
Physical environment				
Daughette MSBU	41,860	41,860	21,921	19,939
<b>Excess Revenues Over Expenditures</b>	<b>3,640</b>	<b>3,640</b>	<b>24,173</b>	<b>20,533</b>
<b>Fund Balance - beginning</b>	<b>33,101</b>	<b>33,101</b>	<b>33,101</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 36,741</b>	<b>\$ 36,741</b>	<b>\$ 57,274</b>	<b>\$ 20,533</b>

**Walton County, Florida**  
**Court Technology Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 252,350	\$ 252,350	\$ 263,851	\$ 11,501
<b>Expenditures</b>				
Current				
General Government				
Court Technology	333,782	333,782	250,632	83,150
<b>Excess Revenues Over (Under) Expenditures</b>	(81,432)	(81,432)	13,219	94,651
<b>Fund Balance - beginning</b>	773,433	773,433	773,433	-
<b>Fund Balance - ending</b>	\$ 692,001	\$ 692,001	\$ 786,652	\$ 94,651

**Walton County, Florida**  
**Record Modernization Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Charges for services	\$ 81,000	\$ 81,000	\$ 86,635	\$ 5,635
<b>Expenditures</b>				
Current				
General Government				
Court Technology	81,000	81,000	47,377	33,623
<b>Excess Revenues Over Expenditures</b>				
	-	-	39,258	39,258
<b>Fund Balance - beginning</b>	211,239	211,239	211,239	-
<b>Fund Balance - ending</b>	\$ 211,239	\$ 211,239	\$ 250,497	\$ 39,258



**Walton County, Florida**  
**Local Option Gas Tax Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 3,200,000	\$ 3,200,000	\$ 3,529,932	\$ 329,932
Investment earnings	-	-	11,809	11,809
<b>Total revenues</b>	<b>3,200,000</b>	<b>3,200,000</b>	<b>3,541,741</b>	<b>341,741</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(3,200,000)	(3,200,000)	(3,200,000)	-
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>341,741</b>	<b>341,741</b>
<b>Fund Balance - beginning</b>	<b>740,893</b>	<b>740,893</b>	<b>740,893</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 740,893</b>	<b>\$ 740,893</b>	<b>\$ 1,082,634</b>	<b>\$ 341,741</b>

**Walton County, Florida**  
**Preservation Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 284,285	\$ 21,591	\$ (262,694)
Investment earnings	-	68,758	101,810	33,052
Miscellaneous	-	-	65,167	65,167
<b>Total revenues</b>	<b>-</b>	<b>353,043</b>	<b>188,568</b>	<b>(164,475)</b>
<b>Expenditures</b>				
Current				
General government				
Sidewalk	-	1,376,610	191,246	1,185,364
<b>Excess Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>(1,023,567)</b>	<b>(2,678)</b>	<b>1,020,889</b>
<b>Fund Balance - beginning</b>	<b>3,940,170</b>	<b>3,940,170</b>	<b>3,940,170</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 3,940,170</b>	<b>\$ 2,916,603</b>	<b>\$ 3,937,492</b>	<b>\$ 1,020,889</b>

**Walton County, Florida**  
**Sidewalk Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 7,961	\$ 7,961
Miscellaneous	30,000	30,000	6,471	(23,529)
<b>Total revenues</b>	<b>30,000</b>	<b>30,000</b>	<b>14,432</b>	<b>(15,568)</b>
<b>Expenditures</b>				
Current				
General government				
Sidewalk	30,000	30,000	-	30,000
<b>Excess Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>14,432</b>	<b>14,432</b>
<b>Fund Balance - beginning</b>	<b>226,478</b>	<b>226,478</b>	<b>226,478</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 226,478</b>	<b>\$ 226,478</b>	<b>\$ 240,910</b>	<b>\$ 14,432</b>

**Walton County, Florida**  
**E-911 Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 350,000	\$ 1,662,628	\$ 1,392,512	\$ (270,116)
Investment earnings	-	-	1,845	1,845
<b>Total revenues</b>	<b>350,000</b>	<b>1,662,628</b>	<b>1,394,357</b>	<b>(268,271)</b>
<b>Expenditures</b>				
Current				
Public safety				
E-911 Services	-	1,312,628	1,024,533	288,095
<b>Excess Revenue Over Expenditures</b>	<b>350,000</b>	<b>350,000</b>	<b>369,824</b>	<b>19,824</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(350,000)	(350,000)	(350,000)	-
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>19,824</b>	<b>19,824</b>
<b>Fund Balance - beginning</b>	<b>29,759</b>	<b>29,759</b>	<b>29,759</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 29,759</b>	<b>\$ 29,759</b>	<b>\$ 49,583</b>	<b>\$ 19,824</b>

**Walton County, Florida**  
**Crime Prevention Trust Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 28,486	\$ (6,514)
Investment earnings	-	-	4,738	4,738
Miscellaneous	-	-	24,179	24,179
<b>Total revenues</b>	<b>35,000</b>	<b>35,000</b>	<b>57,403</b>	<b>22,403</b>
<b>Expenditures</b>				
Current				
Public safety				
Sheriff department	35,000	35,000	34,338	662
<b>Excess Revenue Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>23,065</b>	<b>23,065</b>
<b>Fund Balance - beginning</b>	<b>240,055</b>	<b>240,055</b>	<b>240,055</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 240,055</b>	<b>\$ 240,055</b>	<b>\$ 263,120</b>	<b>\$ 23,065</b>

**Walton County, Florida**  
**Title IV - D Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 120,024	\$ 120,024	\$ 309,178	\$ 189,154
<b>Expenditures</b>				
Current				
General Government				
Child Support	120,024	200,484	195,640	4,844
<b>Excess Revenues Over (Under) Expenditures</b>	-	(80,460)	113,538	193,998
<b>Fund Balance - beginning</b>	279,197	279,197	279,197	-
<b>Fund Balance - ending</b>	\$ 279,197	\$ 198,737	\$ 392,735	\$ 193,998

**Walton County, Florida**  
**Clerk's Fine & Forfeiture Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 58,486	\$ 164,295	\$ 230,181	\$ 65,886
Charges for services	1,074,533	970,709	920,568	(50,141)
Fines and forfeitures	435,750	435,750	484,809	49,059
Investment earnings	2,200	2,200	6,203	4,003
<b>Total revenues</b>	<b>1,570,969</b>	<b>1,572,954</b>	<b>1,641,761</b>	<b>68,807</b>
<b>Expenditures</b>				
Current				
General Government				
Clerk of Court	1,570,969	1,572,954	1,641,761	(68,807)
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	-	-
<b>Fund Balance - beginning</b>	-	-	-	-
<b>Fund Balance - ending</b>	\$ -	\$ -	\$ -	\$ -

**Walton County, Florida**  
**MSBU Various Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 9,516	\$ 9,516	\$ 4,418	\$ (5,098)
Investment earnings	-	2,050	820	(1,230)
Miscellaneous	-	-	32	32
<b>Total revenues</b>	<b>9,516</b>	<b>11,566</b>	<b>5,270</b>	<b>(6,296)</b>
<b>Expenditures</b>				
Current				
Physical environment				
MSBU various	9,040	11,090	11,087	3
<b>Excess Revenues Over (Under)</b>				
<b>Expenditures</b>	476	476	(5,817)	(6,293)
<b>Fund Balance - beginning</b>	<b>32,620</b>	<b>32,620</b>	<b>32,620</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 33,096</b>	<b>\$ 33,096</b>	<b>\$ 26,803</b>	<b>\$ (6,293)</b>



**Walton County, Florida**  
**Highway 331 Bridge Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 26,580	\$ 26,580
<b>Expenditures</b>				
Current				
Capital projects	-	1,450,217	1,379,549	70,668
Total expenditures	-	1,450,217	1,379,549	70,668
<b>Excess Revenues Over (Under) Expenditures</b>	-	(1,450,217)	(1,352,969)	97,248
<b>Fund Balance - beginning</b>	1,450,217	1,450,217	1,450,217	-
<b>Fund Balance - ending</b>	\$ 1,450,217	\$ -	\$ 97,248	\$ 97,248

**Walton County, Florida**  
**Tax Increment Financing 30A Project Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 164,966	\$ 164,966
<b>Expenditures</b>				
Current				
General	4,071,398	1,057,621	141,869	915,752
Transportation	-	7,499,942	3,562,014	3,937,928
Total expenditures	4,071,398	8,557,563	3,703,883	4,853,680
<b>Excess Revenues Over (Under) Expenditures</b>	(4,071,398)	(8,557,563)	(3,538,917)	5,018,646
<b>Other Financing Sources</b>				
Transfers in	4,071,398	4,071,398	4,071,398	-
Net change in fund balance	-	(4,486,165)	532,481	5,018,646
<b>Fund Balance - beginning</b>	4,507,228	4,507,228	4,507,228	-
<b>Fund Balance - ending</b>	\$ 4,507,228	\$ 21,063	\$ 5,039,709	\$ 5,018,646

**Walton County, Florida**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 6	\$ 6
Investment earnings	-	-	130,256	130,256
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>130,262</b>	<b>130,262</b>
<b>Expenditures</b>				
Culture/recreation	-	200,748	146,070	54,678
Capital projects	600,000	12,211,648	2,395,423	9,816,225
Debt service:				
Principal	1,463,164	1,463,164	1,511,976	(48,812)
Interest	827,730	827,730	820,354	7,376
<b>Total expenditures</b>	<b>2,890,894</b>	<b>14,703,290</b>	<b>4,873,823</b>	<b>9,829,467</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(2,890,894)</b>	<b>(14,703,290)</b>	<b>(4,743,561)</b>	<b>9,959,729</b>
<b>Other Financing Sources</b>				
Transfers in	2,890,894	11,540,680	11,540,680	-
<b>Net change in fund balance</b>	<b>-</b>	<b>(3,162,610)</b>	<b>6,797,119</b>	<b>9,959,729</b>
<b>Fund Balance - beginning</b>	<b>4,536,499</b>	<b>4,536,499</b>	<b>4,536,499</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 4,536,499</b>	<b>\$ 1,373,889</b>	<b>\$ 11,333,618</b>	<b>\$ 9,959,729</b>

**Walton County, Florida**  
**Mossy Head Industrial Park Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 12,840	\$ 12,840
<b>Expenditures</b>				
General government	-	9,467	438	9,029
Physical environment	-	509,468	281,383	228,085
Capital projects	-	-	176	(176)
Total expenses	-	518,935	281,997	236,938
<b>Excess Revenues Over (Under) Expenditures</b>	-	(518,935)	(269,157)	249,778
<b>Other Financing Sources</b>				
Proceeds from sale of equipment	-	-	-	-
Net change in fund balance	-	(518,935)	(269,157)	249,778
<b>Fund Balance - beginning</b>	623,536	623,536	623,536	-
<b>Fund Balance - ending</b>	\$ 623,536	\$ 104,601	\$ 354,379	\$ 249,778

**Walton County, Florida**  
**Infrastructure Improvements Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 43	\$ 43
Investment earnings	-	-	2,663	2,663
<b>Total revenues</b>	-	-	2,706	2,706
<b>Expenditures</b>				
General government	-	14,839	-	14,839
Transportation	-	142,390	8,249	134,141
Capital projects	-	-	274	(274)
<b>Total expenses</b>	-	157,229	8,523	148,706
<b>Excess Revenues Over (Under) Expenditures</b>	-	(157,229)	(5,817)	151,412
<b>Fund Balance - beginning</b>	103,849	103,849	103,849	-
<b>Fund Balance - ending</b>	\$ 103,849	\$ (53,380)	\$ 98,032	\$ 151,412

**Walton County, Florida**  
**Tax Increment Financing US Hwy. 331 Capital Projects Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 545	\$ 545
<b>Expenditures</b>				
Capital projects	11,518	20,926	-	20,926
<b>Excess Revenues Over (Under) Expenditures</b>	(11,518)	(20,926)	545	21,471
<b>Other Financing Sources</b>				
Transfers in	11,518	11,518	11,518	-
Net change in fund balance	-	(9,408)	12,063	21,471
<b>Fund Balance - beginning</b>	10,221	10,221	10,221	-
<b>Fund Balance - ending</b>	\$ 10,221	\$ 813	\$ 22,284	\$ 21,471

**FIDUCIARY FUNDS**

**ALL AGENCY FUNDS**

**Tax Collector**

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

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

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

**Clerk of the Circuit Court**

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

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

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

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

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

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

**Sheriff**

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

**Individual Depositors** – To account for prepayment of the Sheriff's fees for serving legal documents.

**Animal Control** – To account for the collection and disbursement of animal control funds.

**Walton County, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**September 30, 2019**

	Tax Collector			
	Licenses	Tags	Property Tax	General Agency
<b>Assets</b>				
Cash	\$ 5,306	\$ 374,261	\$ 1,001,638	\$ 1,010,493
Receivables, net	-	-	-	2,279
Total assets	\$ 5,306	\$ 374,261	\$ 1,001,638	\$ 1,012,772
<b>Liabilities</b>				
Due to other governments	\$ 5,306	\$ 374,261	\$ 74,863	\$ 5,160
Accounts payable	-	-	-	-
Deposits	-	-	926,775	1,004,171
Due to individuals	-	-	-	3,441
Total liabilities	\$ 5,306	\$ 374,261	\$ 1,001,638	\$ 1,012,772



**Clerk of the Circuit Court**

<b>Witness</b>	<b>Registry of the Court</b>	<b>Child Support</b>	<b>Appearance Bonds</b>	<b>Tax Redemption</b>
\$ 14,888	\$ 736,473	\$ 209	\$ 243,715	\$ 724,896
-	-	-	-	-
<b>\$ 14,888</b>	<b>\$ 736,473</b>	<b>\$ 209</b>	<b>\$ 243,715</b>	<b>\$ 724,896</b>
\$ 14,888	-	\$ 209	\$ 8,612	\$ 1,616
-	-	-	-	-
-	736,473	-	-	-
-	-	-	235,103	723,280
<b>\$ 14,888</b>	<b>\$ 736,473</b>	<b>\$ 209</b>	<b>\$ 243,715</b>	<b>\$ 724,896</b>

-Continued-

**Walton County, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds - Continued**  
**September 30, 2019**

	<b>Sheriff</b>				
	<b>Suspense</b>	<b>Individual Depositors</b>	<b>Animal Control</b>		<b>Total</b>
<b>Assets</b>					
Cash	\$ 25,008	\$ 171,356	\$ 5,281	\$	4,313,524
Receivables, net	-	-	-		2,279
<hr/>					
Total assets	\$ 25,008	\$ 171,356	\$ 5,281	\$	4,315,803
<hr/>					
<b>Liabilities</b>					
Due to other governments	\$ -	\$ 171,312	\$ 168	\$	656,395
Accounts payable	362	-	5,113		5,475
Deposits	-	-	-		2,667,419
Due to individuals	24,646	44	-		986,514
<hr/>					
Total liabilities	\$ 25,008	\$ 171,356	\$ 5,281	\$	4,315,803
<hr/>					

**Walton County, Florida**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended September 30, 2019**

	Balance 10/1/18	Additions	Deductions	Balance 9/30/19
<b><u>Tax Collector</u></b>				
<b>Licenses</b>				
<b>Assets</b>				
Cash	\$ 1,708	\$ 128,986	\$ 125,388	\$ 5,306
<b>Liabilities</b>				
Due to other governments	\$ 1,708	\$ 135,610	\$ 132,012	\$ 5,306
<b>Tags</b>				
<b>Assets</b>				
Cash	\$ 267,200	\$ 11,521,079	\$ 11,414,018	\$ 374,261
<b>Liabilities</b>				
Due to other governments	\$ 267,200	\$ 12,227,645	\$ 12,120,584	\$ 374,261
<b>Property Tax</b>				
<b>Assets</b>				
Cash	\$ 793,102	\$ 197,075,168	\$ 196,866,632	\$ 1,001,638
<b>Liabilities</b>				
Due to other governments	\$ 36,117	\$ 201,228,784	\$ 201,190,038	\$ 74,863
Deposits	756,985	6,624,014	6,454,224	926,775
Total liabilities	\$ 793,102	\$ 207,852,798	\$ 207,644,262	\$ 1,001,638
<b><u>Clerk of the Circuit Court</u></b>				
<b>General Agency</b>				
<b>Assets</b>				
Cash	\$ 2,534,151	\$ 35,850,967	\$ 37,374,625	\$ 1,010,493
Receivables, net	1,928	45,213	44,862	2,279
Total assets	\$ 2,536,079	\$ 35,896,180	\$ 37,419,487	\$ 1,012,772
<b>Liabilities</b>				
Due to other governments	\$ 1,059,894	\$ 34,993,707	\$ 36,048,441	\$ 5,160
Due to other funds	46,514	-	46,514	-
Deposits	1,428,100	773,809	1,197,738	1,004,171
Due to individuals	1,571	128,664	126,794	3,441
Total liabilities	\$ 2,536,079	\$ 35,896,180	\$ 37,419,487	\$ 1,012,772

-Continued-

**Walton County, Florida**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds - Continued**  
**For the Year Ended September 30, 2019**

	Balance 10/1/18	Additions	Deductions	Balance 9/30/19
<b>Witness</b>				
<b>Assets</b>				
Cash	\$ 16,376	\$ -	\$ 1,488	\$ 14,888
<b>Liabilities</b>				
Due to other governments	\$ 16,376	\$ -	\$ 1,488	\$ 14,888
<b>Registry of the Court</b>				
<b>Assets</b>				
Cash	\$ 1,797,839	\$ 2,907,008	\$ 3,968,374	\$ 736,473
<b>Liabilities</b>				
Due to other governments	\$ 73,164	\$ -	\$ 73,164	\$ -
Deposits	1,723,493	2,907,008	3,894,028	736,473
Due to individuals	1,182	-	1,182	-
Total liabilities	\$ 1,797,839	\$ 2,907,008	\$ 3,968,374	\$ 736,473
<b>Child Support</b>				
<b>Assets</b>				
Cash	\$ -	\$ 472,226	\$ 472,017	\$ 209
Receivables, net	625	-	625	-
Total assets	\$ 625	\$ 472,226	\$ 472,642	\$ 209
<b>Liabilities</b>				
Due to other governments	\$ 625	\$ 472,226	\$ 472,642	\$ 209
<b>Appearance Bonds</b>				
<b>Assets</b>				
Cash	\$ 212,737	\$ 511,989	\$ 481,011	\$ 243,715
<b>Liabilities</b>				
Due to other governments	\$ 3,466	\$ 7,795	\$ 2,649	\$ 8,612
Due to individuals	209,271	504,194	478,362	235,103
Total liabilities	\$ 212,737	\$ 511,989	\$ 481,011	\$ 243,715
<b>Tax Redemption</b>				
<b>Assets</b>				
Cash	\$ 881,600	\$ 397,352	\$ 554,056	\$ 724,896
<b>Liabilities</b>				
Due to other governments	\$ 1,803	\$ 14,441	\$ 14,628	\$ 1,616
Due to individuals	879,797	382,911	539,428	723,280
Total liabilities	\$ 881,600	\$ 397,352	\$ 554,056	\$ 724,896

-Continued-

**Walton County, Florida**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds - Continued**  
**For the Year Ended September 30, 2019**

**Sheriff**

**Suspense**

<b>Assets</b>					
Cash	\$	24,261	\$	2,833	\$ 2,086 \$ 25,008
<b>Liabilities</b>					
Accounts payable	\$	79	\$	2,115	\$ 1,832 \$ 362
Due to individuals		24,182		4,698	4,234 24,646
<b>Total liabilities</b>	<b>\$</b>	<b>24,261</b>	<b>\$</b>	<b>6,813</b>	<b>\$ 6,066 \$ 25,008</b>

**Individual Depositors**

<b>Assets</b>					
Cash	\$	159,502	\$	1,823,074	\$ 1,811,220 \$ 171,356
Interfund receivable		27		2,938	2,965 -
<b>Total assets</b>	<b>\$</b>	<b>159,529</b>	<b>\$</b>	<b>1,826,012</b>	<b>\$ 1,814,185 \$ 171,356</b>
<b>Liabilities</b>					
Due to individuals	\$	-	\$	7,044	\$ 7,000 \$ 44
Due to other governments		159,529		1,966,280	1,954,497 171,312
<b>Total liabilities</b>	<b>\$</b>	<b>159,529</b>	<b>\$</b>	<b>1,973,324</b>	<b>\$ 1,961,497 \$ 171,356</b>

**Animal Control**

<b>Assets</b>					
Cash	\$	-	\$	28,882	\$ 23,601 \$ 5,281
Interfund receivable		-		8,269	8,269 -
<b>Total assets</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>37,151</b>	<b>\$ 31,870 \$ 5,281</b>
<b>Liabilities</b>					
Due to other governments	\$	-	\$	168	\$ - \$ 168
Accounts payable		-		23,053	17,940 5,113
<b>Total liabilities</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>23,221</b>	<b>\$ 17,940 \$ 5,281</b>

-Continued-

**Walton County, Florida**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds - Continued**  
**For the Year Ended September 30, 2019**

<b>Total All Agency Funds</b>	<b>Balance 10/1/18</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 9/30/19</b>
<b>Assets</b>				
Cash	\$ 6,688,476	\$ 250,719,564	\$ 253,094,516	\$ 4,313,524
Receivables, net	2,553	45,213	45,487	2,279
<b>Total assets</b>	<b>\$ 6,691,029</b>	<b>\$ 250,764,777</b>	<b>\$ 253,140,003</b>	<b>\$ 4,315,803</b>
<b>Liabilities</b>				
Due to other governments	\$ 1,619,257	\$ 251,046,656	\$ 252,009,518	\$ 656,395
Accounts payable	79	25,168	19,772	5,475
Due to other funds	46,514	-	46,514	-
Deposits	3,908,578	10,304,831	11,545,990	2,667,419
Due to individuals	1,116,003	1,027,511	1,157,000	986,514
<b>Total liabilities</b>	<b>\$ 6,690,431</b>	<b>\$ 262,404,166</b>	<b>\$ 264,778,794</b>	<b>\$ 4,315,803</b>

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

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

**Walton County, Florida**  
**Capital Assets Used in the Operations of Governmental Funds**  
**Schedule by Source**  
**September 30, 2019**

**Governmental Funds Capital Assets:**

Land	\$ 97,426,728
Buildings	82,486,201
Improvements other than buildings	46,090,226
Machinery and equipment	74,128,677
Infrastructure	170,157,483
Construction in progress	19,509,785
<hr/>	
Total governmental funds capital assets	\$ 489,799,100
<hr/>	

**Investment in Governmental Funds Capital Assets by Source:**

General Fund	\$ 57,681,377
Special Revenue Fund	335,603,558
Capital Projects Fund	70,938,833
Grants	25,575,332
<hr/>	
Total governmental funds capital assets	\$ 489,799,100
<hr/>	



**Walton County, Florida**  
**Capital Assets Used in the Operations of Governmental Funds**  
**Schedule by Function and Activity**  
**For the Year Ended September 30, 2019**

Function and Activity	Land	Buildings	Improvements Other Than Buildings
<b>General Government:</b>			
Finance and administration	\$ 463,071	\$ 7,856,338	\$ -
Comprehensive planning	-	-	-
Judicial	166,696	25,757,051	82,804
Other general government	8,683,699	3,781,713	2,670,325
Total general government	9,313,466	37,395,102	2,753,129
<b>Public Safety:</b>			
Law enforcement	1,163,746	27,318,988	6,497,866
Ambulance service	-	-	-
Civil defense	-	1,368,037	183,750
Building inspection	-	432,280	-
Emergency 911	-	130,194	-
Animal control	-	2,092,770	-
Fire	1,278,750	1,792,639	42,316
Total public safety	2,442,496	33,134,908	6,723,932
<b>Physical Environment</b>	1,044,101	5,482,674	160,333
<b>Transportation</b>	2,297,876	988,107	6,098,211
<b>Economic Environment:</b>			
Housing authority	-	-	-
Tourist development	18,271,204	2,066,419	9,802,168
Farmers market	71,693	37,196	-
Total economic environment	18,342,897	2,103,615	9,802,168
<b>Human Services:</b>			
Health	-	1,379,720	214,748
Veterans	-	-	-
Total human services	-	1,379,720	214,748
<b>Culture and Recreation:</b>			
Beach access	36,948,500	-	2,175,411
Parks and recreation	26,769,188	346,296	18,162,294
Library	268,204	1,655,779	-
Total culture and recreation	63,985,892	2,002,075	20,337,705
Total governmental funds capital assets	\$ 97,426,728	\$ 82,486,201	\$ 46,090,226

<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Construction In Progress</b>	<b>Total</b>
\$ 305,059	\$ -	\$ -	\$ 8,624,468
147,927	-	-	147,927
2,146,277	-	-	28,152,828
2,317,995	535,225	-	17,988,957
4,917,258	535,225	-	54,914,180
24,361,657	-	-	59,342,257
8,631,025	-	-	8,631,025
172,703	170,298	-	1,894,788
162,337	-	-	594,617
73,448	-	-	203,642
89,146	-	-	2,181,916
259,999	-	-	3,373,704
33,750,315	170,298	-	76,221,949
5,298,605	697,094	352,636	13,035,443
26,770,299	165,775,864	15,990,113	217,920,470
19,464	-	-	19,464
2,069,242	2,955,002	3,080,683	38,244,718
-	-	-	108,889
2,088,706	2,955,002	3,080,683	38,373,071
336,434	-	-	1,930,902
6,995	-	-	6,995
343,429	-	-	1,937,897
-	-	-	39,123,911
755,448	24,000	86,353	46,143,579
204,617	-	-	2,128,600
960,065	24,000	86,353	87,396,090
\$ 74,128,677	\$ 170,157,483	\$ 19,509,785	\$ 489,799,100

**Walton County, Florida**  
**Capital Assets Used in the Operations of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**For the Year Ended September 30, 2019**

Function and Activity	Capital Assets 10/01/18	Additions
<b>General Government:</b>		
Finance and administration	\$ 8,601,211	\$ 23,257
Comprehensive planning	156,457	-
Judicial	28,165,108	92,395
Other general government	11,448,236	7,344,084
Total general government	48,371,012	7,459,736
<b>Public Safety:</b>		
Law enforcement	55,825,671	4,691,388
Ambulance service	6,175,300	2,525,630
Civil defense	1,864,878	34,975
Building inspection	629,517	-
Emergency 911	203,642	-
Animal control	2,181,916	-
Fire	3,373,704	-
Total public safety	70,254,628	7,251,993
<b>Physical Environment</b>	8,764,950	6,156,733
<b>Transportation</b>	207,491,448	12,893,255
<b>Economic Environment:</b>		
Housing authority	19,464	-
Tourist development	35,537,748	2,866,063
Farmers market	108,889	-
Total economic environment	35,666,101	2,866,063
<b>Human Services:</b>		
Health	1,752,447	223,403
Veterans	6,995	-
Total human services	1,759,442	223,403
<b>Culture and Recreation:</b>		
Beach access	33,461,188	5,662,723
Parks and recreation	41,667,669	4,520,779
Library	2,128,600	-
Total culture and recreation	77,257,457	10,183,502
Total governmental funds capital assets	\$ 449,565,038	\$ 47,034,685

Deductions	Transfers	Capital Assets 9/30/19
\$ -	\$ -	\$ 8,624,468
8,530	-	147,927
104,675	-	28,152,828
803,363	-	17,988,957
916,568	-	54,914,180
1,174,802	-	59,342,257
69,905	-	8,631,025
5,065	-	1,894,788
34,900	-	594,617
-	-	203,642
-	-	2,181,916
-	-	3,373,704
1,284,672	-	76,221,949
1,886,240	-	13,035,443
2,464,233	-	217,920,470
-	-	19,464
159,093	-	38,244,718
-	-	108,889
159,093	-	38,373,071
44,948	-	1,930,902
-	-	6,995
44,948	-	1,937,897
-	-	39,123,911
44,869	-	46,143,579
-	-	2,128,600
44,869	-	87,396,090
\$ 6,800,623	\$ -	\$ 489,799,100

## **STATISTICAL SECTION**

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

## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**Walton County, Florida**  
**Government-Wide Expenses and Revenues**  
**(Accrual Basis of Accounting)**  
**September 30, 2019**

	2019	2018	2017	2016
<b>Government-Wide Expenses by Function</b>				
General government	\$29,618,838	\$ 27,081,341	\$ 33,365,289	\$ 25,692,294
Public safety	67,532,988	55,294,616	53,085,811	46,892,084
Physical environment	12,783,855	11,458,965	12,379,377	9,916,761
Transportation	27,376,243	26,914,820	21,438,931	21,217,707
Economic environment	21,108,011	17,862,455	12,781,381	17,123,638
Human services	2,508,656	2,408,915	2,088,995	2,283,853
Culture/recreation	3,000,774	2,107,503	4,034,242	1,504,076
Debt services	873,700	825,119	774,434	869,730
Total government-wide expense by function	\$ 164,803,065	\$ 143,953,734	\$ 139,948,460	\$ 125,500,143
<b>Government-Wide Revenues</b>				
Program revenues				
Charges for services	\$ 18,131,725	\$ 16,359,145	\$ 13,734,896	\$ 12,818,417
Operating grants and contributions	6,985,897	4,501,975	4,905,961	4,958,896
Capital grants and contributions	3,853,435	6,111,741	9,125,493	4,576,423
General revenues				
Taxes				
Property taxes	66,731,083	60,600,283	55,078,685	49,609,053
Gasoline taxes	7,004,726	6,422,671	6,145,598	5,918,651
Sales taxes	37,158,087	33,670,146	31,403,705	32,072,589
Tourist development bed tax	27,701,336	25,726,361	23,524,494	21,758,228
Other taxes	276,964	289,635	286,193	288,454
State revenue sharing	2,454,182	2,281,910	2,119,357	1,984,974
Investment earnings	3,565,286	502,257	593,657	1,129,859
Miscellaneous	9,317,136	5,239,856	7,794,156	8,470,082
Special item	-	-	-	-
Total government-wide revenues	\$ 183,179,857	\$ 161,705,980	\$ 154,712,195	\$ 143,585,626

	2015	2014	2013	2012	2011	2010
\$	25,430,143	\$ 21,492,257	\$ 19,616,228	\$ 20,059,277	\$ 23,572,423	\$ 24,071,057
	39,889,287	37,774,222	38,408,334	35,075,260	35,052,324	34,561,978
	11,190,946	9,566,044	8,415,882	8,531,130	6,679,998	8,287,141
	15,552,252	27,124,508	24,136,571	23,897,299	21,323,130	20,527,838
	15,889,294	14,789,508	13,556,398	14,852,494	17,659,390	16,982,374
	1,874,924	2,226,393	2,129,798	2,002,946	2,030,979	1,824,207
	4,029,171	1,378,960	1,250,844	2,418,242	1,691,665	2,240,925
	1,071,059	1,136,315	2,929,167	1,262,630	1,249,156	1,417,353
	<u>\$ 114,927,076</u>	<u>\$ 115,488,207</u>	<u>\$ 110,443,222</u>	<u>\$ 108,099,278</u>	<u>\$ 109,259,065</u>	<u>\$ 109,912,873</u>
\$	10,471,312	\$ 8,092,365	\$ 5,407,633	\$ 4,510,316	\$ 5,378,020	\$ 4,084,846
	4,349,574	3,877,757	6,205,459	8,244,002	13,611,753	11,035,696
	14,218,252	8,043,617	5,664,441	5,172,864	5,864,008	10,884,151
	44,521,882	39,934,572	38,065,283	38,070,775	40,140,763	46,352,643
	5,167,916	4,511,542	4,258,291	4,255,974	4,186,892	4,723,487
	36,548,311	33,394,983	29,072,535	21,082,466	19,338,378	17,125,782
	20,146,264	19,987,554	18,582,874	16,490,339	13,859,997	10,754,716
	289,111	297,650	330,000	293,476	499,095	563,214
	2,037,312	1,683,966	1,496,532	1,392,992	1,373,364	1,331,013
	595,163	1,256,265	(752,996)	2,540,456	1,505,357	2,831,626
	8,292,648	6,530,799	5,708,946	5,248,102	5,458,304	6,984,229
	7,227,657	10,370,000	50,000,000	(75,000,000)	-	-
	<u>\$ 153,865,402</u>	<u>\$ 137,981,070</u>	<u>\$ 164,038,998</u>	<u>\$ 32,301,762</u>	<u>\$ 111,215,931</u>	<u>\$ 116,671,403</u>



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

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Physical Environment</b>	<b>Transportation</b>	<b>Economic Environment</b>
2010	\$ 22,623,594	\$ 34,534,066	\$ 8,300,610	\$ 21,584,098	\$ 17,077,780
2011	20,400,163	33,202,442	7,663,908	21,929,338	17,752,312
2012	18,645,847	31,434,246	8,056,333	23,359,653	14,204,426
2013	19,400,946	35,063,268	8,911,217	19,423,503	14,068,424
2014	20,816,662	35,959,383	9,451,630	22,730,338	15,479,069
2015	28,051,626	38,739,905	10,666,566	29,429,954	16,484,966
2016	22,483,326	44,314,780	12,275,325	23,878,064	34,281,506
2017	27,191,825	50,526,999	10,986,632	27,842,250	32,645,259
2018	29,087,292	51,896,519	12,583,836	25,419,451	25,696,123
2019	34,973,284	60,853,449	15,740,504	23,998,736	29,573,103

\* Includes all Governmental Fund Types

	<b>Human Services</b>	<b>Culture/ Recreation</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Total (*)</b>
\$	1,819,515	\$ 2,536,322	\$ 901,551	\$ 5,818,588	\$ 115,196,124
	1,961,064	1,236,363	720,454	5,474,116	110,340,160
	1,879,932	1,945,696	3,699,244	6,756,831	109,982,208
	2,018,499	1,432,502	2,896,357	55,854,990	159,069,706
	2,224,329	889,381	361,879	8,584,082	116,496,753
	2,784,291	3,541,894	2,280,287	39,478,813	171,458,302
	2,234,033	1,182,302	1,234,476	2,805,532	144,689,344
	1,998,608	2,906,679	1,905,430	2,952,855	158,956,537
	2,409,611	3,240,258	3,762,969	2,813,289	156,909,348
	2,694,640	5,503,881	3,775,422	3,079,564	180,192,583

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

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Inter-governmental</b>	<b>Charges for Services</b>
2010	\$ 71,330,283	\$ 811,925	\$ 31,529,700	\$ 2,843,038
2011	69,118,565	1,075,390	23,021,752	2,844,143
2012	70,988,064	1,515,539	24,101,048	2,771,045
2013	80,465,499	2,171,620	23,268,876	2,958,491
2014	87,629,743	2,316,764	24,183,633	4,837,396
2015	95,226,101	2,530,020	35,584,050	7,136,458
2016	97,267,784	2,886,510	25,099,737	9,267,053
2017	103,247,809	2,892,531	28,867,271	10,113,664
2018	112,732,328	3,219,599	26,994,452	12,399,911
2019	123,768,397	3,812,551	28,507,600	13,599,020

\* Includes all Governmental Fund Types.

	<b>Fines and Forfeitures</b>	<b>Investment Earnings (Loss)</b>	<b>Miscellaneous</b>	<b>Total*</b>
\$	381,625	\$ 2,831,624	\$ 6,982,664	\$ 116,710,859
	274,872	1,505,357	12,211,933	110,052,012
	237,659	2,540,456	5,248,103	107,401,914
	324,413	(752,996)	6,549,334	114,985,237
	944,323	1,256,265	7,402,882	128,571,006
	653,554	595,162	16,578,493	158,303,838
	641,313	1,129,858	9,604,217	145,896,472
	645,055	593,657	8,967,058	155,327,045
	633,030	502,255	6,024,140	162,505,715
	627,491	3,565,307	10,633,906	184,514,272

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

	2019	2018	2017	2016
<b>Revenues</b>				
Program revenue				
Charges for services				
General government	\$ 6,482,620	\$ 6,093,711	\$ 3,143,151	\$ 2,954,381
Public safety	10,180,708	9,478,276	9,041,994	8,498,997
Physical environment	1,098,704	574,967	1,188,692	1,207,916
Economic environment	206,089	182,118	307,277	115,187
Human services	10,800	10,800	30,800	20,800
Culture/recreation	152,804	19,273	22,982	21,136
Operating grants and contributions	6,985,897	4,501,975	4,905,961	4,958,896
Capital grants and contributions	3,853,435	6,111,741	9,125,493	4,576,423
General revenues				
Property taxes	66,731,083	60,600,283	55,078,685	49,609,053
Other taxes	74,595,295	68,390,723	63,479,346	62,022,896
Other	12,882,422	5,742,113	8,387,814	9,599,941
<b>Total revenues</b>	<b>183,179,857</b>	<b>161,705,980</b>	<b>154,712,195</b>	<b>143,585,626</b>
<b>Expenses</b>				
General government	\$29,618,838	27,081,341	33,365,289	25,692,294
Public safety	67,532,988	55,294,616	53,085,811	46,892,084
Physical environment	12,783,855	11,458,965	12,379,377	9,916,761
Transportation	27,376,243	26,914,820	21,438,931	21,217,707
Economic environment	21,108,011	17,862,455	12,781,381	17,123,638
Human services	2,508,656	2,408,915	2,088,995	2,283,853
Culture and recreation	3,000,774	2,107,503	4,034,242	1,504,076
Interest on long-term debt	873,700	825,119	774,434	869,730
<b>Total expenses</b>	<b>164,803,065</b>	<b>143,953,734</b>	<b>139,948,460</b>	<b>125,500,143</b>
Special item	-	-	-	-
<b>Change in net position</b>	<b>\$ 18,376,792</b>	<b>\$ 17,752,246</b>	<b>\$ 14,763,735</b>	<b>\$ 18,085,483</b>
Prior period adjustment	\$ -	\$ (10,224,000)	\$ (800,864)	\$ (351,613)
<b>Net investment in capital assets</b>	<b>\$ 273,325,808</b>	<b>\$ 247,481,794</b>	<b>\$ 230,298,796</b>	<b>\$ 206,407,365</b>
Restricted for:				
Debt service	97,248	1,450,217	1,601,150	6,177,040
Capital projects	3,768,720	3,256,071	2,795,200	2,530,939
General government	1,407,668	1,266,929	1,379,718	1,733,494
Public safety	5,948,658	5,412,019	3,152,957	2,872,318
Transportation	15,772,202	14,423,434	12,361,190	8,817,128
Economic environment	151,069	173,421	242,916	302,277
Human services	435,020	414,454	408,674	396,423
Unrestricted (deficit)	11,610,275	20,261,537	34,371,029	42,653,123
<b>Total primary government net position</b>	<b>\$ 312,516,668</b>	<b>\$ 294,139,876</b>	<b>\$ 286,611,630</b>	<b>\$ 271,890,107</b>

	2015	2014	2013	2012	2011	2010
\$	3,336,621	\$ 2,869,825	\$ 1,552,308	\$ 1,323,663	\$ 1,300,806	\$ 1,172,156
	6,030,010	4,156,691	3,449,112	2,783,665	2,428,121	1,918,562
	963,849	929,419	244,639	242,074	1,478,482	709,129
	111,103	105,248	164,553	133,895	141,409	253,201
	10,800	10,800	10,800	10,800	10,500	10,500
	18,929	20,382	16,221	16,219	18,702	21,298
	4,349,574	3,877,757	6,205,459	8,244,002	10,941,594	11,035,696
	14,218,252	8,043,617	5,664,441	5,172,864	5,864,008	10,884,151
	44,521,882	39,934,572	38,065,283	38,070,775	40,140,763	46,352,643
	64,188,914	59,875,695	53,740,233	43,515,247	41,927,885	34,498,212
	8,887,811	7,787,064	4,955,949	7,788,558	6,963,661	9,815,855
	146,637,745	127,611,070	114,068,998	107,301,762	111,215,931	116,671,403
	25,430,143	21,492,257	19,616,228	20,059,277	23,572,423	24,071,057
	39,889,287	37,774,222	38,408,334	35,075,260	35,052,324	34,561,978
	11,190,946	9,566,044	8,415,882	8,531,130	6,679,998	8,287,141
	15,552,252	27,124,508	24,136,571	23,897,299	21,323,130	20,527,838
	15,889,294	14,789,508	13,556,398	14,852,494	17,659,390	16,982,374
	1,874,924	2,226,393	2,129,798	2,002,946	2,030,979	1,824,207
	4,029,171	1,378,960	1,250,844	2,418,242	1,691,665	2,240,925
	1,071,059	1,136,315	2,929,167	1,262,630	1,249,156	1,417,353
	114,927,076	115,488,207	110,443,222	108,099,278	109,259,065	109,912,873
	7,227,657	10,370,000	50,000,000	(75,000,000)	-	-
\$	38,938,326	\$ 22,492,863	\$ 53,625,776	\$ (75,797,516)	\$ 1,956,866	\$ 6,758,530
\$	(37,086,830)	\$ -	\$ -	\$ (4,016)	\$ (793,626)	\$ (277,111)
\$	185,573,714	\$ 183,054,531	\$ 184,908,949	\$ 186,263,846	\$ 182,774,876	\$ 182,380,862
	3,531,053	7,957,589	3,912,013	86,274	-	-
	2,044,676	2,058,293	2,110,339	1,310,054	6,270,344	6,559,468
	1,664,480	3,974,323	3,782,011	3,528,147	4,857,020	4,571,618
	2,133,933	2,235,752	1,657,563	1,725,029	2,277,900	2,021,104
	8,646,500	8,594,891	8,256,492	8,153,724	10,569,615	15,387,734
	586,004	1,054,343	1,014,020	1,161,336	1,030,636	1,084,532
	382,269	947,709	883,914	903,173	778,246	715,035
	49,593,608	42,427,310	23,286,577	(26,915,481)	43,458,997	38,134,041
\$	254,156,237	\$ 252,304,741	\$ 229,811,878	\$ 176,216,102	\$ 252,017,634	\$ 250,854,394

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

	2019	2018	2017	2016
<b>General Fund</b>				
Nondisposable	\$ 561,725	\$ 517,245	\$ 1,010,518	\$ 711,723
Restricted	1,014,933	987,732	1,029,015	1,174,581
Assigned	6,504,592	4,172,170	4,963,789	4,854,242
Unassigned	16,404,867	17,691,674	15,671,532	16,610,115
<b>Total general fund</b>	<b>24,486,117</b>	<b>23,368,821</b>	<b>22,674,854</b>	<b>23,350,661</b>
<b>All Other Governmental Funds</b>				
Nondisposable	639,249	610,773	593,107	546,936
Restricted	26,565,652	25,408,813	21,052,929	21,963,698
Committed	41,131,149	44,588,810	38,612,893	42,978,200
Assigned	41,515,320	33,525,597	36,992,622	32,892,709
<b>Total other governmental funds</b>	<b>109,851,370</b>	<b>104,133,993</b>	<b>97,251,551</b>	<b>98,381,543</b>
<b>Total governmental funds</b>	<b>\$ 134,337,487</b>	<b>\$ 127,502,814</b>	<b>\$ 119,926,405</b>	<b>\$ 121,732,204</b>

<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 816,015	\$ 2,982,067	\$ 2,599,162	\$ 2,691,134	\$ 2,861,884	\$ 2,839,561
1,173,500	1,128,160	1,046,541	976,192	2,446,825	2,261,119
4,290,458	3,933,644	2,939,435	5,263,998	5,714,472	6,264,162
15,603,519	12,559,627	11,177,642	11,252,947	11,685,814	14,052,421
21,883,492	20,603,498	17,762,780	20,184,271	22,708,995	25,417,263
493,143	468,455	466,080	477,074	496,924	506,740
17,986,301	23,729,155	18,653,573	14,500,603	21,266,754	25,872,025
35,824,170	30,002,035	21,340,544	12,889,101	10,012,785	7,317,829
43,844,489	31,371,414	24,502,866	28,387,751	24,338,643	20,368,146
98,148,103	85,571,059	64,963,063	56,254,529	56,115,106	54,064,740
\$ 120,031,595	\$ 106,174,557	\$ 82,725,843	\$ 76,438,800	\$ 78,824,101	\$ 79,482,003



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

	2019	2018	2017	2016
<b>Revenues</b>				
Taxes	\$ 123,768,397	\$ 112,732,328	\$ 103,247,809	\$ 97,267,784
Licenses and permits	3,812,551	3,219,599	2,892,531	2,886,510
Intergovernmental	28,507,600	26,994,452	29,405,601	25,099,737
Charges for services	13,599,020	12,399,911	10,113,664	9,267,053
Fines and forfeitures	627,491	633,030	645,055	641,313
Interest	3,565,307	502,255	593,657	1,129,858
Miscellaneous	10,633,906	6,024,140	9,171,722	9,604,217
<b>Total revenues</b>	<b>184,514,272</b>	<b>162,505,715</b>	<b>156,070,039</b>	<b>145,896,472</b>
<b>Expenditures</b>				
Current				
General government	34,973,284	29,087,292	27,191,825	22,483,326
Public safety	60,853,449	51,896,519	50,526,999	44,314,780
Physical environment	15,740,504	12,583,836	10,986,632	12,275,325
Transportation	23,998,736	25,419,451	27,842,250	23,878,064
Economic environment	29,573,103	25,696,123	32,645,259	34,281,506
Human services	2,694,640	2,409,611	1,998,608	2,234,033
Culture/recreation	5,503,881	3,240,258	2,906,679	1,182,302
Capital projects	3,775,422	3,762,969	1,905,430	1,234,476
Debt service				
Principal	2,193,306	1,976,019	2,145,875	1,951,754
Interest	886,258	837,270	806,980	853,778
<b>Total expenditures</b>	<b>180,192,583</b>	<b>156,909,348</b>	<b>158,956,537</b>	<b>144,689,344</b>
<b>Excess Revenue Over (Under)</b>				
<b>Expenditures</b>	4,321,689	5,596,367	(2,886,498)	1,207,128
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	820,037	752,949	-	-
Transfers in	27,620,221	18,663,752	19,527,339	17,898,837
Transfers out	(27,620,221)	(18,663,752)	(19,527,339)	(17,898,837)
Issuance of debt	1,692,947	469,246	1,096,233	845,091
<b>Total other financing sources</b>	<b>2,512,984</b>	<b>1,222,195</b>	<b>1,096,233</b>	<b>845,091</b>
<b>Special item</b>				
	-	-	-	-
<b>Net change in fund balance</b>	<b>\$ 6,834,673</b>	<b>\$ 6,818,562</b>	<b>\$ (1,790,265)</b>	<b>\$ 2,052,219</b>
Debt service as a percentage of				
noncapital expenditures	2.25%	2.24%	2.44%	2.53%

2015	2014	2013	2012	2011	2010
\$ 95,226,101	\$ 87,629,743	\$ 80,465,499	\$ 70,988,064	\$ 69,118,565	\$ 71,330,283
2,530,020	2,316,764	2,171,620	1,515,539	1,075,390	811,925
35,584,050	24,183,633	23,268,876	24,101,048	23,021,752	31,529,700
7,136,458	4,837,396	2,958,491	2,771,045	2,844,143	2,843,038
653,554	944,323	324,413	237,659	274,872	381,625
595,162	1,256,265	(752,996)	2,540,456	1,505,357	2,831,624
9,350,836	7,402,882	6,549,334	5,248,103	12,211,933	6,982,664
151,076,181	128,571,006	114,985,237	107,401,914	110,052,012	116,710,859
28,051,626	20,816,662	19,400,946	18,645,847	20,400,163	22,623,594
38,739,905	35,959,383	35,063,268	31,434,246	33,202,442	34,534,066
10,666,566	9,451,630	8,911,217	8,056,333	7,663,908	8,300,610
29,429,954	22,730,338	19,423,503	23,359,653	21,929,338	21,584,098
16,484,966	15,479,069	14,068,424	14,204,426	17,752,312	17,077,780
2,784,291	2,224,329	2,018,499	1,879,932	1,961,064	1,819,515
3,541,894	889,381	1,432,502	1,945,696	1,236,363	2,536,322
2,280,287	361,879	2,896,357	3,699,244	720,454	901,551
38,396,195	7,559,324	52,804,659	5,656,634	4,218,038	4,392,846
1,082,618	1,024,758	3,050,331	1,100,197	1,256,078	1,425,742
171,458,302	116,496,753	159,069,706	109,982,208	110,340,160	115,196,124
(20,382,121)	12,074,253	(44,084,469)	(2,580,294)	(288,148)	1,514,735
-	-	-	-	-	-
16,935,224	16,537,000	11,601,547	13,873,137	9,762,294	11,450,568
(16,935,224)	(16,537,000)	(11,601,547)	(13,873,137)	(9,762,294)	(11,450,568)
27,018,625	997,460	371,512	75,199,009	423,872	232,305
27,018,625	997,460	371,512	75,199,009	423,872	232,305
7,227,657	10,370,000	50,000,000	(75,000,000)	-	-
\$ 13,864,161	\$ 23,441,713	\$ 6,287,043	\$ (2,381,285)	\$ 135,724	\$ 1,747,040
27.38%	7.83%	37.17%	7.29%	5.60%	5.87%

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

Fiscal Year	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount (2)	Percent-age of Levy		Amount (2)	Percent-age of Levy
2010	\$ 46,952,359	\$ 42,659,809	90.86%	\$ 2,730,357	\$ 45,383,427	96.66%
2011	40,757,346	37,815,939	92.78%	1,584,740	39,388,083	96.64%
2012	38,910,800	36,394,247	93.53%	1,168,619	37,549,670	96.50%
2013	38,900,662	36,561,502	93.99%	1,035,664	37,561,604	96.56%
2014	40,763,405	39,259,877	96.31%	42,673	39,302,550	96.42%
2015	45,538,540	43,974,522	96.57%	2,301	43,976,823	96.57%
2016	50,802,529	49,076,935	96.60%	32,350	49,109,285	96.67%
2017	56,451,376	54,522,421	96.58%	5,729	54,528,150	96.59%
2018	62,246,972	60,058,915	96.48%	-	60,058,915	96.48%
2019	75,056,111	66,161,116	88.15%	-	66,165,529	88.15%

(1) Source: Walton County Property Appraiser

(2) Source: Walton County Tax Collector

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

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

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

Fiscal Year	Real Property		Personal Property	
	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value
2010	\$ 11,073,298,749	\$ 11,073,298,749	\$ 381,153,516	\$ 381,153,516
2011	10,569,863,088	10,569,863,088	365,866,079	365,866,079
2012	10,564,541,553	10,564,541,553	368,067,831	368,067,831
2013	11,078,199,998	11,078,199,998	375,510,876	375,510,876
2014	12,131,527,248	12,131,527,248	385,409,544	385,409,544
2015	13,553,530,003	13,553,530,003	410,933,844	410,933,844
2016	15,077,496,337	15,077,496,337	439,991,155	439,991,155
2017	16,662,282,449	16,662,282,449	443,690,097	443,690,097
2018	18,358,304,836	18,358,304,836	463,283,002	463,283,002
2019	20,155,697,731	20,155,697,731	478,155,856	478,155,856

(1) Source: Walton County Property Appraiser

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

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

Centrally Assessed		Total		Total Direct Tax Rate	Ratio of Total Assessed to Estimated Actual Value
Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value		
\$ 6,151,828	\$ 6,151,828	\$ 11,460,604,093	\$ 11,460,604,093	3.557	100%
5,642,587	5,642,587	10,941,371,754	10,941,371,754	3.557	100%
5,911,639	5,911,639	10,938,521,023	10,938,521,023	3.556	100%
6,177,997	6,177,997	11,459,888,871	11,459,888,871	3.556	100%
6,380,956	6,380,956	12,523,317,748	12,523,317,748	3.556	100%
6,474,962	6,474,962	13,970,938,809	13,970,938,809	3.636	100%
6,910,954	6,910,954	15,524,398,446	15,524,398,446	3.636	100%
6,782,986	6,782,986	17,112,755,532	17,112,755,532	3.636	100%
7,030,725	7,030,725	18,828,618,563	18,828,618,563	3.636	100%
6,940,490	6,940,490	20,640,794,077	20,640,794,077	3.636	100%

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

	2019	2018	2017	2016
<b>Board of County Commissioners</b>				
General Fund	0.733	0.873	0.795	1.299
County Transportation Trust Fund	0.410	0.270	0.348	0.389
Fine and Forfeiture Fund	2.494	2.493	2.493	1.948
<hr/>				
Total general county	3.636	3.636	3.636	3.636
<b>District School System</b>				
	5.022	5.097	5.191	5.348
<hr/>				
Total County wide	8.658	8.733	8.827	8.984
<hr/>				
<b>Special Districts</b>				
South Walton Mosquito Control	0.240	0.163	0.163	0.163
Walton County Fire and Rescue	FLAT	FLAT	FLAT	FLAT
South Walton Fire District	1.000	0.980	0.980	0.980
North Walton Mosquito Control	0.491	0.491	0.491	0.491
Argyle Fire District	FLAT	FLAT	FLAT	FLAT
Liberty Fire District	FLAT	FLAT	FLAT	FLAT
<b>North West Florida Water District</b>	0.033	0.036	0.037	0.038
<b>Cities</b>				
DeFuniak Springs	4.500	4.500	4.500	4.500
Freeport	4.730	4.730	4.730	4.730

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

Note:

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

<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
1.291	1.348	1.710	1.480	1.410	1.449
0.397	0.260	0.286	0.550	0.689	0.700
1.948	1.948	1.560	1.526	1.458	1.408
3.636	3.556	3.556	3.556	3.557	3.557
5.491	5.491	5.659	5.013	5.011	5.070
9.127	9.047	9.215	8.569	8.568	8.627
0.163	0.138	0.138	0.114	0.114	0.114
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
0.980	0.980	0.980	0.980	0.900	0.860
0.491	0.491	0.491	0.491	0.491	0.491
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
0.039	0.040	0.040	0.040	0.040	0.045
4.500	4.500	4.500	4.500	4.000	4.500
4.730	4.730	4.730	4.730	4.730	3.930

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

Year	General Obligation Bonds	Special Assessment Debt	Notes Payable	Capital Leases
2010	-	-	\$ 30,225,135	\$ 801,427
2011	-	-	26,346,119	886,277
2012	-	-	96,201,475	573,297
2013	-	-	43,594,679	746,947
2014	-	-	36,609,442	1,170,320
2015	-	-	25,500,941	773,219
2016	-	-	23,922,440	1,244,736
2017	-	-	22,759,466	1,358,068
2018	-	-	21,169,826	1,440,935
2019	-	-	19,531,373	2,579,031

- (1) See Demographic Statistics on page 152 for detail of population and per capita personal income.
- (2) Details regarding Walton County's outstanding debt can be found in Note 8 of the financial statements.



	<b>Total</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
\$	31,026,562	1.37%	543
	27,232,396	1.17%	491
	96,774,772	3.70%	1,699
	44,341,626	1.68%	767
	37,779,762	1.29%	632
	26,274,160	0.83%	433
	25,167,176	0.80%	400
	24,117,534	0.70%	369
	22,610,761	0.60%	334
	22,110,404	0.52%	316

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Other Debt Service</b>	<b>Total Debt Service (1)</b>	<b>Total General Expenditures (2)</b>	<b>Ratio of Debt Service to Total General Expenditures</b>
2010	\$ 235,000	\$ 11,750	\$ -	\$ 246,750	\$ 115,196,124	0.21%
2011	-	-	-	-	110,340,160	0.00%
2012	-	-	-	-	109,982,208	0.00%
2013	-	-	-	-	159,069,706	0.00%
2014	-	-	-	-	116,496,753	0.00%
2015	-	-	-	-	171,458,302	0.00%
2016	-	-	-	-	144,689,344	0.00%
2017	-	-	-	-	157,454,891	0.00%
2018	-	-	-	-	156,909,348	0.00%
2019	-	-	-	-	180,192,583	0.00%

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

(2) Includes all Governmental Fund Types.

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

***Revenue Bond Coverage***

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

***General and Special Assessment Bonded Debt***

The County retired its last outstanding general obligation bonded debt in 2010 and has had no special assessment bonded debt during the last ten years.

***Legal Debt Margin***

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

**Walton County, Florida**  
**Property Value, Construction and Bank Deposits**  
**Current Year and Nine Years Ago**

<b>Fiscal Year</b>	<b>Real Property Value (1)</b>	<b>Construction (2)</b>	<b>Bank Deposits (3)</b>
2010	\$ 11,073,298,749	\$ 141,405,887	\$ 726,402,000
2011	10,569,863,088	207,372,914	752,223,000
2012	10,564,541,553	331,849,719	796,309,000
2013	11,078,199,998	466,542,649	873,975,000
2014	12,131,527,248	552,037,678	867,573,000
2015	13,553,530,003	620,210,506	929,365,000
2016	15,524,398,446	728,967,101	1,087,143,000
2017	16,662,282,449	659,931,088	1,261,897,000
2018	18,358,304,836	742,917,142	1,343,237,000
2019	20,155,697,731	911,935,542	1,489,965,000

(1) Source: Walton County Property Appraiser

(2) Source: Walton County Building Department

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

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

Fiscal Year	Pop-ulation* (1)	Per Capita Personal Income (1)	Personal Income (amt. in thousands) (2)	School Enrollment (3)	Percentage Unemployment Rate (4)		
					Walton County	Florida	United States
2010	57,120	\$ 39,544	\$ 2,258,753	7,405	8.10%	12.10%	9.20%
2011	55,450	41,989	2,328,290	7,606	7.20%	10.60%	8.80%
2012	56,965	45,853	2,612,016	7,930	5.50%	8.60%	7.60%
2013	57,779	45,651	2,637,669	8,466	4.00%	6.90%	7.00%
2014	59,793	48,818	2,918,975	8,605	3.90%	6.10%	5.70%
2015	60,687	52,046	3,158,516	8,928	4.50%	5.00%	5.00%
2016	62,943	55,051	3,465,075	9,359	4.30%	4.80%	4.90%
2017	65,301	57,822	3,775,834	9,688	2.90%	3.80%	4.20%
2018	67,656	59,728	4,040,958	10,273	2.50%	3.50%	3.70%
2019	70,071	61,029	4,276,363	10,671	2.50%	3.20%	3.50%

- (1) Source: Florida Legislative Office of Economic and Demographic Research
- (2) Personal income is a calculated amount based on population and per capita personal income.
- (3) Source: Walton County School Board
- (4) Source: Florida Research & Economic Database

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

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>General Government</b>			
Single family dwelling permits	2,380	1,487	1,298
Total building and other permits issued	13,976	12,995	12,400
Building inspections conducted	24,455	22,643	23,590
<b>Public Safety</b>			
Number of E911 calls	68,796	82,101	51,470
Number of E911 Fire/EMS calls	6,978	7,506	14,448
Animal control responses	2,280	4,823	5,505
<b>Tourist Development Council</b>			
Bed tax receipts (gross dollars in thousands) **	27,728	25,726	23,527
<b>Library</b>			
Number of registered borrowers	44,497	49,639	47,690
Number of visits	117,761	103,273	107,781
Number of items in collection	110,050	109,891	112,053
<b>Constitutional Officers:</b>			
Clerk of Circuit Court			
Marriage licenses issued	1,520	1,617	1,627
Instruments recorded	43,607	43,502	42,332
Passports	1,696	1,408	1,427
Tax deeds sold	184	232	177
Civil cases filed	3,656	3,326	3,258
Misdemeanor cases filed	1,071	960	1,320
Felony cases filed	754	940	1,152
Traffic infractions	4,274	4,270	5,308
Supervisor of Elections			
Number of registered voters	52,460	49,928	47,264
Number of polling places	21	21	21
Property Appraiser			
Parcels in county	84,518	81,981	84,503
Tax Collector			
Tax certificates sold	3,145	2,890	2,944
Tag and title transactions processed	125,284	124,754	116,326
Driver licenses issued/ renewed	25,520	19,714	18,772
Hunting/fishing licenses issued	1,232	896	898
Concealed weapons applications processed	777	870	1,713
Birth certificates reissued	561	708	784
Sheriff			
Law enforcement officers	269	251	255
Calls for service	257,646	133,368	131,277
Misdemeanor arrests	2,936	1,798	3,903

\* Information is not available for the year presented

\*\* Information for FY 10 forward includes an additional half cent tax collected beginning in October 2009. Also, the 2011 information includes a \$2.67 million payment from BP for the Deepwater Horizon oil spill.

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

2015	2014	2013	2012	2011	2010
1,155	1,113	1,236	1,008	475	279
9,705	9,459	9,964	7,055	5,114	3,889
19,134	17,964	16,459	10,800	7,461	5,586
61,727	59,518	52,642	46,752	53,606	30,096
8,821	8,751	8,036	8,189	7,914	7,185
5,013	4,281	4,926	4,836	5,240	5,956
20,148	19,988	18,582	16,490	16,530	10,755
44,095	43,109	41,141	37,865	37,865	35,818
119,098	131,280	113,728	128,954	148,897	170,335
109,297	108,125	106,421	105,873	104,192	102,882
1,724	1,581	1,658	1,721	1,655	1,451
42,812	42,911	44,359	41,251	38,009	38,286
1,005	799	971	883	906	918
129	84	322	102	117	201
2,986	2,594	2,757	2,132	2,040	2,753
1,716	1,667	2,114	1,913	1,072	1,517
898	804	821	756	759	781
5,217	5,912	5,732	7,890	9,195	9,740
43,492	42,126	40,426	37,881	37,983	36,958
21	21	21	21	21	33
80,445	80,145	79,866	79,142	78,814	78,718
4,364	4,783	4,518	5,193	5,373	7,163
100,951	94,624	81,537	74,818	79,938	-
16,797	15,224	9,924	1,434	-	-
988	936	1,045	887	1,121	-
167	-	-	-	-	-
260	-	-	-	-	-
152	221	169	160	160	166
160,625	167,910	158,447	165,599	135,337	127,110
2,284	2,699	2,970	2,455	2,222	2,435

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

<b>Employer</b>	<b>2019</b>		
	<b>Employees (1)</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Walton County School Board	1,317	1	4.4%
Walton County Government	1,110	2	3.7%
Sandestin Golf and Beach Resort	767	3	2.5%
Sacred Heart Hospital of the Emerald Coast	594	4	2.0%
Watercolor Inn and Resort	590	5	2.0%
Hilton Sandestin Beach and Golf Resort	589	6	2.0%
Publix Super Markets	558	7	1.9%
Wal-Mart Super Center (multiple locations)	386	8	1.3%
Walton Correctional Institution	260	9	0.9%
Healthmark Regional Medical Center	232	10	0.8%
Wyndham Vacation Rentals (former ResortQuest)	-	-	-
<b>Total</b>	<b>6,403</b>		<b>15.8%</b>

Total number of individuals employed within Walton County (2) 30,160

Sources:

(1) Information has been provided by the Department of Florida Research and Economics Database, the Walton County School Board and the Walton County Clerk of Courts Finance Department.

(2) The number of employees may not be exact, historical data has been estimated using the most recent information available



2010		
Employees	Rank	Percentage of Total County Employment
1,079	1	3.5%
861	2	2.8%
800	3	2.6%
500	5	1.6%
275	9	0.9%
575	4	1.9%
410	7	1.3%
280	8	0.9%
-	-	0.0%
175	10	
500	5	1.6%
5,455		17.2%

30,643

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

Taxpayer	2019		
	Assessed Value (1)	Rank	Percentage of Total Net Assessed Value
EBSCO Gulf Coast Development	\$ 98,025,852	1	0.47%
Choctawhatchee Electric Cooperative	94,831,744	2	0.46%
Sandestin Hilton, LTD	59,693,199	3	0.29%
Gulf Power Company	50,345,431	4	0.24%
Sandestin Investments, LLC	41,393,763	5	0.20%
Florida Gas Transmission Company	39,595,513	6	0.19%
GB Retail	32,527,620	7	0.16%
Atticus Highway 98 Ventures	30,705,661	8	0.15%
D R Horton Inc.	30,277,026	9	0.15%
Terra Mar Apartments 1	29,301,607	10	0.14%
St. Joe Home Building	-		-
Silver Sands Joint Venture	-		-
Embarq-Florida Incorporated	-		-
Freeport 860 LLC	-		-
<b>Total Principal Taxable Vaule</b>	<b>506,697,416</b>		<b>2.45%</b>
<b>Total Taxable Assessed Value</b>	<b>\$ 20,640,794,077</b>		<b>100.00%</b>

(1) Source: Walton County Property Appraiser

2010			
	Assessed Value (1)	Rank	Percentage of Total Net Assessed Value
\$	126,200,237	1	1.10%
	67,459,583	2	0.59%
	46,604,726	4	0.41%
	29,104,361	6	0.25%
	50,518,613	3	0.44%
	30,990,134	5	0.27%
	-		-
	-		-
	-		-
	-		-
	21,547,835	9	0.19%
	22,187,303	8	0.19%
	28,609,837	7	0.25%
	21,263,658	10	0.19%
	444,486,287		3.88%
\$	11,460,604,093		100.00%

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

	2019	2018	2017	2016
<b>General Government</b>				
Facilities owned/leased (sq. ft.)	684,448	648,639	635,083	582,430
Libraries available to the public(sq. ft.)	19,513	19,513	18,441	16,961
<b>Public Safety</b>				
Fire/Rescue vehicles (number)	61	66	66	49
EMS/Fire stations(number)*	15	15	15	15
<b>Tourist Development Council</b>				
Beaches (miles)	26	26	26	26
Beach access (number)	73	65	62	61
<b>Transportation</b>				
Paved miles	689	674	666	664
Unpaved miles	363	377	375	377
<b>Culture and Recreation</b>				
Parks (number)	17	23	23	21
Parks with boat ramps (number)	32	16	16	18
<b>Constitutional Officers:</b>				
<b>Clerk of Circuit Court</b>				
Facilities (sq. ft.)	42,990	42,990	42,990	42,990
Facilities (number)	2	2	2	2
<b>Supervisor of Elections</b>				
Facilities (sq. ft.)	3,900	3,900	3,900	3,900
Facilities (number)	2	2	2	2
<b>Property Appraiser</b>				
Facilities (sq. ft.)	8,100	8,100	8,100	8,100
Facilities (number)	2	2	2	2
<b>Tax Collector</b>				
Facilities (sq. ft.)	10,800	7,400	7,400	7,400
Facilities (number)	3	2	2	2
<b>Sheriff</b>				
Facilities/Stations	7	7	7	6
Facilities owned (sq. ft.)	63,364	63,364	63,364	61,668

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

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

2015	2014	2013	2012	2011	2010
483,763	369,424	363,386	363,386	363,386	363,386
16,961	16,961	16,961	16,961	16,961	16,961
51	48	50	46	47	44
22	22	22	21	21	21
26	26	26	26	26	26
61	60	60	62	62	62
758	756	752	749	745	735
404	406	410	413	418	423
21	21	21	21	20	20
18	18	18	18	18	18
42,990	42,990	42,990	42,990	42,990	42,990
2	2	2	2	2	2
3,900	3,900	3,900	3,900	3,900	3,900
2	2	2	2	2	2
8,100	8,100	8,100	8,100	8,100	8,100
2	2	2	2	2	2
7,400	7,400	7,400	7,400	7,400	7,400
2	2	2	2	2	2
6	6	5	5	5	5
61,668	61,668	39,400	39,400	39,400	39,400

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

	2019	2018	2017
General government	102	90	97
Public safety	27	25	26
Physical environment	28	27	23
Transportation	139	127	131
Economic environment	72	62	64
Human services	5	5	5
Culture and recreation	38	32	27
<b>Total County government</b>	<b>411</b>	<b>368</b>	<b>373</b>
Constitutional Officers:			
Clerk of the Circuit Court	69	68	66
Property Appraiser	27	28	28
Tax Collector	40	39	35
Sheriff	555	436	435
Supervisor of Elections	8	7	7
<b>Total Constitutional Officers</b>	<b>699</b>	<b>578</b>	<b>571</b>
<b>Total government-wide employees by function</b>	<b>1,110</b>	<b>946</b>	<b>944</b>

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

2016	2015	2014	2013	2012	2011	2010
109	101	120	83	77	82	92
122	109	95	156	152	149	165
25	23	19	24	25	23	23
136	128	127	127	125	130	149
50	40	40	40	37	32	33
5	6	7	11	14	13	5
16	17	30	26	26	26	29
463	424	438	467	456	455	496
67	71	67	69	65	67	64
28	28	29	28	29	30	32
32	32	32	32	32	29	27
330	319	347	241	232	237	235
6	6	7	6	6	6	7
463	456	482	376	364	369	365
926	880	920	843	820	824	861

**Walton County, Florida  
Schedule of Insurance in Force  
September 30, 2019**

Type of Coverage	Details of Coverage	Insurance Company	Policy Period
Automobile	\$200,000 per person \$300,000 per occurrence	Florida Municipal Insurance Trust Administered by the Florida League of Cities	10/1/18-19
Property Coverage			
Real Property	\$82,895,351	Florida Municipal Insurance Trust Administered by the Florida League of Cities	10/1/18-19
Personal Property	\$13,735,505		
Inland Marine	\$12,157,650		
Worker's Compensation	\$1,000,000 statutory liability	Florida Municipal Insurance Trust Administered by the Florida League of Cities	10/1/18-19
General Liability	\$50,000 per occurrence for fire \$100,000 per person \$200,000 per occurrence statutory liability \$1,000,000 per occurrence outside of Florida \$3,000,000 coverage part aggregate	Florida Association of County Trust	10/1/18-19
Health Insurance	Contract specification	BC/BS of Florida BC/BS of Florida	10/1/18-19
Accidental Death and Dismemberment	\$50,000 to \$100,000 depending upon employee classification and nature of injury and/or cause of death	Sun Life Insurance Company	10/1/18-19
Life Insurance	\$10,000 to \$50,000 depending upon employee classification	Sun Life Insurance Company	10/1/18-19
Long-Term Disability Insurance	60% of income up to a maximum of \$7,000 per month	Sun Life Insurance Company	10/1/18-19
Worker's Compensation for Community Service Workers	\$5,000 Accidental Death \$10,000 Dismemberment \$25,000 Medical	K&K Insurance Group, Inc.	6/1/19-9/1/19
Accident Medical for Parks & Recreation	\$100,000 per injury	AIG Accident & Health	10/1/18-19

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



## **COMPLIANCE SECTION**

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the proprietary and fiduciary fund types of Walton County, Florida (the "County") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 2, 2020.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. (2019-001)

## **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Walton County, Florida's Response to Findings**

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

## **Purpose of this Report**

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

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

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

Enterprise, Alabama

March 2, 2020

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

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

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

We have audited Walton County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2019. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects 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 for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General of the State of Florida. Those standards, the Uniform Guidance, and Chapter 10.550, 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 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.

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

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2019.

### **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, 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 a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida. Accordingly, this report is not suitable for any other purpose.

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

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

Enterprise, Alabama

March 2, 2020

**Walton County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**For the Year Ended September 30, 2019**

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
<b>U.S Department of Housing and Urban Development</b>				
Direct Program				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	FL110	\$ -	\$ 2,035,934
Mainstream Vouchers	14.879	FL110	-	51,291
Housing voucher cluster total			-	2,087,225
Family Self-Sufficiency Program	14.877	FL110	-	1,851
Family Self-Sufficiency Program	14.877	FL110	-	23,557
Subtotal for CFDA 14.877			-	25,408
Department total			-	2,112,633
<b>U.S. Department of Health and Human Services</b>				
Pass-through Florida Department of Revenue				
Child Support Enforcement	93.563	CST66	-	8,135
Child Support Enforcement - Title IV-D	93.563	COC66	-	309,178
Subtotal for CFDA 93.563			-	317,313
Pass-through Florida Department of Children and Families				
TANF Cluster				
Temporary Assistance for Needy Families	93.558	AJ495	-	570,343
Temporary Assistance for Needy Families	93.558	AJ496	-	122,877
TANF cluster total			-	693,220
Social Services Block Grant	93.667	AJ495	-	111,688
Social Services Block Grant	93.667	AJ496	-	26,012
Subtotal for CFDA 93.667			-	137,700
Foster Care Title IV-E	93.658	AJ496	-	4,750
Medical Assistance Program *	93.778	AJ496	-	199
Department total			-	1,153,182
<b>U.S. Department of Justice</b>				
Pass-through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance				
Program	16.738	2019-JAGC-WALT-1-N2-036	-	31,006
Bullet Proof Vest Partnership Program	16.607	2018BUBX18093632	-	20,187
Total passed through Florida Department of Law Enforcement			-	51,193

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

**Walton County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**  
**For the Year Ended September 30, 2019**

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
Direct Program				
Edward Byrne Memorial Justice Assistance Program	16.738	2017-DJ-BX-0987	-	13,138
Edward Byrne Memorial Justice Assistance Program	16.738	2018-DJ-BX-0111	-	13,346
Subtotal for CFDA 16.738			-	57,490
Overtime and Authorized Expense/ Strategic Initiative Program	16.922	FC/FLN_0328	-	18,917
Total Direct Programs			-	45,401
Department total			-	96,594
<b>Election Assistance Commission</b>				
Pass-through Florida Department of State				
Help America Vote Act	90.401	19.e.fa.000.251	-	9,918
Help America Vote Act	90.401	2017-2018-0001	-	33,587
Department total/subtotal for CFDA 90.401			-	43,505
<b>U.S. Department of the Interior</b>				
Pass-through Florida Fish & Wildlife Conservation Commission				
Fish and Wildlife Cluster				
Sport Fish Restoration Program	15.605	FWC-18106	-	60,000
Pass-through Florida Department of Environmental Protection				
Fish and Wildlife Cluster	15.916	LW682	-	21,591
Department total			-	81,591
<b>U.S. Department of the Treasury</b>				
Direct Program				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States				
	21.015	1 RDCGR250060-01-00	-	18,102
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States				
	21.015	1 RDCGR250083-01-00	-	92,275
Department total/subtotal for CFDA 21.015			-	110,377

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



**Walton County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**  
**For the Year Ended September 30, 2019**

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
<b>U.S. Department of Commerce</b>				
Pass-through Florida Department of Environmental Protection				
Coastal Zone Management Administration				
Awards	11.419	CM923	-	15,041
<b>U.S. Department of Agriculture</b>				
Pass-through Florida Department of Children and Families				
State Administrative Matching Grants for the				
Supplemental Nutrition Assistance Program	10.561	AJ496	-	3,494
<b>U.S. Department of Homeland Security</b>				
Pass-through Florida Department of Emergency Management				
Flood Mitigation Assistance	97.029	18FM-PJ-04-FL-2016-008	-	4,900
Disaster Grants - Public Assistance	97.036	Z0844	-	375,716
Disaster Grants - Public Assistance	97.036	Z0633	-	40,441
Subtotal for CFDA 97.036			-	416,157
Hazard Mitigation Grant Program	97.039	73197-DR4399-FL	-	258,622
Hazard Mitigation Grant Program	97.039	DR4399-FL	-	6,280
Hazard Mitigation Grant Program	97.039	01-053-19	-	25,000
Hazard Mitigation Grant Program	97.039	HM Dispatch Deploy M#799738	-	7,161
Hazard Mitigation Grant Program	97.039	HM CJ Deploy M#006755	-	35,133
Hazard Mitigation Grant Program	97.039	HM CJ Deploy M#016702	-	10,742
Hazard Mitigation Grant Program	97.039	HM LEO Deploy M#006755	-	2,911
Hazard Mitigation Grant Program	97.039	HM LEO Deploy M#888844	-	48,565
Hazard Mitigation Grant Program	97.039	HM-TF#101,M#02-074-18	-	11,905
Hazard Mitigation Grant Program	97.039	HM-TF#410,M#02-099-18	-	12,288
Hazard Mitigation Grant Program	97.039	HM-M#02-071-18 (PIO)	-	2,595
Subtotal for CFDA 97.039			-	421,202
Emergency Management Performance	97.042	19-FG-AF-01-76-01-102	-	44,077
Emergency Management Performance	97.042	G0036	-	21,382
Subtotal for CFDA 97.042 Department of Emergency Management			-	65,459
Pass-through Florida Volunteer Florida				
Emergency Management Performance	97.042	2018-2019 Citizens Corps	-	10,028
Subtotal for CFDA 97.042			-	75,487
Staffing for Adequate Fire and Emergency				
Response (SAFER)	97.083	EMW-2017-FH-00582	-	256,748
Department total			-	1,174,494
<b>Total Expenditures of Federal Awards</b>			\$ -	<b>\$ 4,790,911</b>

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

**Walton County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**  
**For the Year Ended September 30, 2019**

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
<b>Executive Office of Governor</b>				
Emergency Management Programs	31.063	19-BG-21-01-76-01-025	\$ -	\$ 73,233
Emergency Management Programs	31.063	A0026	-	33,601
Subtotal for CSFA 31.063			-	106,834
Emergency Management Projects	31.067	19-CP-11-01-76-23-161	-	3,848
Department total			-	110,682
<b>Florida Fish &amp; Wildlife Conservation Commission</b>				
Bear Resistant Equipment	77.034	FY18-19 BearWise Funding	-	18,864
<b>Florida Department of Agriculture</b>				
Mosquito Control	42.003	FDACS # 025499	-	29,203
<b>Florida Housing Finance Agency</b>				
SHIP Program	40.901	N/A	-	334,996
<b>Florida Department of Environmental Protection</b>				
Small County Consolidated Grants	37.012	SC932	-	89,192
<b>Florida Department of State</b>				
State Aid to Libraries	45.030	18-ST-89	-	19,356
State Aid to Libraries	45.030	19-ST-89	-	12,922
Subtotal for CSFA 45.030			-	32,278
Historic Preservation Grants	45.031	19.H.S.M.100.035	-	26,013
Department total			-	58,291
<b>Florida Department of Health</b>				
County Grant Awards	64.005	C7066	-	11,477
<b>Florida Department of Transportation</b>				
County Incentive Grant Program	55.008	G0U18 438307-1-54-01	-	248,213
Small County Outreach Programs	55.009	G0T80 43684715401	-	238,747
Small County Road Assistance Program	55.016	G1010 43830415401	-	83,263
Small County Road Assistance Program	55.016	G0T81 43669615401	-	404,398
Small County Road Assistance Program	55.016	G0T83 44089013401	-	448,583
Small County Road Assistance Program	55.016	G0346 42568925401	-	887,687
Subtotal for CSFA 31.063			-	1,823,931
Local Arterial Highway Construction Initiatives	55.044	G0T42 44149815401 & 44149825401	-	192,172
State Highway Project Reimbursement	55.023	409797-2-88-01	-	3,240
Department total			-	2,506,303

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

**Walton County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**  
**For the Year Ended September 30, 2019**

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
<b>Florida Department of Management Services</b>				
Wireless 911 Emergency System				
Telephone Grants:				
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	18-04-28	-	73,137
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	19-04-32	-	78,801
Subtotal for CSFA 72.001			-	151,938
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S11-18-05-24	-	557,925
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S12-19-02-24	-	280,713
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S12-19-02-25	-	15,905
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S12-19-02-26	-	11,590
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S13-19-06-17	-	6,461
Subtotal for CSFA 72.003			-	872,594
Department total			-	1,024,532
<b>Total of Expenditures of State Financial Assistance</b>			\$ -	<b>\$ 4,183,540</b>

\* Medicaid Cluster

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

**Walton County, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**For the Year Ended September 30, 2019**

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

The accounting policies and presentation of the Single Audit Report of Walton County, Florida (the "County") have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

**Reporting Entity** - The reporting entity consists of Walton County, the primary government and its component unit. The County included schedules of both federal and state financial assistance in the Single Audit section. Financial assistance received directly from the State of Florida is included to satisfy the audit requirements of the State of Florida grantor agencies and the Florida Single Audit Act.

**Basis of Accounting** - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The modified accrual basis of accounting is followed in the schedule of federal awards and state financial assistance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred. In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of such revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually recognized based upon the expenditures recorded and are virtually unrestricted as to purpose of expenditure and substantially irrevocable; i.e., revocable only for failure to comply with prescribed compliance requirements, such as with equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criteria.

**Basis of Presentation** - The amounts reported in the accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") were obtained from the County's general ledger. Because the Schedule presents only a selected portion of the operations, it is not intended and does not present the financial positions and changes in net position of the County.

For purposes of the Schedule, federal awards and state financial assistance include all grants, contracts, and similar agreements entered into directly with the federal or state government and other pass-through entities. Payments received for goods or services provided as a vendor do not constitute federal awards or state financial assistance for purposes of the Schedule. The County has obtained Catalog of Federal Domestic Assistance (CFDA) numbers and Catalog of State Financial Assistance (CSFA) numbers to ensure that all programs have been identified in the Schedule. CFDA

**Walton County, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**  
**For the Year Ended September 30, 2019**

and CSFA numbers have been appropriately listed by applicable programs. Federal programs with different CFDA numbers that are closely related because they share common compliance requirements are defined as a cluster by the Uniform Guidance.

**Housing Voucher Cluster** - This cluster includes awards that provide rental assistance to help very low-income families afford decent, safe, and sanitary rental housing.

**TANF Cluster** – This cluster includes awards that provide economic help to low-income families with children and to support the goals of reducing out-of-wedlock pregnancies and promoting two-parent families.

**Fish and Wildlife Cluster** – This cluster funds support activities designed to restore, conserve, manage, or enhance fish and wildlife populations; the public use and benefits from these resources; and activities that provide boat access to public waters.

**Medicaid Cluster** – This cluster provides assistance on behalf of cash assistance recipients, children, pregnant women, and the aged who meet income and resource requirements, and other categorically-eligible groups.

**NOTE 2: INDIRECT COST**

The County has not elected to use the 10% de Minimis indirect cost rate.

**NOTE 3: RELATIONSHIP TO THE SCHEDULE TO PROGRAM FINANCIAL REPORTS**

The amounts reflected in the financial reports submitted to the awarding federal, state and/or pass-through agencies and the schedule may differ. Some of the factors that may account for any differences include the following:

- The County's fiscal year end may differ from the program's year end.
- Accruals recognized in the schedule, because of year end procedures, may not be reported in the program financial reports until the next program reporting period.
- Capital asset purchases and the resultant depreciation charges are recognized as property and equipment, net in the County's financial statements and as expenditures in the program financial reports.

**NOTE 4: FEDERAL PASS-THROUGH FUNDS**

The County is also a sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

**Walton County, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**  
**For the Year Ended September 30, 2019**

**NOTE 5: CONTINGENCIES**

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowance, if any, would have a material effect on the financial position of the County. As of March 2, 2020 there were no material questioned or disallowed costs as a result of grant audits in process or completed.

**NOTE 6: NONCASH ASSISTANCE**

The County did not receive any federal noncash assistance for the fiscal year ending September 30, 2019.

**NOTE 7: SUBRECIPIENTS**

The County did not provide federal or state funds to subrecipients for the fiscal year ending September 30, 2019.

**NOTE 8: LOANS AND LOAN GUARANTEES**

The County did not have any loans or loan guarantee programs required to be reported on the Schedule for the fiscal year ending September 30, 2019.

**NOTE 9: FLORIDA STATE AID TO LIBRARIES**

The County did not have any federally funded insurance required to be reported on the schedule for the fiscal year ending September 30, 2019.

**NOTE 10: FLORIDA STATE AID TO LIBRARIES**

The County received \$18,784 in grant funding and interest from the Florida State Aid to Libraries grant for the fiscal year ended September 30, 2019. The County expended \$32,278, which included grant funding and interest received for the fiscal years ending September 30, 2019 and 2018.

**Walton County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2019**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | Yes        |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | No         |

**Federal Awards**

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued on compliance for major programs  | Unmodified |
| 2. Internal control over major programs:   |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                             | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None noted |
| 4. Identification of major programs  |            |

CFDA Number	Federal Program
	<b>Housing Vouchers Cluster</b>
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers

- |  |           |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$750,000 |
| 6. Auditee qualified as low-risk under 2CFR 200.520                        | No        |

**State Projects**

- |   |            |
|---|------------|
| 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 not considered to be material weaknesses?                              | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with Florida Single Audit Act? | None noted |

**Walton County, Florida**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended September 30, 2019**

4. Identification of major projects

CFDA Number	State Project
72.003	Prepaid Next Generation 911 (NG911) State Grant Program
55.016	Small County Road Assistance Program

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

**Section II – Financial Statement Findings**

**2019-001 Planning Department Revenue Classification**

**Condition** – \$66,187 of bid bonds, \$250 of planning department inspection fees, and \$22,650 of proportionate fair share fees were misclassified as sidewalk fees. \$13,651 of proportionate fair share fees and \$250 of planning department inspection fees were misclassified as preservation fees.

**Criteria** – Government Auditing Standards (GAS) Section A1.08 (d) states that management is responsible for “establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; following laws and regulation; and ensuring that management and financial information is reliable and properly reported;...”

**Cause** – Initial misclassification and inadequate review of planning department receipts when recorded.

**Effect** – Planning department fees are restricted for use based on the type of fee collected. Therefore, any misclassification of planning department fees could lead to an unallowable expenditure and an inaccurate reporting of resources available for sidewalk, preservation, and road improvements.

**Recommendation** – The County should implement a review of all planning department fee deposits to help ensure the deposits are proper classified.

**View of Responsible Officials** – See Management’s Response and Corrective Action Plan on page 180.

**Section III – Federal Award Findings and Questioned Costs**

There are no findings to report.

**Section IV – Major State Projects Findings and Questioned Costs**

The audit did not disclose any audit findings required to be reported pursuant to Section 10.557, Rules of the Auditor General. (Section 10.554(1)(l)1.f, Rules of the Auditor General).



**Walton County, Florida**  
**Summary Schedule of Prior Audit Findings for Federal Awards**  
**For the Year Ended September 30, 2019**

No such items were reported in prior year.

**Walton County, Florida  
Summary Schedule of Prior Audit Findings for  
State Financial Assistance  
For the Year Ended September 30, 2019**

No such items were reported in prior year.

**Walton County, Florida**  
**Schedule of Receipts and Expenditures of**  
**Funds Related to the Deepwater Horizon Oil Spill**  
**For the Year Ended September 30, 2019**

Source: British Petroleum - Lost Tax Revenue Claim - Final Settlement

Fiscal Year	Board of County Commissioners	
	Amount Received During the Fiscal Year	Amount Expended Within the Fiscal Year
2014	\$ 4,500,000	\$ 1,909,860
2015	-	-
2016	-	-
2017	-	2,461,366
2018	-	125,096
2019	-	-

Source: British Petroleum - Lost Tax Revenue Claim - Final Settlement

Fiscal Year	Tourist Development Council	
	Amount Received During the Fiscal Year	Amount Expended Within the Fiscal Year
2014	\$ 5,370,000	\$ 1,089,016
2015	-	-
2016	-	-
2017	-	2,378,324
2018	-	1,722,097
2019	-	180,563

**Note:** This Schedule is required by Auditor General Rule 10.557(3)(n). It does not include funds related to the Deepwater Horizon Oil Spill that are considered Federal awards or State Financial Assistance.

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SPECIFIED  
FLORIDA STATUTE SECTIONS**

Honorable Board of County Commissioners  
Walton County, Florida

We have examined Walton County, Florida's (the "County") compliance with the following Florida Statute sections during the fiscal year ended September 30, 2019:

Section 365.172(10)	Emergency communications number E911 system fund
Section 365.173(2)(d)	Emergency communications number E911 system fund
Section 288.8018(1)	Funds related to the Deepwater Horizon oil spill
Section 218.415	Investment guidelines

Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

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

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

Enterprise, Alabama

March 2, 2020

## **MANAGEMENT LETTER**

Honorable Board of County Commissioners  
Walton County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Walton County, Florida (the County) as of and for the fiscal year ended September 30, 2019 and have issued our report thereon dated March 2, 2020.

### **Auditors' Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 2, 2020 should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

### **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not Walton County, Florida has met one or more of the conditions described in Section 218.503(1), Florida

Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that Walton County, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. See Finding 2019-001 in the Schedule of Findings and Questioned Costs.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance.

### **Purpose of this Letter**

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

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

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

Enterprise, Alabama

March 2, 2020

**WALTON COUNTY, FLORIDA**  
**Board of County Commissioners**

William "Bill" Chapman, District 1, Vice Chair  
Danny Glidewell, District 2  
Melanie Nipper, District 3  
Trey Nick, District 4  
Tony Anderson, District 5, Chairman



P.O. Box 1355  
DeFuniak Springs, FL 32435  
Phone: (850) 892-8155  
Fax: (850) 892-8454  
[www.co.walton.fl.us](http://www.co.walton.fl.us)

February 18, 2020

Sherrill F. Norman, CPA  
State of Florida Auditor General's Office  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Ms. Norman:

We have reviewed the management letter from Carr, Riggs & Ingram, LLC, related to the fiscal year 2019 Walton County financial statement audit and we concur with their finding. The following is the management response and corrective action plan related to this finding.

2019-01 Walton County has implemented a procedure for staff independent of the recording process to perform periodic reviews of Planning Department receipts to ensure that fees assessed in the County's planning department software are recorded to the proper general ledger accounts. This corrective action was implemented in February 2020.

We are also in the process of converting the Planning Department to Tyler Technologies' EnerGov software, which is fully compatible with the County's general ledger. This conversion is scheduled to be completed by October 1, 2020 and will allow fees to be assessed and receipted in one system, greatly reducing the initial risk of error in receipting fees as well as streamlining the review of fee classifications.

These corrective actions will be coordinated by Melissa Thomason, Walton County Finance Director, and Mac Carpenter, Walton County Planning & Development Director. We appreciate the opportunity to address and correct the concerns and deficiencies noted by our external auditors during our annual financial statement audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry D. Jones".

Larry D. Jones  
County Administrator

## **FINANCIAL STATEMENTS AND COMPLIANCE REPORTS FOR CONSTITUTIONAL OFFICERS**

- CLERK OF CIRCUIT COURT AND COUNTY COMPTROLLER
- PROPERTY APPRAISER
- TAX COLLECTOR
- SUPERVISOR OF ELECTIONS
- SHERIFF



**Clerk of the Circuit Court  
Walton County, Florida**

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**Financial Statements**

**For The Year Ended September 30, 2019**

**Walton County, Florida  
Clerk of the Circuit Court  
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September 30, 2019**

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**Walton County, Florida  
Clerk of the Circuit Court  
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September 30, 2019**

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## **INDEPENDENT AUDITORS' REPORT**

Honorable Alex Alford  
Clerk of the Circuit Court  
Walton County, Florida

### **Report on Financial Statements**

We have audited the accompanying financial statements of each major fund, the aggregate remaining nonmajor governmental funds, the proprietary and fiduciary fund types of the Walton County, Florida Clerk of the Circuit Court (the "Clerk") as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the aggregate remaining nonmajor governmental funds, proprietary and fiduciary fund types for the Clerk as of September 30, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund, Fine and Forfeiture Fund and Court Technology Fund thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (“Rules”). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, the proprietary and fiduciary fund types, and the remaining nonmajor governmental fund information, only for that portion of the major funds, the proprietary and fiduciary fund types, and the remaining nonmajor governmental fund information, of Walton County, Florida (“County”) that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of the County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

## ***Other Matters***

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk’s financial statements. The combining and individual fund statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2020 on our consideration of the Clerk’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements

and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

February 13, 2020

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Balance Sheet – Governmental Funds**  
**September 30, 2019**

	<b>General Fund</b>	<b>Fine and Forfeiture Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,684,844	\$ 245,300
Accounts receivable	153	
Due from other governments	-	61,778
<hr/>		
Total assets	\$ 3,684,997	\$ 307,078
<hr/>		
<b>Liabilities and Fund Balances</b>		
Liabilities		
Accounts payable	\$ 4,035	\$ 3,403
Accrued expenses	71,073	172,219
Deposits	722	-
Due to Board of County Commissioners	3,609,167	-
Due to other governments	-	131,456
<hr/>		
Total liabilities	3,684,997	307,078
Fund balances		
Restricted	-	-
<hr/>		
Total liabilities and fund balances	\$ 3,684,997	\$ 307,078
<hr/>		

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

<b>Court Technology</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 793,909	\$ 608,582	\$ 5,332,635
-		153
-	37,401	99,179
<hr/>		
\$ 793,909	\$ 645,983	\$ 5,431,967
<hr/>		
\$ 229	\$ -	\$ 7,667
7,028	2,751	253,071
-	-	722
-	-	3,609,167
-	-	131,456
<hr/>		
7,257	2,751	4,002,083
<hr/>		
786,652	643,232	1,429,884
<hr/>		
\$ 793,909	\$ 645,983	\$ 5,431,967
<hr/>		



**Walton County, Florida  
Clerk of the Circuit Court  
Statement of Revenues, Expenditures and  
Changes in Fund Balances – Governmental Funds  
For the Year Ended September 30, 2019**

	General Fund	Fine and Forfeiture Fund
<b>Revenues</b>		
Charges for services	\$ 1,433,048	\$ 920,568
Fines and forfeitures	-	484,809
Intergovernmental	-	168,403
Investment earnings	36,093	6,203
<b>Total revenues</b>	<b>1,469,141</b>	<b>1,579,983</b>
<b>Expenditures</b>		
General government		
Personnel services	3,042,494	1,487,610
Operating	704,128	150,039
Capital outlay	116,308	-
<b>Total expenditures</b>	<b>3,862,930</b>	<b>1,637,649</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(2,393,789)</b>	<b>(57,666)</b>
<b>Other Financing Sources (Uses)</b>		
Appropriations from Board of County Commissioners	3,105,380	-
Reversion		
Board of County Commissioners	(711,591)	-
Clerk of Courts Trust Fund	-	61,778
Justice Administrative Commission	-	(4,112)
<b>Total other financing sources</b>	<b>2,393,789</b>	<b>57,666</b>
Net change in fund balance	-	-
<b>Fund Balance - beginning</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>

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

Court Technology	Other Governmental Funds	Total Governmental Funds
\$ 263,851	\$ 86,635	\$ 2,704,102
-	-	484,809
-	309,178	477,581
-	-	42,296
<hr/> 263,851	<hr/> 395,813	<hr/> 3,708,788
196,340	195,440	4,921,884
53,312	47,577	955,056
980	-	117,288
<hr/> 250,632	<hr/> 243,017	<hr/> 5,994,228
<hr/> 13,219	<hr/> 152,796	<hr/> (2,285,440)
-	-	3,105,380
-	-	(711,591)
-	-	61,778
-	-	(4,112)
<hr/> -	<hr/> -	<hr/> 2,451,455
13,219	152,796	166,015
773,433	490,436	1,263,869
<hr/> \$ 786,652	<hr/> \$ 643,232	<hr/> \$ 1,429,884

Walton County, Florida  
Clerk of the Circuit Court

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 1,340,407	\$ 1,356,123	\$ 1,433,048	\$ 76,925
Investment earnings	8,250	8,250	36,093	27,843
<b>Total revenues</b>	<b>1,348,657</b>	<b>1,364,373</b>	<b>1,469,141</b>	<b>104,768</b>
<b>Expenditures</b>				
General government				
Personnel services	3,592,614	3,541,109	3,042,494	498,615
Operating	783,973	808,389	704,128	104,261
Capital outlay	77,450	120,255	116,308	3,947
<b>Total expenditures</b>	<b>4,454,037</b>	<b>4,469,753</b>	<b>3,862,930</b>	<b>606,823</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(3,105,380)</b>	<b>(3,105,380)</b>	<b>(2,393,789)</b>	<b>711,591</b>
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	3,105,380	3,105,380	3,105,380	-
Reversion to Board of County Commissioners	-	-	(711,591)	(711,591)
<b>Total other financing sources</b>	<b>3,105,380</b>	<b>3,105,380</b>	<b>2,393,789</b>	<b>(711,591)</b>
Net change in fund balance	-	-	-	-
<b>Fund Balance - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**Walton County, Florida**  
**Clerk of the Circuit Court**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Fine and Forfeiture Fund**  
**For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 1,074,533	\$ 970,709	\$ 920,568	\$ (50,141)
Fines and forfeitures	435,750	435,750	484,809	49,059
Intergovernmental	58,486	164,295	168,403	4,108
Investment earnings	2,200	2,200	6,203	4,003
Total revenues	1,570,969	1,572,954	1,579,983	7,029
<b>Expenditures</b>				
General government				
Personnel services	1,476,974	1,487,610	1,487,610	-
Operating	93,995	85,344	150,039	(64,695)
Total expenditures	1,570,969	1,572,954	1,637,649	(64,695)
<b>Excess Revenues Over (Under)</b>				
<b>Expenditures</b>	-	-	(57,666)	(57,666)
<b>Other Financing Sources (Uses)</b>				
Reversion				
Clerk of Courts Trust Fund	-	-	61,778	61,778
Justice Administrative Commission	-	-	(4,112)	(4,112)
Total other financing sources	-	-	57,666	57,666
Net change in fund balance	-	-	-	-
<b>Fund Balance - beginning</b>	-	-	-	-
<b>Fund Balance - ending</b>	\$ -	\$ -	\$ -	\$ -

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

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Court Technology Fund**  
**For the Year Ended September 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 252,350	\$ 252,350	\$ 263,851	\$ 11,501
<b>Expenditures</b>				
General government				
Personnel services	275,182	277,686	196,340	81,346
Operating	58,600	55,116	53,312	1,804
Capital outlay	-	980	980	-
Total expenditures	333,782	333,782	250,632	83,150
<b>Excess Revenues Over (Under)</b>				
<b>Expenditures</b>	(81,432)	(81,432)	13,219	94,651
<b>Fund Balance - beginning</b>	773,433	773,433	773,433	-
<b>Fund Balance - ending</b>	\$ 692,001	\$ 692,001	\$ 786,652	\$ 94,651

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

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2019**

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 877,022
<hr/>	
<b>Liabilities</b>	
Current liabilities	
Accrued compensated absences	125,629
Non-current liabilities	
Accrued compensated absences	751,393
<hr/>	
Total liabilities	877,022
<hr/>	
<b>Net Position</b>	\$ -
<hr/> <hr/>	

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

Walton County, Florida  
 Clerk of the Circuit Court  
**Statement of Revenues, Expenses And Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

	Governmental Activities
	Internal Service Fund
<hr/>	
<b>Operating Revenues</b>	
Charges for services	\$ 194,942
<b>Operating Expenses</b>	
Personnel services	194,942
<hr/>	
Change in net position	-
<b>Net Position - beginning</b>	-
<hr/>	
<b>Net Position - ending</b>	\$ -
<hr/> <hr/>	

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

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

	Governmental Activities
	Internal Service Fund
<b>Cash Provided by (Used in) Operating Activities</b>	
Funding of compensated absences liability	\$ 194,942
Cash payments to employees for compensated absences	(100,576)
<hr/>	
Net increase in cash and cash equivalents	94,366
<hr/>	
Cash and cash equivalents at the beginning of the year	782,656
<hr/>	
Cash at the end of the year	\$ 877,022
<hr/> <hr/>	
<b>Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities</b>	
Change in net position	\$ -
Increase in liabilities	
Compensated absences payable	94,366
<hr/>	
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 94,366</b>
<hr/> <hr/>	

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



**Walton County, Florida  
Clerk of the Circuit Court  
Statement of Fiduciary Net Position  
September 30, 2019**

	<b>Agency Funds</b>
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 2,730,674
Receivables, net	2,279
<hr/>	
<b>Total assets</b>	<b>\$ 2,732,953</b>
<hr/> <hr/>	
<b>Liabilities</b>	
Due to other governments	\$ 30,485
Deposits	1,740,644
Due to individuals	961,824
<hr/>	
<b>Total liabilities</b>	<b>\$ 2,732,953</b>
<hr/> <hr/>	

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

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

The financial statements of the Walton County, Florida Clerk of the Circuit Court (the “Clerk”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Clerk are described below.

***Reporting Entity***

The Clerk is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes Chapter 7.66. The Clerk's financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the “County”) taken as a whole. Although the Clerk’s office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to *GASB Codifications of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*, the Clerk's financial statements are combined with those of the Board and other elected officials into the reporting entity of the County.

***Basis of Presentation***

The Clerk’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

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

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

**Fine and Forfeiture Fund** – A special revenue fund established pursuant to Chapter 2004-265 Laws of Florida to account for court related revenues and expenditures, which are required to be reported separately from the Clerk’s General Fund activities.

**Court Technology** – A special revenue fund that accounts for an additional service charge for each recorded instrument reserved for the technology needs of the court system within the Clerk’s office.

The following nonmajor governmental funds are reported:

**Title IV-d** – A special revenue fund that receives federal reimbursement for expenses related to the Title IV-d child support cases.

**Record Modernization** – A special revenue fund that accounts for an additional service charge for each recorded instrument. These funds are to be used exclusively for improvements to the official records system.

The Clerk also reported the following fund types:

**Internal Service Fund** – The internal service fund (a proprietary fund) is used to report funded and accrued compensated absences.

**Agency Fund** – Agency funds are custodial in nature and account for assets held in a trust capacity or as an agent for individuals, other governmental units and/or other funds. Agency funds only report assets and liabilities and do not measure results of operations. These funds are accounted for on an accrual basis of accounting.

### ***Basis of Accounting***

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

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

Proprietary funds (the internal service fund) are reported using the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principle operating revenues of the Clerk's internal service fund are charges to funds related to the Clerk's compensated absences activity. Operating expenses for the internal service fund include recognition of changes in the compensated absences liabilities. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Fiduciary fund (agency fund) statements are prepared using the economic resource measurement focus and the accrual basis of accounting.

***Measurement Focus***

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

The portion of the Clerk’s revenue that is a budget appropriation from the Board, rather than a charge for services, is reported as other financing source. At year-end, excess revenue and other financial sources over expenditures are remitted to the Board and reported as reversion to the Board of County Commissioners.

***Impact of Recently Issued Accounting Pronouncements***

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

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

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

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

**Walton County, Florida  
Clerk of the Circuit Court  
Notes To Financial Statements**

***Pronouncements Issued But Not Yet Effective***

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

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

***Budgetary Requirements***

Florida Statutes, Chapter 218.35 and 218.36 details the preparation, adoption and administration of the Clerk's annual budget. The Clerk establishes an annual balanced budget for their office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The budget is prepared on a basis consistent with GAAP. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Clerk.

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

- A. The budget relating to the state court system (Circuit and County), is filed with the Florida Clerk of the Court Operations Corporation; and
- B. The budget relating to the requirements of the Clerk as the Clerk of the Board, County Auditor, and Custodian or Treasurer of all County funds and other County-related duties;
- C. The budget relating to the recording of official records;
- D. The budget related to the Records Modernization Fund;
- E. The budget related to the Court Technology Fund;
- F. The budget related to the Fine and Forfeiture Fund;
- G. The budget related to the Title IV-d Fund.

***Excess Expenditures Over Appropriations***

The Fine and Forfeiture Special Revenue Fund actual expenditures exceeded budgeted expenditures by \$64,695. The excess was funded with additional current year revenues and other financing sources from Clerk of the Courts Trust Fund.

***Inventories and Prepaid Items***

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore, no amount has been reported.

***Capital Assets***

Capital assets are recorded as expenditures at the time acquired and if donated, acquisition value at the date of the donation. Title in all capital assets owned by the County is retained by the Board and the Clerk's capital assets are reported on the County-wide financial statements. The Clerk maintains custodial responsibility for the capital assets used by his office.

The County maintains a \$5,000 threshold for capitalization of machinery and equipment and a \$25,000 threshold for land, buildings and improvements. Additionally, the Clerk maintains an inventory of all tangible personal property with a donated value or cost of \$1,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Administrative Code Sections 69I-73.002 and 69I-73.006.

For tangible personal property, depreciation has been provided using the straight-line method over the asset's estimated useful life. The Clerk did not report any land, buildings or improvements.

***Compensated Absences***

It is the Clerk's policy to allow employees to accumulate a maximum of 1,000 hours of paid time off (PTO) at the end of the calendar year. Any PTO hours exceeding 1,000 will be forfeited by that employee. Upon separation, employees will receive pay for their unused accrued PTO up to a maximum payment of 500 hours.

Expenditures for compensated absences in the internal service fund are those paid during the current fiscal year for employee separation, PTO buy back, and longevity pay. The amounts unpaid at the end of the reporting period are then accrued for future use.

***Governmental Fund Balances***

Fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Notes To Financial Statements**

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***Nonspendable fund balances*** include amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact. There were no nonspendable fund balances as of September 30, 2019.

***Spendable fund balances*** are classified based on a hierarchy of the Clerk's ability to control the spending of these fund balances.

*Restricted fund balances* are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2019, the Clerk had restricted fund balances only in its special revenue funds.

*Committed fund balances* are fund balances constrained for specific purposes imposed by the Clerk's formal action of highest level of decision making authority. As of September 30, 2019, the Clerk had no committed fund balances.

*Assigned fund balances* are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2019, the Clerk had no assigned fund balances.

*Unassigned fund balances* represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2019, the Clerk had no unassigned fund balances because all excess revenues within the General Fund are required to be remitted to the Board and there were no excess revenues within the Fine and Forfeiture Fund to be remitted to the Clerk of Courts Trust Fund. There were no other negative residual balances in the special revenue funds.

When expenditures are incurred for purposes for which restricted or unrestricted fund balance classifications could be used, it is the Clerk's policy to use restricted funds first, then unrestricted.

***Management Estimates and Assumptions***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2: CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

**Walton County, Florida  
Clerk of the Circuit Court  
Notes To Financial Statements**

***Custodial Risk***

At year end, all cash was held in demand deposits fully insured by the Federal Deposit Insurance Corporation (FDIC) or the multiple financial institutions collateral pool required by Sections 280.07 and 280.08, Florida Statutes.

***Credit and Interest Rate Risk***

The Clerk adheres to the investment policy adopted by the Board, thereby limiting its exposure to both credit and interest rate risk as noted below. Concentration of credit risk is the risk of loss attributable to the quantity of the Clerk's investments in a single issuer. The entire amount of the Clerk's demand deposits are held in a public fund net interest bearing checking account, paying interest at the current federal funds rate less (5) basis points, with no reserve requirements. This arrangement increases the liquidity of the Clerk's deposits and eliminates the fees paid on sweep accounts. Balances in the account are fully collateralized in compliance with applicable State statutes.

**NOTE 3: DUE FROM OTHER GOVERNMENTS**

The Clerk is due receivables from various other government sources, all of which are deemed collectible within 60 days of year-end.

Source	Fine and Forfeiture Fund	Other Governmental Funds	Total
Other governments	\$ 61,778	\$ 37,401	\$ 99,179

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the fiscal year is as follows:

	Balance 10/1/18	Additions	Deletions	Balance 9/30/19
<b>Governmental Activities</b>				
Capital assets depreciated:				
Machinery and equipment	\$ 1,890,656	\$ 92,395	\$ (96,969)	\$ 1,886,082
Less accumulated depreciation	(1,581,513)	(152,721)	96,969	(1,637,265)
Total governmental activities				
Capital assets, net	\$ 309,143	\$ (60,326)	-	\$ 248,817

Title in all capital assets owned by the County is retained by the Board and the above noted capital asset information and activity is reported on the county-wide financial statements.



**Walton County, Florida  
Clerk of the Circuit Court  
Notes To Financial Statements**

Depreciation expense to be reported by the County was charged to the functions of the government as follows:

<b>Governmental Activities</b>	
General government	\$ 152,721

**NOTE 5: LONG-TERM DEBT**

The following is a summary of changes in long-term debt:

	<u>Compensated Absences</u>
Balance – October 1, 2018	\$ 782,656
Additions	401,303
Deletions	(306,937)
Balance – September 30, 2019	877,022
Less current portion	125,629
<u>Long-term balance</u>	<u>\$ 751,393</u>

The internal service fund is designed to record the annual cost related to the Clerk’s compensated absences policies, to record the short-term and long-term components of such liabilities, and to collect and hold cash to liquidate such liabilities. The related cost associated with the fund will be recovered via charges to the General Fund.

**NOTE 6: EXCESS REVENUE**

Pursuant to Section 218.36(2), Florida Statutes, each county officer shall pay into the County General Fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. \$711,591 of excess revenues over expenditures was returned to the Board by October 31, 2019 as required by Florida Statutes.

Pursuant to Section 28.37(2), Florida Statutes, the Clerk shall retain all fees, service charges, court costs, and fines collected to fund the Clerk’s court operations. Excess revenue over expenditures at September 30<sup>th</sup> of each year will be sent to the Clerk of Courts Trust Fund. Additionally, if revenues received in any given month exceed 1/12 of the projected revenues for the year, then that excess is to be remitted to the Clerk of Courts Trust Fund as well. For the year ended September 30, 2019, excess court revenues exceeded 1/12 of revenue projections in the amount of \$34,478 and were remitted back to the Clerk of Courts Trust Fund. Excess court fund revenues from September 2019 were retained by the Clerk to fund October 2019 court operations in the amount of \$126,744.

**NOTE 7: RETIREMENT PLAN**

The Clerk and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Clerk's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability re-emerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year.

Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: DROP Program – 14.60%, regular employees – 8.47%, senior management – 25.41% and elected officials – 48.82%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP Program.

For the year ended September 30, 2019, total payroll for the Clerk's employees covered by the System was \$3,529,087 and total payroll was \$3,554,437. The Clerk's contributions to the plan for the years ended September 30, 2019, 2018, and 2017 were \$488,261, \$451,218, and \$387,432 respectively. These contributions were paid by the due date.

The Clerk has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P O Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**NOTE 8: POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 7, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Clerk are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize an other post-employment benefit (OPEB) liability on the Statement of Net Position of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 9: FUND BALANCE**

At September 30, 2019, fund balance is comprised of the following:

***Restricted Fund Balance***

Record Modernization – Court Innovations	\$ 250,497
Court Technology – Court Technology	786,652
Title IV-d – Child Support Enforcement	392,735
<hr/>	
Total restricted fund balance	\$ 1,429,884

**NOTE 10: CONTINGENT LIABILITIES**

The Clerk is involved in several litigations and claims arising in the ordinary course of operations. Legal counsel for the Clerk believes a favorable outcome is likely. No accruals or loss contingency has been made in the financial statements.

The Clerk receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Clerk with the terms of the grants/contracts. In the opinion of the Clerk's management, such allowances, if any, would not be significant in relation to the financial statements of the Clerk.

**NOTE 11: SUBSEQUENT EVENTS**

The Clerk has evaluated subsequent events through the date of issuance of these financial statements and has determined that no events occurring subsequent to year-end warranted disclosure.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

**Title IV-d** – Accounts for federal reimbursement for expenses related to the Title IV-d child support cases.

**Record Modernization** – Accounts for an additional service charge for each recorded instrument. These funds are to be used exclusively for improvements to the official records system.

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2019**

	Title IV-d	Record Modernization	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 358,085	\$ 250,497	\$ 608,582
Due from other governments	37,401	-	37,401
<b>Total assets</b>	<b>\$ 395,486</b>	<b>\$ 250,497</b>	<b>\$ 645,983</b>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accrued expenses	\$ 2,751	\$ -	\$ 2,751
Fund balances			
Restricted	392,735	250,497	643,232
<b>Total liabilities and fund balances</b>	<b>\$ 395,486</b>	<b>\$ 250,497</b>	<b>\$ 645,983</b>

**Walton County, Florida  
Clerk of the Circuit Court**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
September 30, 2019**

	Title IV-d	Record Modernization	Total
<b>Revenues</b>			
Charges for services	\$ -	\$ 86,635	\$ 86,635
Intergovernmental	309,178	-	309,178
<b>Total revenues</b>	<b>309,178</b>	<b>86,635</b>	<b>395,813</b>
<b>Expenditures</b>			
General government			
Personnel services	195,440	-	195,440
Operating	200	47,377	47,577
<b>Total expenditures</b>	<b>195,640</b>	<b>47,377</b>	<b>243,017</b>
<b>Excess Revenues Over Expenditures</b>	<b>113,538</b>	<b>39,258</b>	<b>152,796</b>
<b>Fund Balance - beginning</b>	<b>279,197</b>	<b>211,239</b>	<b>490,436</b>
<b>Fund Balance - ending</b>	<b>\$ 392,735</b>	<b>\$ 250,497</b>	<b>\$ 643,232</b>

Walton County, Florida  
 Clerk of the Circuit Court

**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Title IV-d**  
**For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$ 120,024	\$ 120,024	\$ 309,178	\$ 189,154
<b>Expenditures</b>				
General government				
Personnel services	119,724	200,184	195,440	4,744
Operating	300	300	200	100
Total expenditures	120,024	200,484	195,640	4,844
<b>Excess Revenues Over (Under)</b>				
<b>Expenditures</b>	-	(80,460)	113,538	193,998
<b>Fund Balance - beginning</b>	279,197	279,197	279,197	-
<b>Fund Balance - ending</b>	\$ 279,197	\$ 198,737	\$ 392,735	\$ 193,998

Walton County, Florida  
 Clerk of the Circuit Court

**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Record Modernization**  
**For the Year Ended September 30, 2019**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 81,000	\$ 81,000	\$ 86,635	\$ 5,635
<b>Expenditures</b>				
General government Operating	81,000	81,000	47,377	33,623
<b>Excess Revenues Over Expenditures</b>	-	-	39,258	39,258
<b>Fund Balance - beginning</b>	211,239	211,239	211,239	-
<b>Fund Balance - ending</b>	\$ 211,239	\$ 211,239	\$ 250,497	\$ 39,258



## **Fiduciary Funds**

**General Agency** – To account for collections held in trust including; taxes, fines and forfeitures and other miscellaneous sources.

**Juror and Witness** – To account for advances received from the State and County for payment of jurors and witnesses.

**Registry of Court** – To account for collections held in trust as ordered by the courts.

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

**Appearance Bonds** – To account for cash bonds collected for the release of prisoners.

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

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**September 30, 2019**

	General Agency	Juror and Witness	Registry of Court
<b>Assets</b>			
Cash and cash equivalents	\$ 1,010,493	\$ 14,888	\$ 736,473
Receivables, net	2,279	-	-
<b>Total assets</b>	<b>\$ 1,012,772</b>	<b>\$ 14,888</b>	<b>\$ 736,473</b>
<b>Liabilities</b>			
Due to other governments	\$ 5,160	\$ 14,888	\$ -
Deposits	1,004,171	-	736,473
Due to individuals	3,441	-	-
<b>Total liabilities</b>	<b>\$ 1,012,772</b>	<b>\$ 14,888</b>	<b>\$ 736,473</b>

<b>Child Support</b>	<b>Appearance Bonds</b>	<b>Tax Redemption</b>	<b>Total</b>
\$ 209	\$ 243,715	\$ 724,896	\$ 2,730,674
-	-	-	2,279
\$ 209	\$ 243,715	\$ 724,896	\$ 2,732,953
\$ 209	\$ 8,612	\$ 1,616	\$ 30,485
-	-	-	1,740,644
-	235,103	723,280	961,824
\$ 209	\$ 243,715	\$ 724,896	\$ 2,732,953

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**September 30, 2019**

	Balance 10/01/18	Additions	Deductions	Balance 9/30/19
<b>General Agency</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,534,151	\$ 35,850,967	\$ 37,374,625	\$ 1,010,493
Receivables, net	1,928	45,213	44,862	2,279
<b>Total assets</b>	<b>\$ 2,536,079</b>	<b>\$ 35,896,180</b>	<b>\$ 37,419,487</b>	<b>\$ 1,012,772</b>
<b>Liabilities</b>				
Due to other governments	\$ 1,059,894	\$ 34,993,707	\$ 36,048,441	\$ 5,160
Due to Board of County Commissioners	46,514	-	46,514	-
Deposits	1,428,100	773,809	1,197,738	1,004,171
Due to individuals	1,571	128,664	126,794	3,441
<b>Total liabilities</b>	<b>\$ 2,536,079</b>	<b>\$ 35,896,180</b>	<b>\$ 37,419,487</b>	<b>\$ 1,012,772</b>
<b>Juror and Witness</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 16,376	\$ -	\$ 1,488	\$ 14,888
<b>Liabilities</b>				
Due to other governments	\$ 16,376	\$ -	\$ 1,488	\$ 14,888
<b>Registry of Court</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,797,839	\$ 2,907,008	\$ 3,968,374	\$ 736,473
<b>Liabilities</b>				
Due to other governments	\$ 73,164	\$ -	\$ 73,164	\$ -
Deposits	1,723,493	2,907,008	3,894,028	736,473
Due to Individuals	1,182	-	1,182	-
<b>Total liabilities</b>	<b>\$ 1,797,839</b>	<b>\$ 2,907,008</b>	<b>\$ 3,968,374</b>	<b>\$ 736,473</b>
<b>Child Support</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 472,226	\$ 472,017	\$ 209
Receivables, net	625	-	625	-
<b>Total assets</b>	<b>\$ 625</b>	<b>\$ 472,226</b>	<b>\$ 472,642</b>	<b>\$ 209</b>
<b>Liabilities</b>				
Due to other governments	\$ 625	\$ 472,226	\$ 472,642	\$ 209

-Continued-

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities - Continued**  
**Agency Funds**  
**September 30, 2019**

	Balance 10/01/18	Additions	Deductions	Balance 9/30/19
<b>Appearance Bonds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 212,737	\$ 511,989	\$ 481,011	\$ 243,715
<b>Liabilities</b>				
Due to other governments	\$ 3,466	\$ 7,795	\$ 2,649	\$ 8,612
Due to individuals	209,271	504,194	478,362	235,103
Total liabilities	\$ 212,737	\$ 511,989	\$ 481,011	\$ 243,715
<b>Tax Redemption</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 881,600	\$ 397,352	\$ 554,056	\$ 724,896
<b>Liabilities</b>				
Due to other governments	\$ 1,803	\$ 14,441	\$ 14,628	\$ 1,616
Due to individuals	879,797	382,911	539,428	723,280
Total liabilities	\$ 881,600	\$ 397,352	\$ 554,056	\$ 724,896
<b>Total Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,442,703	\$ 40,139,542	\$ 42,851,571	\$ 2,730,674
Receivables, net	2,553	45,213	45,487	2,279
Total assets	\$ 5,445,256	\$ 40,184,755	\$ 42,897,058	\$ 2,732,953
<b>Liabilities</b>				
Due to other governments	\$ 1,155,328	\$ 35,488,169	\$ 36,613,012	\$ 30,485
Due to Board of County Commissioners	46,514	-	46,514	-
Deposits	3,151,593	3,680,817	5,091,766	1,740,644
Due to individuals	1,091,821	1,015,769	1,145,766	961,824
Total liabilities	\$ 5,445,256	\$ 40,184,755	\$ 42,897,058	\$ 2,732,953

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

Honorable Alex Alford  
Clerk of the Circuit Court  
Walton County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund, the proprietary and fiduciary fund types, and the remaining nonmajor governmental funds of the Walton County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated February 13, 2020.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

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

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

Enterprise, Alabama

February 13, 2020

## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Alex Alford  
Clerk of the Circuit Court  
Walton County, Florida

We have examined the Walton County, Florida's Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019.

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

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

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

Enterprise, Alabama

February 13, 2020





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## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH CLERKS OF COURT PERFORMANCE STANDARDS AND BUDGETS**

Honorable Alex Alford  
Clerk of the Circuit Court  
Walton County, Florida

We have examined the Walton County, Florida's Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Sections 28.35 and 28.36, Florida Statutes, Clerks of Court Performance Standards and Budgets, during the year ended September 30, 2019. Management is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Sections 28.35 and 28.36, Florida Statutes, Clerks of Court Performance Standards and Budgets, during the year ended September 30, 2019.

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

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

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

Enterprise, Alabama

February 13, 2020



## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH ALIMONY AND CHILD SUPPORT PAYMENTS**

Honorable Alex Alford  
Clerk of the Circuit Court  
Walton County, Florida

We have examined the Walton County, Florida's Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 61.181, Florida Statutes, Alimony and Child Support Payments, during the year ended September 30, 2019. Management is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 61.181, Florida Statutes, Alimony and Child Support Payments, during the year ended September 30, 2019.

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

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

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

Enterprise, Alabama

February 13, 2020

## **MANAGEMENT LETTER**

Honorable Alex Alford  
Clerk of Circuit Court  
Walton County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Walton County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated February 13, 2020.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Governmental Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 13, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings and recommendations in the preceding annual financial audit report.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

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

Enterprise, Alabama

February 13, 2020

**Property Appraiser  
Walton County, Florida**

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**Financial Statements**

**For The Year Ended September 30, 2019**

**Walton County, Florida  
Property Appraiser  
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## INDEPENDENT AUDITORS' REPORT

Honorable Patrick Pilcher  
Property Appraiser  
Walton County, Florida

### Report on Financial Statements

We have audited the accompanying financial statements of the major fund of the Walton County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund of the Property Appraiser as of September 30, 2019, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund only for that portion of the major fund of Walton County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Walton County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2020 on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

February 13, 2020



**Walton County, Florida**  
**Property Appraiser**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2019**

	<b>General Fund</b>
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 311,499
Receivable	98
<hr/>	
Total assets	\$ 311,597
<hr/> <hr/>	
<b>Liabilities and Fund Balance</b>	
Liabilities	
Due to Board of County Commissioners	\$ 253,400
Due to other governments	30,486
Accrued payroll	27,711
<hr/>	
Total liabilities	311,597
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 311,597
<hr/> <hr/>	

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

**Walton County, Florida**  
**Property Appraiser**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended September 30, 2019**

	<b>General Fund</b>
<b>Revenues</b>	
Intergovernmental	\$ 236,850
Miscellaneous	2,500
Total revenues	239,350
<b>Expenditures</b>	
General government	
Personnel services	1,585,451
Operating	261,866
Capital outlay	76,854
Total expenditures	1,924,171
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(1,684,821)</b>
<b>Other Financing Sources (Uses)</b>	
Appropriations from Board of County Commissioners	1,968,707
Reversion to Board of County Commissioners	(253,400)
Return of excess fees to other taxing authorities	(30,486)
Total other financing sources (uses)	1,684,821
Net change in fund balance	-
<b>Fund Balance - beginning</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ -</b>

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

**Walton County, Florida**  
**Property Appraiser**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$ 236,850	\$ 236,850	\$ 236,850	\$ -
Miscellaneous	-	-	2,500	2,500
<b>Total revenues</b>	<b>236,850</b>	<b>236,850</b>	<b>239,350</b>	<b>2,500</b>
<b>Expenditures</b>				
General government				
Personnel services	1,824,981	1,860,394	1,585,451	274,943
Operating	297,886	267,512	261,865	5,647
Capital outlay	43,981	74,355	76,855	(2,500)
Non-operating	38,709	3,296	-	3,296
<b>Total expenditures</b>	<b>2,205,557</b>	<b>2,205,557</b>	<b>1,924,171</b>	<b>281,386</b>
<b>Excess Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>(1,968,707)</b>	<b>(1,968,707)</b>	<b>(1,684,821)</b>	<b>283,886</b>
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	1,968,707	1,968,707	1,968,707	-
Reversion to Board of County Commissioners	-	-	(253,400)	(253,400)
Return of excess fees to other taxing authorities	-	-	(30,486)	(30,486)
<b>Total other financing sources (uses)</b>	<b>1,968,707</b>	<b>1,968,707</b>	<b>1,684,821</b>	<b>(283,886)</b>
Net change in fund balance	-	-	-	-
<b>Fund Balance - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

The financial statements of the Walton County, Florida Property Appraiser (the “Property Appraiser”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Property Appraiser are described below.

***Reporting Entity***

The Property Appraiser is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes chapter 7.66. The Property Appraiser’s financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the “County”) taken as a whole. Although the Property Appraiser’s office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600*, the Property Appraisers’ financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of the County.

***Basis of Presentation***

The Property Appraiser’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Property Appraiser has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

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

**General Fund** – The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Property Appraiser that are not required either legally or by GAAP to be accounted for in another fund.

***Basis of Accounting***

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

**Walton County, Florida**  
**Property Appraiser**  
**Notes To Financial Statements**

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

***Measurement Focus***

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

The operations of the Property Appraiser are funded by the Board of County Commissioners and other taxing authorities in the County. The appropriations from the Board are recorded as other financing sources. At year-end, excess revenue and other financial sources received over expenditures are remitted to the Board and other taxing authorities in proportion to the amounts received from each taxing authority.

***Impact of Recently Issued Accounting Pronouncements***

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

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

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

**Walton County, Florida**  
**Property Appraiser**  
**Notes To Financial Statements**

---

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

***Pronouncements Issued But Not Yet Effective***

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

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

***Budgetary Requirements***

Florida Statutes Chapter 195.087 details the preparation, adoption and administration of the Property Appraiser’s annual budget. On or before June 1 of each year, the Property Appraiser shall certify to the Department of Revenue (the “Department”) a proposed budget. The Department has until August 15 to approve or modify the budget. The Board has until September 30 to approve a final budget during hearings held pursuant to Florida Statute 200.065.

Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Property Appraiser. Budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Department and Board.

**Walton County, Florida**  
**Property Appraiser**  
**Notes To Financial Statements**

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***Inventories and Prepaid Items***

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

***Capital Assets***

Capital assets are recorded as expenditures at the time acquired and if donated, acquisition value at date of the donation. Title in all capital assets owned by the County is retained by the Board and the Property Appraiser's capital assets are reported on the county-wide financial statements. The Property Appraiser maintains custodial responsibility for capital assets used by his office.

The County maintains a \$5,000 threshold for capitalization of machinery and equipment and a \$25,000 threshold for land, buildings and improvements. Additionally, the Property Appraiser maintains an inventory of all tangible personal property with a donated value or cost of \$1,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006.

For tangible personal property, depreciation has been provided using the straight-line method over the asset's estimated useful life. The Property Appraiser did not report any land, buildings or improvements.

***Compensated Absences***

It is the Property Appraiser's policy to allow employees to accumulate double the annual leave hours they accrue, which is allowed for payment upon separation. Upon termination of employment, employees will receive pay for one-half of their unused sick leave accrued up to a maximum payment of 480 hours. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Property Appraiser are the obligation of the County and are reported at the county-wide level.

The following is a schedule of changes in compensated absences:

Balance at October 1, 2018	\$	93,809
Additions		139,241
Deletions		127,954
<hr/>		
Balance at September 30, 2019		105,096
Less: current portion		10,510
<hr/>		
Long-term balance	\$	94,586

***Governmental Fund Balances***

Fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

***Nonspendable fund balances*** include amounts that cannot be spent because they are either not spendable form or they are legally or contractually required to be maintained intact. At September 30, 2019, the Property Appraiser had no nonspendable fund balances.

***Spendable fund balances*** are classified based on a hierarchy of the County's ability to control the spending of these fund balances, and at September 30, 2019, the Property Appraiser had no spendable fund balances.

*Restricted fund balances* are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws of regulations or imposed by law through constitutional provisions or enabling legislation.

*Committed fund balances* are fund balances constrained for specific purposes imposed by the Property Appraiser's formal action of highest level of decision making authority.

*Assigned fund balances* are fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

*Unassigned fund balances* represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2019, the Property Appraiser had no unassigned fund balances because all excess revenues within the General Fund are required to be remitted to the Board of County Commissioners.

When expenditures are incurred for purposes for which restricted or unrestricted fund balance classifications could be used, it is the Property Appraiser's policy to use restricted funds first, then unrestricted.

***Management Estimates and Assumptions***

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



**Walton County, Florida**  
**Property Appraiser**  
**Notes To Financial Statements**

**NOTE 2: CASH AND CASH EQUIVALENTS**

Cash and cash equivalents represent cash on hand as well as demand deposits.

***Custodial Risk***

The Property Appraiser does not have a written investment policy but historically has limited available investments to cash and cash equivalents. At year-end, all cash was held in demand deposits insured by the Federal Deposit Insurance Corporation or the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the fiscal year is as follows:

	Balance 10/01/18	Additions	Deletions	Balance 09/30/19
<b>Governmental Activities</b>				
Capital assets depreciated:				
Machinery and equipment	\$ 261,952	\$ 58,538	\$ 27,435	\$ 293,055
Less: accumulated depreciation	238,949	12,624	27,435	224,138
Total governmental activities				
Capital assets, net	\$ 23,003	\$ 45,914	\$ -	\$ 68,917

Title in all capital assets owned by the County is retained by the Board of County Commissioners and the above noted capital asset information and activity is reported in the county-wide financial statements.

Depreciation expense to be reported by the County was charged to the functions of the government as follows:

<b>Governmental Activities</b>	
General government	\$ 12,624

**NOTE 4: EXCESS REVENUE**

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures, determined as of the fiscal year end, "...shall be divided into parts for each governmental unit which was billed and which paid for the operation of the Property Appraiser's office in the same proportion as the governmental units were originally billed. Such part shall be an advance on the current year's bill, if any." The Property Appraiser has elected to return rather than credit as an advance all excess fees.

**NOTE 5: RETIREMENT PLAN**

The Property Appraiser and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Property Appraiser's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by State law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis as a level dollar amount.

The System provides for employees hired before July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service. 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.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 8.47%, DROP Program – 14.03%, senior management – 25.41% and elected officials – 48.82%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Property Appraiser's employees covered by the System was \$1,321,846 for the year ended September 30, 2019. The Property Appraiser's total payroll was \$1,346,768 for the same period. The Property Appraiser's contributions to the plan for the years ended September 30, 2019, 2018, and 2017 were \$147,773, \$172,669, and \$160,492, respectively and were paid by the due date for the contribution.

**Walton County, Florida**  
**Property Appraiser**  
**Notes To Financial Statements**

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The Property Appraiser has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**NOTE 6: POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 5, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Property Appraiser are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County, recognize another OPEB liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 7: CONTINGENT LIABILITIES**

The Property Appraiser is currently involved in litigation arising in the normal course of operations. Those claims are challenging property valuations. Potential recoveries or liabilities in excess of insurance coverage, if any, are not determinable. No accruals for loss contingency have been made in the financial statements.

**NOTE 8: SUBSEQUENT EVENTS**

The Property Appraiser has evaluated subsequent events through the date of issuance of these financial statements, and has determined that no events occurring subsequent to year end warranted disclosure.



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

Honorable Patrick P. Pilcher  
Property Appraiser  
Walton County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Walton County, Florida Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, and have issued our report thereon dated February 13, 2020.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

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

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

Enterprise, Alabama

February 13, 2020

## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Patrick P. Pilcher  
Property Appraiser  
Walton County, Florida

We have examined the Walton County, Florida Property Appraiser's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* during the year ended September 30, 2019. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specific requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

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

In our opinion, the Property Appraiser complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019.

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

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

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

Enterprise, Alabama

February 13, 2020



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## **MANAGEMENT LETTER**

Honorable Patrick P. Pilcher  
Property Appraiser  
Walton County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Walton County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated February 13, 2020.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 13, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

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

Enterprise, Alabama

February 13, 2020



**Tax Collector**  
**Walton County, Florida**

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**Financial Statements**

**For The Year Ended September 30, 2019**

**Walton County, Florida  
Tax Collector  
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September 30, 2019**

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## **INDEPENDENT AUDITORS' REPORT**

Honorable Rhonda Skipper  
Tax Collector  
Walton County, Florida

We have audited the accompanying financial statements of the major fund and fiduciary fund type of the Walton County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund and fiduciary fund type of the Tax Collector, as of September 30, 2019, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund and fiduciary fund types, only for that portion of the major fund and fiduciary fund types of Walton County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Walton County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's financial statements. The combining and individual fund statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2020 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing,

and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

February 13, 2020

**Walton County, Florida**  
**Tax Collector**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2019**

	<b>General Fund</b>
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 1,682,708
Due from individuals	144,581
<hr/>	
Total assets	\$ 1,827,289
<hr/>	
<b>Liabilities and Fund Balance</b>	
Liabilities	
Accounts payable	\$ 20,186
Wages and benefits payable	100,429
Due to Board of County Commissioners	1,536,743
Due to other governments	169,931
<hr/>	
Total liabilities	1,827,289
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 1,827,289
<hr/>	

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

**Walton County, Florida**  
**Tax Collector**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended September 30, 2019**

	<b>General Fund</b>
<b>Revenues</b>	
Charges for services	\$ 4,702,044
<b>Expenditures</b>	
General government	
Personnel services	2,375,546
Operating	543,106
Capital outlay	95,516
Debt service	
Principal	11,180
Interest	737
Total expenditures	3,026,085
<b>Excess Revenues Over Expenditures</b>	<b>1,675,959</b>
<b>Other Financing Sources (Uses)</b>	
Lease proceeds	30,715
Return of excess fees to other taxing authorities	(169,931)
Reversion to Board of County Commissioners	(1,536,743)
Total other financing sources (uses)	(1,675,959)
Net change in fund balance	-
<b>Fund Balance - beginning</b>	-
<b>Fund Balance - ending</b>	\$ -

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

**Walton County, Florida**  
**Tax Collector**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**September 30, 2019**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 3,102,722	\$ 3,102,722	\$ 4,702,044	\$ 1,599,322
<b>Expenditures</b>				
General government				
Personnel services	2,445,625	2,445,625	2,375,546	70,079
Operating	553,097	553,097	543,106	9,991
Capital outlay	104,000	104,000	95,516	8,484
Debt service				
Principal	-	-	11,180	(11,180)
Interest	-	-	737	(737)
<b>Total expenditures</b>	<b>3,102,722</b>	<b>3,102,722</b>	<b>3,026,085</b>	<b>76,637</b>
<b>Excess Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>1,675,959</b>	<b>1,675,959</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from issuance of capital lease	-	-	30,715	30,715
Return of excess fees to other taxing authorities	-	-	(169,931)	(169,931)
Reversion to Board of County Commissioners	-	-	(1,536,743)	(1,536,743)
<b>Total other financing sources (uses)</b>			<b>(1,675,959)</b>	<b>(1,675,959)</b>
Net change in fund balance	-	-	-	-
<b>Fund Balance - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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



**Walton County, Florida**  
**Tax Collector**  
**Statement of Fiduciary Net Position**  
**Agency Funds**  
**September 30, 2019**

		<b>Agency Funds</b>
<b>Assets</b>		
Cash	\$	1,381,205
<b>Liabilities</b>		
Due to other governments	\$	454,430
Deposits		926,775
Total liabilities	\$	1,381,205

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

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

The financial statements of the Walton County, Florida Tax Collector (the “Tax Collector”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Tax Collector are described below.

***Reporting Entity***

The Tax Collector is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes chapter 7.66. The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the “County”) taken as a whole. Although the Tax Collector’s office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to *GASB Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*, the Tax Collector’s financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of the County.

***Basis of Presentation***

The Tax Collector’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

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

**General Fund** – The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Tax Collector that are not required either legally or by GAAP to be accounted for in another fund.

The Tax Collector also reported the following fiduciary fund type:

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

***Basis of Accounting***

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

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

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

***Measurement Focus***

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

The operations of the Tax Collector are funded by the Board of County Commissioners and other taxing authorities in the County. At year-end, excess revenue and other financial sources over expenditures are remitted to the Board and other taxing authorities in proportion to the amounts received from each taxing authority.

***Impact of Recently Issued Accounting Pronouncements***

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

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

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

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

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

***Pronouncements Issued But Not Yet Effective***

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

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

***Budgetary Requirements***

Florida Statutes, Chapter 195.087 details the preparation, adoption, and administration of the Tax Collector’s annual budget. On or before August 1 of each year, the Tax Collector submits an annual budget to the Department of Revenue (the “Department”). If the Department finds the budget inadequate or excessive, it shall return such budget to the Tax Collector, together with its ruling thereon. The Tax Collector shall revise the budget as required and resubmit it to the Department. After final approval by the Department, there shall be no reduction or increase by the Tax Collector or Board without the approval of the Department.

Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Tax Collector. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board and the Department.

### ***Inventories and Prepaid Items***

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

### ***Capital Assets***

Capital assets are recorded as expenditures at the time acquired, and if donated, acquisition value at date of the donation. Title in all capital assets owned by the County is retained by the Board and the Tax Collector's capital assets are reported on the county-wide financial statements. The Tax Collector maintains custodial responsibility for capital assets used in her office.

The County maintains a \$5,000 threshold for capitalization of equipment and \$25,000 for land, buildings and improvements. Additionally, the Tax Collector maintains an inventory of all tangible personal property with a donated value or cost of \$1,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006.

For tangible personal property, depreciation has been provided using the straight-line method over the asset's useful life. The Tax Collector did not report any land, buildings or improvements.

### ***Capital Leases***

The Tax Collector entered into various lease agreements as a lessee for financing the acquisition of copiers and mailing systems. The lease agreements qualify as capital leases for accounting purposes and; therefore, have been recorded in the county-wide financial statements at the present value of future minimum lease payments as of the lease inception date. The related assets are reported as capital assets in the county-wide financial statements. See Note 4 for detailed capital lease activity.

### ***Compensated Absences***

The Tax Collector's policy limits the accumulation of annual leave to 240 hours as of the first day of each calendar year. There is no limitation on the amount of sick leave accumulation. However, upon separation from employment, all accumulated sick leave up to 240 hours, regardless of length of employment, and all accumulated annual leave up to 240 hours, pending one full year of employment, will be paid provided one of the following conditions are met:

- Resignation of position, with notice and in good standing
- Elimination of position due to staff cutbacks and layoffs
- Retirement
- Death

Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Tax Collector are the obligation of the County and are reported at the county-wide level.

### ***Governmental Fund Balances***

Fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

***Nonspendable fund balances*** include amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact. There were no nonspendable fund balances at the Tax Collector as of September 30, 2019.

***Spendable fund balances*** are classified based on a hierarchy of the Tax Collector's ability to control the spending of these fund balances, and at September 30, 2019, the Tax Collector had no spendable fund balances.

*Restricted fund balances* are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws of regulations or imposed by law through constitutional provisions or enabling legislation.

*Committed fund balances* are fund balances constrained for specific purposes imposed by the Tax Collector's formal action of highest level of decision making authority.

*Assigned fund balances* are fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

*Unassigned fund balances* represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2019, the Tax Collector had no unassigned fund balances because all excess revenues within the General Fund are required to be remitted to the appropriate taxing agencies.

When expenditures are incurred for purposes for which restricted or unrestricted fund balance classifications could be used, it is the Tax Collector's policy to use restricted funds first, then unrestricted.

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

***Management Estimates and Assumptions***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Cash and cash equivalents represent cash on hand as well as demand deposits.

***Custodial Risk***

The Tax Collector does not have a written investment policy but historically has limited available investments to cash and cash equivalents. At year end, all cash held in demand deposits was fully insured by the Federal Depository Insurance Corporation or the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the fiscal year is as follows:

	<b>Balance 10/1/18</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 9/30/19</b>
<b>Governmental Activities</b>				
Capital assets depreciated:				
Machinery and equipment	\$ 597,019	\$ 67,030	\$ -	\$ 664,049
Less: accumulated depreciation	(533,951)	(31,475)	-	(565,426)
<b>Total governmental activities capital assets, net</b>	<b>\$ 63,068</b>	<b>\$ 35,555</b>	<b>\$ -</b>	<b>\$ 98,623</b>

Title in all capital assets owned by the County is retained by the Board and the above noted capital asset information and activity is reported on the county-wide financial statements.

Depreciation expense to be reported by the County was charged to the functions of the government as follows:

General government	\$ 31,475
--------------------	-----------

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

**NOTE 4: LONG-TERM DEBT**

The following is a summary of changes in long-term debt:

	<b>Balance 9/30/18</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 9/30/19</b>	<b>Due in One year</b>
Capital leases	\$ 10,881	\$ 30,715	\$ 11,180	\$ 30,416	\$ 7,912
Compensated absences	317,756	193,195	149,316	361,635	36,164
<b>Total</b>	<b>\$ 328,637</b>	<b>\$ 223,910</b>	<b>\$ 160,496</b>	<b>\$ 392,051</b>	<b>\$ 44,076</b>

Capital leases and related assets, as well as compensated absences are reported on the county-wide financial statements.

***Capital Leases***

The Tax Collector has entered into lease agreements as lessee for financing the acquisition of two copier machines and two mailing systems. The lease agreements qualify as capital leases for accounting purposes (term of lease is greater than 75% of the life of the asset) and; therefore, have been recorded at the present value of the future minimum lease payments as of the inception date on the county-wide financial statements.

The following is an analysis of the property under capital lease at September 30, 2019:

	<b>Capital Assets</b>
Machinery and equipment	\$ 49,339
Less: accumulated depreciation	(21,990)
<b>Net leased property</b>	<b>\$ 27,349</b>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019 are as follows:



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

*For the fiscal year  
ended September 30,*

2020	\$	8,550
2021		7,500
2022		7,077
2023		6,629
2024		2,210
Total minimum lease payments		31,966
Less: amount representing interest		1,550
Present value of future minimum lease payments		\$ 30,416

**NOTE 5: EXCESS REVENUE**

Pursuant to Section 218.36(2), Florida Statutes, whenever a tax collector has excess revenues over expenditures as determined as of the fiscal year end, "...he or she shall distribute the excess to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of his or her office." Excess revenues over expenditures were returned to the various taxing authorities before October 31, 2019 as required by Florida Statutes and are accrued and reported as other financing uses at September 30, 2019. For fiscal year 2019, \$1,706,674 of excess fees was remitted to various taxing authorities.

**NOTE 6: RETIREMENT PLAN**

The Tax Collector and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Tax Collector's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by State law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

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

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The System provides for those employees hired prior to July 1, 2012 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2012, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. Retirement benefits are based upon age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 8.47%, DROP Program – 14.60%, senior management – 25.41% and elected officials – 48.82%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Tax Collector's employees covered by the System was \$1,849,790 for the year ended September 30, 2019. The Tax Collector's total payroll was \$1,926,362 for the same period. The Tax Collector's contributions to the plan for the years ended September 30, 2019, 2018, and 2017 were \$277,625, \$244,415, and \$198,301, respectively. These contributions were paid by the due date for the contribution.

The Tax Collector has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P O Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**NOTE 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 6, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Tax Collector are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County to recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 8: CONTINGENT LIABILITIES**

The Tax Collector is involved in several litigations and claims arising in the normal course of operations. Potential recoveries or liabilities in excess of insurance coverage, if any, are not determinable. No accruals for loss contingency have been made in the financial statements.

**NOTE 9: SUBSEQUENT EVENTS**

The Tax Collector has evaluated subsequent events through the date of issuance of these financial statements, and has determined that no events occurring subsequent to year end warranted disclosure.

### **Fiduciary Funds**

**License** – To account for collection and subsequent remittance of licenses and permits.

**Tag** – To account for collection of motor vehicle registration receipts and subsequent disbursement.

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

**Walton County, Florida**  
**Tax Collector**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**September 30, 2019**

	License		Tag		Tax		Total
<b>Assets</b>							
Cash	\$ 5,305	\$	374,262	\$	1,001,638	\$	1,381,205
<b>Liabilities</b>							
Due to other governments	\$ 5,305	\$	374,262	\$	74,863	\$	454,430
Deposits	-		-		926,775		926,775
Total liabilities	\$ 5,305	\$	374,262	\$	1,001,638	\$	1,381,205

**Walton County, Florida**  
**Tax Collector**

**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended September 30, 2019**

	Balance 10/1/18	Additions	Deductions	Balance 9/30/19
<b>License</b>				
<b>Assets</b>				
Cash	\$ 1,708	\$ 128,986	\$ 125,389	\$ 5,305
<b>Liabilities</b>				
Due to other governments	\$ 1,708	\$ 135,610	\$ 132,013	\$ 5,305
<b>Tag</b>				
<b>Assets</b>				
Cash	\$ 267,200	\$ 11,521,079	\$ 11,414,017	\$ 374,262
<b>Liabilities</b>				
Due to other governments	\$ 267,200	\$ 12,227,644	\$ 12,120,582	\$ 374,262
<b>Tax</b>				
<b>Assets</b>				
Cash	\$ 793,102	\$ 197,075,168	\$ 196,866,632	\$ 1,001,638
<b>Liabilities</b>				
Due to other governments	\$ 36,117	\$ 201,228,784	\$ 201,190,038	\$ 74,863
Deposits	756,985	6,624,014	6,454,224	926,775
Total liabilities	\$ 793,102	\$ 207,852,798	\$ 207,644,262	\$ 1,001,638
<b>Total All Agency Funds</b>				
<b>Assets</b>				
Cash	\$ 1,062,010	\$ 208,725,233	\$ 208,406,038	\$ 1,381,205
<b>Liabilities</b>				
Due to other governments	\$ 305,025	\$ 213,592,038	\$ 213,442,633	\$ 454,430
Deposits	756,985	6,624,014	6,454,224	926,775
Total liabilities	\$ 1,062,019	\$ 220,216,052	\$ 219,896,857	\$ 1,381,205

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

Honorable Rhonda Skipper  
Tax Collector  
Walton County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Walton County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated February 13, 2020.

**Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of special-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

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

CARR, RIGGS & INGRAM, LLC

Enterprise, Alabama

February 13, 2020



## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Rhonda Skipper  
Tax Collector  
Walton County, Florida

We have examined the Walton County, Florida Tax Collector's (the "Tax Collector") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* during the year ended September 30, 2019. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specific requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

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

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

In our opinion, the Tax Collector complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019.

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

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

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

Enterprise, Alabama

February 13, 2020

## **MANAGEMENT LETTER**

Honorable Rhonda Skipper  
Tax Collector  
Walton County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Walton County, Florida Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated February 13, 2020.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 13, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

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

Enterprise, Alabama

February 13, 2020

**Supervisor of Elections  
Walton County, Florida**

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**Financial Statements**

**For The Year Ended September 30, 2019**

**Walton County, Florida**  
**Supervisor of Elections**  
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**September 30, 2019**

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## **INDEPENDENT AUDITORS' REPORT**

Honorable Robert Beasley  
Supervisor of Elections  
Walton County, Florida

We have audited the accompanying financial statements of the major fund and proprietary fund type of the Walton County, Florida Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and proprietary fund type of the Supervisor of Elections as of September 30, 2019, and the respective changes in financial position, the budgetary comparison for the General Fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General Fund and proprietary fund type, only for that portion of the General Fund and proprietary fund types of Walton County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Walton County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2020, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

February 13, 2020

**Walton County, Florida**  
**Supervisor of Elections**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2019**

	<b>General Fund</b>
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 86,788
<hr/>	
<b>Liabilities and Fund Balance</b>	
Liabilities	
Accounts payable	\$ 13,976
Due to Board of County Commissioners	54,497
Wages and benefits payable	18,315
<hr/>	
Total liabilities	86,788
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 86,788
<hr/>	

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



**Walton County, Florida**  
**Supervisor of Elections**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended September 30, 2019**

	<b>General Fund</b>
<b>Revenues</b>	
Intergovernmental	\$ 43,505
Miscellaneous revenues	39,300
Total revenues	82,805
<b>Expenditures</b>	
General government	
Personnel services	567,707
Operating	280,878
Capital outlay	17,915
Debt service	126,477
Total expenditures	992,977
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(910,172)</b>
<b>Other Financing Sources (Uses)</b>	
Appropriations from Board of County Commissioners	964,669
Reversion to Board of County Commissioners	(54,497)
Total other financing sources (uses)	910,172
Net change in fund balance	-
<b>Fund Balance - beginning</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ -</b>

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

**Walton County, Florida**  
**Supervisor of Elections**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$ 7,750	\$ 43,505	\$ 43,505	\$ -
Miscellaneous revenues	2,700	10,532	39,300	28,768
<b>Total revenues</b>	<b>10,450</b>	<b>54,037</b>	<b>82,805</b>	<b>28,768</b>
<b>Expenditures</b>				
General government				
Personnel services	626,048	578,209	567,707	10,502
Operating	206,174	296,104	280,878	15,226
Capital outlay	26,420	17,916	17,915	1
Debt service	126,477	126,477	126,477	-
<b>Total expenditures</b>	<b>985,119</b>	<b>1,018,706</b>	<b>992,977</b>	<b>25,729</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(974,669)</b>	<b>(964,669)</b>	<b>(910,172)</b>	<b>54,497</b>
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	974,669	964,669	964,669	-
Reversion to Board of County Commissioners	-	-	(54,497)	(54,497)
<b>Total other financing sources (uses)</b>	<b>974,669</b>	<b>964,669</b>	<b>910,172</b>	<b>(54,497)</b>
Net change in fund balance	-	-	-	-
<b>Fund Balance - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**Walton County, Florida**  
**Supervisor of Elections**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2019**

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 49,438
<hr/>	
<b>Liabilities</b>	
Current liabilities	
Accrued compensated absences	7,416
Non-current liabilities	
Accrued compensated absences	42,022
<hr/>	
Total liabilities	49,438
<hr/>	
Net position	\$ -
<hr/>	

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

Walton County, Florida  
 Supervisor of Elections  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

	Governmental Activities
	Internal Service Fund
<b>Operating Revenues</b>	
Charges for services	\$ 10,553
<b>Operating Expenses</b>	
Personnel services	10,553
Change in net position	-
<b>Net Position - beginning</b>	-
<b>Net Position - ending</b>	\$ -

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

**Walton County, Florida**  
**Supervisor of Elections**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<hr/>	
<b>Cash Provided by (Used in) Operating Activities</b>	
Funding of compensated absences liability	\$ 10,553
Payments on compensated absences liability	(5,726)
<hr/>	
Net increase in cash and cash equivalents	4,827
<hr/>	
Cash and cash equivalents at the beginning of the year	44,611
<hr/>	
Cash and cash equivalents at the end of the year	\$ 49,438
<hr/>	
<b>Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities</b>	
Change in net position	\$ -
Increase in liabilities:	
Compensated absences payable	4,827
<hr/>	
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 4,827</b>
<hr/>	

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

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

The financial statements of the Walton County, Florida Supervisor of Elections (the “Supervisor of Elections”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Supervisor of Elections are described below.

***Reporting Entity***

The Supervisor of Elections is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes chapter 7.66. The Supervisor of Elections’ financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the “County”) taken as a whole. Although the Supervisor of Elections’ office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600*, the Supervisor of Elections’ financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of the County.

***Basis of Presentation***

The Supervisor of Elections’ financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Supervisor of Elections has not presented reconciliations to the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

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

**General Fund** – The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Supervisor of Elections that are not required either legally or by GAAP to be accounted for in another fund.

The Supervisor of Elections also reported the following fund type.

**Internal Service Fund** – The internal service fund (a proprietary fund) is used to report funded and accrued compensated absences.

***Basis of Accounting***

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

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

Proprietary funds (the internal service fund) are reported using the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principle ongoing operations. The principle operating revenues of the Supervisor of Elections' internal service fund are charges to funds related to the Supervisor of Elections compensated absences activity. Operating expenses for the internal service fund include recognition of changes in the compensated absences liabilities. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

***Measurement Focus***

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

The operations of the Supervisor of Elections are funded by the Board and appropriations from the Board are reported as other financing source. At year-end, excess revenue and other financing sources over expenditures are remitted to the Board and reported as reversion to Board of County Commissioners.

***Impact of Recently Issued Accounting Pronouncements***

In fiscal year 2019, the Supervisor of Elections adopted two new statements of financial accounting standards issued by the GASB:

**Walton County, Florida**  
**Supervisor of Elections**  
**Notes To Financial Statements**

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

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

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

***Pronouncements Issued But Not Yet Effective***

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

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

***Budgetary Requirements***

Florida Statutes Chapter 129.201 and 129.03 details the preparation, adoption and administration of the Supervisor of Elections’ annual budget. By June 1 of each year, the Supervisor of Elections shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office



for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Supervisor of Elections proposed budget during hearings held pursuant to Florida Statutes 129. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Supervisor of Elections.

***Inventories and Prepaid Items***

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

***Capital Assets***

Capital assets are recorded as expenditures at the time an asset is acquired and if donated, acquisition value at date of the donation. Title in all capital assets owned by the County is retained by the Board and the Supervisor of Elections' capital assets are reported on the County-wide financial statements. The Supervisor of Elections maintains custodial responsibility for the capital assets used by his office.

The County maintains a \$5,000 threshold for capitalization of equipment and a \$25,000 threshold for land, buildings, and other improvements. Additionally, the Supervisor of Elections maintains an inventory of all tangible personal property with a donated value or cost of \$1,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006.

For tangible personal property, depreciation has been provided using the straight-line method over the asset's useful life. The Supervisor of Elections did not report any land, buildings, or improvements.

***Compensated Absences***

It is the Supervisor of Elections' policy to allow employees to accumulate 240 hours of annual leave all of which is allowed for payment upon separation. Employees will receive pay for their unused sick leave accrued up to a maximum of 240 hours. Expenditures of compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Liabilities and expenses for compensated absences are recorded in the internal service fund.

***Governmental Fund Balances***

Fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

***Nonspendable fund balances*** include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. There were no nonspendable fund balances at the Supervisor of Elections as of September 30, 2019.

***Spendable fund balances*** are classified based on a hierarchy of the County's ability to control the spending of these fund balances, and at September 30, 2019, the Supervisor of Elections had no spendable fund balances.

*Restricted fund balances* are fund balance amounts that are constrained for specific purposes, which are externally imposed by creditors, grantors, contributors, or laws of regulations or imposed by law through constitutional provisions or enabling legislation.

*Committed fund balances* are fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

*Assigned fund balances* are fund balances intended to be used for specific purposes imposed by the Supervisor of Elections formal action of highest level of decision making authority.

*Unassigned fund balances* represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2019, the Supervisor of Elections had no unassigned fund balances because all excess revenues within the General Fund are required to be remitted to the Board.

When expenditures are incurred for purposes for which restricted or unrestricted fund balance classifications could be used, it is the Supervisor of Elections' policy to use restricted funds first, then unrestricted.

***Management Estimates and Assumptions***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Cash and cash equivalents represent cash on hand as well as demand deposits.

***Custodial Risk***

The Supervisor of Elections does not have a written investment policy but historically has limited available investments to cash and cash equivalents. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Sections 280, Florida Statutes.

***Credit and Interest Rate Risk***

The Supervisor of Elections adheres to the investment policy adopted by the Board, thereby limiting its exposure to both credit and interest rate risk as noted below. Concentration of credit risk is the risk of loss attributable to the quantity of the Supervisor of Elections' investments in a single issuer. The Supervisor of Elections' deposits are held in a public funds net interest bearing checking account, paying interest at the current federal funds rate less five (5) basis points with no reserve requirements. Balances in the account are fully collateralized in compliance with applicable State statutes.

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the fiscal year is as follows:

	<b>Balance</b>				<b>Balance</b>
	<b>10/1/2018</b>	<b>Additions</b>	<b>Deletions</b>		<b>9/30/2019</b>
<b>Governmental Activities</b>					
Capital assets depreciated:					
Machinery, equipment, and improvements	\$ 492,948	\$ -	\$ -	\$ -	\$ 492,948
Less: accumulated depreciation	(302,988)	(130,462)	-	-	(433,450)
Total governmental activities capital assets, net	\$ 189,960	\$ (130,462)	\$ -	\$ -	\$ 59,498

Title in all capital assets owned by the County is retained by the Board and the above noted capital asset information and activity has been reported on the countywide financial statements.

Depreciation expense to be reported by the County was charged to the functions of the government as follows:

<b>Governmental Activities</b>	
General government	\$ 130,462

**Walton County, Florida**  
**Supervisor of Elections**  
**Notes To Financial Statements**

**NOTE 4: LONG-TERM DEBT**

The following is a summary of changes in long-term debt:

	Balance 9/30/2018	Additions	Deletions	Balance 9/30/2019	Due in One Year
Note payable	\$ 126,477	\$ -	\$ 126,477	\$ -	\$ -
Compensated absences	44,611	10,553	5,726	49,438	7,416
<b>Total</b>	<b>\$ 171,088</b>	<b>\$ 10,553</b>	<b>\$ 132,203</b>	<b>\$ 49,438</b>	<b>\$ 7,416</b>

**Notes Payable** – The Supervisor entered into a non-interest bearing loan agreement with Nationwide Capital, LLC on April 27, 2016 for \$379,429 to finance the acquisition of voting equipment. The equipment was delivered and loan proceeds issued to the vendor in December 2016. The final payment on the loan was made in January 2019.

The internal service fund is designed to record the annual cost related to the Supervisor of Elections’ compensated absences policies, to record the short-term and long-term components of such liabilities, and to collect and hold cash to liquidate such liabilities. The related cost associated with the fund will be recovered via charges to the General Fund.

**NOTE 5: OPERATING LEASES**

The Supervisor of Elections is a party to various leases, which are classified as operating leases. Total rent for all operating leases totaled \$13,558 for the year ended September 30, 2019.

Future minimum lease payments under non-cancelable operating leases with initial or remaining terms of one year or more are as follows:

2020	\$ 9,167
2021	8,558
2022	465
<b>Total</b>	<b>\$ 18,190</b>

**NOTE 6: EXCESS REVENUE**

Pursuant to Section 129.202(1)(f), Florida Statutes, “all unexpended balances at the end of each fiscal year shall be returned to the Board and deposited to the county fund or funds from which payment was originally made.” Excess revenues over expenditures were returned to the Board by October 31, 2019 as required by Florida Statutes. Total excess fees transferred to the Board for the year ended September 30, 2019 totaled \$54,497.

**NOTE 7: RETIREMENT PLAN**

The Supervisor of Elections and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Supervisor of Elections' employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

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

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 8.47%, DROP Program – 14.60%, senior management – 25.41% and elected officials – 48.82%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Supervisor of Elections' employees covered by the System was \$367,265 for the year ended September 30, 2019. The Supervisor of Elections' total payroll was \$434,671 for the same period. The Supervisor of Elections' contributions to the plan for the years ended September 30, 2019, 2018, and 2017 were \$92,762, \$82,913, and \$73,141, respectively. These contributions were paid by the due date for the contribution.

The Supervisor of Elections has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing the Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**NOTE 8: POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 7, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in its group health plan while employed. Employees of the Supervisor of Elections are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 9: CONTINGENT LIABILITIES**

The Supervisor of Elections receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Supervisor of Elections with the terms of the grants/contracts. In the opinion of the Supervisor of Elections' management, such allowances, if any, would not be significant in relation to the financial statements of the Supervisor of Elections.

**NOTE 10: SUBSEQUENT EVENTS**

The Supervisor of Elections has evaluated subsequent events through the date of issuance of these financial statements and has determined that no events occurring subsequent to year end warranted disclosure.

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

Honorable Robert Beasley  
Supervisor of Elections  
Walton County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Walton County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated February 13, 2020.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

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

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

Enterprise, Alabama

February 13, 2020



## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Robert Beasley  
Supervisor of Elections  
Walton County, Florida

We have examined the Walton County, Florida Supervisor of Elections' (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* during the year ended September 30, 2019. Management of the Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specific requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019.

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

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

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

Enterprise, Alabama

February 13, 2020

## **MANAGEMENT LETTER**

Honorable Robert Beasley  
Supervisor of Elections  
Walton County, Florida

### **Report on Financial Statements**

We have audited the financial statements of the Walton County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated February 13, 2020.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent 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* and Independent Accountants' Report on an Examination Conducted In Accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 13, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

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

Enterprise, Alabama

February 13, 2020

**Sheriff**  
**Walton County, Florida**

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**Financial Statements**

**For The Year Ended September 30, 2019**

**Walton County, Florida**  
**Sheriff**  
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**September 30, 2019**

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## **INDEPENDENT AUDITORS' REPORT**

Honorable Michael A. Adkinson, Jr.  
Sheriff  
Walton County, Florida

### **Report on Financial Statements**

We have audited the accompanying financial statements of each major fund, the aggregate remaining nonmajor governmental funds and fiduciary fund type of the Walton County, Florida Sheriff (the "Sheriff"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund, the aggregate remaining nonmajor governmental funds and the fiduciary fund of the Sheriff as of September 30, 2019, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, fiduciary fund types, and the remaining nonmajor fund information, only for that portion of the major funds, fiduciary fund types, and the remaining nonmajor fund information of Walton County, Florida ("County") that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of the County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The combining and individual fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2020 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing,

and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

February 13, 2020



**Walton County, Florida**  
**Sheriff**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2019**

	<b>General Fund</b>	<b>Inmate Canteen Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,928,486	\$ 618,033
Accounts receivable	-	80,252
Interfund receivable	9,444	121,805
Due from Board of County Commissioners	111,537	-
Due from other governments	814,815	-
<b>Total assets</b>	<b>\$ 3,864,282</b>	<b>\$ 820,090</b>
<b>Liabilities and Fund Balances</b>		
Liabilities		
Accounts payable	\$ 1,610,662	\$ 101,828
Wages and benefits payable	1,331,787	-
Interfund payable	184,030	9,379
Unearned revenue	68,888	-
Due to Board of County Commissioners	668,915	5,599
Inmate deposits	-	48,902
Due to individuals	-	-
<b>Total liabilities</b>	<b>3,864,282</b>	<b>165,708</b>
Fund balances		
Restricted for:		
Public Safety - Law Enforcement	-	654,382
<b>Total liabilities and fund balances</b>	<b>\$ 3,864,282</b>	<b>\$ 820,090</b>

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

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 478,818	\$ 4,025,337
1,516	81,768
70,836	202,085
-	111,537
-	814,815
<hr/>	
\$ 551,170	\$ 5,235,542

\$ 2,284	\$ 1,714,774
-	1,331,787
8,510	201,919
35,000	103,888
1,500	676,014
-	48,902
26,805	26,805
<hr/>	
74,099	4,104,089
477,071	1,131,453
<hr/>	
\$ 551,170	\$ 5,235,542

**Walton County, Florida**  
**Sheriff**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2019**

	General Fund	Inmate Canteen Fund
<b>Revenues</b>		
Fines and forfeitures	\$ -	\$ -
Intergovernmental	2,638,548	-
Miscellaneous	287,070	424,389
<b>Total revenues</b>	<b>2,925,618</b>	<b>424,389</b>
<b>Expenditures</b>		
Public safety		
Personnel services	38,733,723	-
Operating	11,644,634	372,083
Capital outlay	6,567,494	67,328
Debt service		
Principal	247,723	-
Interest	44,624	-
<b>Total expenditures</b>	<b>57,238,198</b>	<b>439,411</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(54,312,580)</b>	<b>(15,022)</b>
<b>Other Financing Sources (Uses)</b>		
Appropriations from Board of County Commissioners	52,651,315	-
Reversion to Board of County Commissioners	(967)	-
Lease proceeds	1,662,232	-
<b>Total other financing sources (uses)</b>	<b>54,312,580</b>	<b>-</b>
Net change in fund balance	-	(15,022)
<b>Fund Balance - beginning</b>	<b>-</b>	<b>669,404</b>
<b>Fund Balance - ending</b>	<b>\$ -</b>	<b>\$ 654,382</b>

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

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 4,774	\$ 4,774
-	2,638,548
74,538	785,997
79,312	3,429,319
-	38,733,723
119,349	12,136,066
-	6,634,822
-	247,723
-	44,624
119,349	57,796,958
(40,037)	(54,367,639)
-	52,651,315
-	(967)
-	1,662,232
-	54,312,580
(40,037)	(55,059)
517,108	1,186,512
\$ 477,071	\$ 1,131,453

**Walton County, Florida**  
**Sheriff**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2019**

	Budgeted Amounts		Budgetary Basis Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Expenditures</b>				
Public safety				
Personnel services	\$ 35,604,619	\$ 37,662,364	\$ 37,209,600	\$ 452,764
Operating	10,915,546	11,154,637	11,374,112	(219,475)
Capital outlay	3,206,262	5,496,546	5,436,521	60,025
Debt service				
Principal	-	-	247,723	(247,723)
Interest	-	-	44,624	(44,624)
Total expenditures	49,726,427	54,313,547	54,312,580	967
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	49,726,427	52,651,315	52,651,315	-
Reversion to Board of County Commissioners	-	-	(967)	(967)
Lease proceeds	-	1,662,232	1,662,232	-
Total other financing sources	49,726,427	54,313,547	54,312,580	(967)
Net change in fund balance	-	-	-	-
<b>Fund Balance - beginning</b>	-	-	-	-
<b>Fund Balance - ending</b>	\$ -	\$ -	\$ -	\$ -

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

**Walton County, Florida**  
**Sheriff**  
**Statement of Fiduciary Net Position**  
**Agency Funds**  
**September 30, 2019**

	<b>Agency Funds</b>
<hr/>	
<b>Assets</b>	
Cash	\$ 201,645
<hr/>	
<b>Liabilities</b>	
Accounts payable	\$ 362
Due to individuals	24,690
Interfund payable	166
Due to BCC	176,427
<hr/>	
Total liabilities	\$ 201,645
<hr/>	

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

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

The financial statements of the Walton County, Florida Sheriff (the “Sheriff”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Sheriff are described below.

***Reporting Entity***

The Sheriff is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes Chapter 7.66. The Sheriff's financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the “County”) taken as a whole. Although the Sheriff's office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to *GASB Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*, the Sheriff's financial statements are combined with those of the Board and other elected officials into the reporting entity of the County.

***Basis of Presentation***

The Sheriff's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Sheriff has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

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

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

**Inmate Canteen** - The Inmate Canteen Fund is a special revenue fund used to account for inmate canteen sales and phone commissions. Excess revenues over expenditures from the Inmate Canteen Fund are used for inmate welfare.

The Sheriff has eight additional special revenue funds which have been combined into a single aggregate presentation as other governmental funds. Individual data for these non-major funds is provided in the combining statements of this report. Special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.

The Sheriff also reported the following fund type:

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

### ***Basis of Accounting***

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

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

Fiduciary fund (agency fund) statements are prepared using economic resources measurement focus and the accrual basis of accounting.

### ***Measurement Focus***

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

The portion of the Sheriff's revenue that is a budget appropriation from the Board rather than a charge for services is reported as other financing source. At year end, excess revenue and other financing sources over expenditures are remitted to the Board and reported as reversion to Board of County Commissioners.



***Impact of Recently Issued Accounting Pronouncements***

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

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

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

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

***Pronouncements Issued But Not Yet Effective***

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

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

**Walton County, Florida**  
**Sheriff**  
**Notes To Financial Statements**

***Budgetary Requirements***

Florida Statutes Chapters 30.49 and 129.03 details the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended and submits it to the Board for approval. By June 1 of each year, the Sheriff shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Sheriff's proposed budget during hearings held pursuant to Florida Statutes 129. Once approved, any subsequent amendments must be approved by the Board. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Sheriff.

The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The major special revenue funds are not budgeted.

The Sheriff's General fund budget is prepared under a budgetary basis of accounting that differs from generally accepted accounting principles (GAAP). The major differences are recognition of unanticipated grant revenue and grant expenditures. The actual results of operations in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund are presented on a budgetary basis for budgetary accounting purposes.

Adjustments to convert the results of operation of the general fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

	<b>Expenditures</b>	<b>Revenues and Other Financing Sources</b>
Budget basis	\$ 54,312,580	\$ 54,313,547
Non-budgeted revenues, other financing sources and expenditures:		
Personnel services	1,524,123	-
Operating expenditures	270,522	-
Capital outlay	1,130,973	-
Miscellaneous Revenue	-	287,070
Intergovernmental - grants	-	2,638,548
GAAP basis	\$ 57,238,198	\$ 57,239,165

***Inventories and Prepaid Items***

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

***Capital Assets***

Capital assets are recorded as expenditures at the time acquired and if donated, acquisition value at the date of donation. Title in all capital assets owned by the County is retained by the Board and the Sheriff's capital assets are reported on the County-wide financial statements. The Sheriff maintains custodial responsibility for the capital assets used by his office.

The County maintains a \$5,000 threshold for capitalization of machinery and equipment and a \$25,000 threshold for land, buildings and improvements. Additionally, the Sheriff maintains an inventory of all tangible personal property with a donated value or cost of \$1,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69I-73.002 and 69I-73.006.

Depreciation has been provided using the straight-line method with an estimated useful life of three to seven years for all tangible personal property and fifteen to thirty years for buildings and improvements.

***Capital Leases***

The Sheriff has entered into lease agreements as a lessee for financing the acquisition of the following:

1. A Virtual Imaging System at the jail (entered in to in fiscal year 2016)
2. Two ambulances for fire and rescue (entered in to in fiscal year 2018)
3. Two ambulances for fire and rescue (entered in to in fiscal year 2019)
4. Two fire engines for fire and rescue (entered in to in fiscal year 2019)

The above lease agreements qualify as capital leases for accounting purposes and; therefore, have been recorded in the county-wide financial statements at the present value of future minimum lease payments as of the lease inception dates. The related assets are reported as capital assets in the county-wide financial statements. See Note 6 for detailed capital lease activity.

***Compensated Absences***

It is the Sheriff's policy to allow employees to accumulate unlimited unused sick time. Accumulated annual leave is limited to 240 hours per year. Accumulated annual leave up to a maximum of 240 hours is payable upon termination. Additionally, employees who retire from the Sheriff with a minimum of ten years continuous service will be paid for 25% of their unused sick leave hours up to a maximum of 2,000 hours.

Accrued compensated absences that will not be liquidated with expendable available financial resources are the obligation of the County and are reported at the county-wide level. The amount of the Sheriff's accrued compensated absences to be reported at the county-wide level is \$1,817,407.

***Governmental Fund Balances***

Fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

***Nonspendable fund balances*** include amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

There were no nonspendable fund balances as of September 30, 2019.

***Spendable fund balances*** are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances.

*Restricted fund balances* are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws and regulations imposed through constitutional provisions or enabling legislation. As of September 30, 2019, the Sheriff had restricted fund balances only in special revenue funds.

*Committed fund balances* are fund balances intended to be used for specific purposes imposed by the Sheriff's formal action of highest level of decision making authority. As of September 30, 2019, there were no committed fund balances.

*Assigned fund balances* are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2019, there were no assigned fund balances.

*Unassigned fund balances* represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2019, the Sheriff had no unassigned fund balances because all excess revenues within the General Fund are required to be remitted to the Board and there were no negative residual balances in the special revenue funds.

***Management Estimates and Assumptions***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Cash and cash equivalents represent cash on hand as well as demand deposits.

***Custodial Risk***

The Sheriff does not have a written investment policy but historically has limited available investments to cash and cash equivalents. Demand deposits are fully insured by the Federal Deposit Insurance Corporation (FDIC) or the multiple financial institutions collateral pool required by Sections 280.07 and 280.08, Florida Statutes.

**NOTE 3: INTERFUND BALANCES**

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

**Interfund Receivables:**

**General Fund**

Inmate Canteen	\$	9,379
Other governmental		65
<hr/>		
Total general fund receivables	\$	9,444
<hr/> <hr/>		

**Inmate Canteen**

General fund	\$	121,805
<hr/> <hr/>		

**Other Governmental Funds**

\$ 70,836

**Interfund Payables:**

**General Fund**

Inmate Canteen	\$	121,805
Other governmental		62,225
<hr/>		
Total general fund interfund payables	\$	184,030
<hr/> <hr/>		

**Inmate Canteen Fund**

General fund	\$	9,379
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**Agency Funds**

\$ 166

**Other Governmental Funds**

\$ 8,510

**Walton County, Florida**  
**Sheriff**  
**Notes To Financial Statements**

The amounts due to the General Fund from Inmate Canteen are for salary and benefit reimbursements. Amounts due to Inmate Canteen from the General Fund are for Social Security Administration (SSA) reimbursements for inmates housed at the facility. Amounts due to Other Governmental Funds from the Agency funds are for donation collections for the animal shelter.

**NOTE 4: DUE FROM OTHER GOVERNMENTS**

Due from other governments at September 30, 2019 consisted of the following, all of which are deemed collectible within 60 days of year-end:

	<b>General Fund</b>
Department of Justice - Bullet Proof Vest Partnership	\$ 2,962
State Fire Marshall	26,788
Escambia County Corrections	302,224
Federal Inmate Housing	14,561
FEMA	249,357
Miscellaneous	218,923
<b>Total</b>	<b>\$ 814,815</b>

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the fiscal year is as follows:

	<b>Balance 10/1/18</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 9/30/19</b>
<b>Governmental Activities</b>				
Capital assets depreciated:				
Machinery and equipment	\$ 25,547,672	\$ 6,654,394	\$ (1,108,596)	\$ 31,093,470
Buildings and improvements	841,549	85,773	-	927,322
Less accumulated depreciation:				
Machinery and equipment	(16,667,591)	(3,213,633)	1,018,717	(18,862,507)
Buildings and improvements	(171,610)	(93,320)	-	(264,930)
Total governmental activities capital assets, net	\$ 9,550,020	\$ 3,433,214	\$ (89,879)	\$ 12,893,355

The above noted capital asset information and activity is reported on the county-wide financial statements.

**Walton County, Florida**  
**Sheriff**  
**Notes To Financial Statements**

Depreciation expense to be reported by the Board was charged to the function of government as follows:

**Governmental Activities**

Public safety	\$ 3,306,953
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**NOTE 6: LONG-TERM DEBT**

The following is a summary of changes in long-term debt:

	Balance 10/1/18	Additions	Reductions	Balance 9/30/19	Due in One Year
Compensated absences	\$ 1,728,058	\$ 1,709,444	\$ 1,620,095	1,817,407	\$ 181,741
Capital leases	542,749	1,662,232	247,723	1,957,258	380,338
<b>Total</b>	<b>\$ 2,270,807</b>	<b>\$ 3,371,676</b>	<b>\$ 1,867,818</b>	<b>\$ 3,774,665</b>	<b>\$ 562,079</b>

In February 2016, the Sheriff entered into a lease agreement as the lessee for a virtual imaging system at the jail. The agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of the execution of the lease. As of September 30, 2019, the Sheriff capitalized \$185,000 for the imaging system and \$135,667 of depreciation has been recorded on the asset.

In April 2018, the Sheriff entered into a lease agreement as the lessee for two ambulances for the fire and rescue department. The agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of the execution of the lease. As of September 30, 2019, the Sheriff capitalized \$482,158 for the ambulances and \$120,540 of depreciation has been recorded on the assets.

In February 2019, the Sheriff entered into a lease agreement as the lessee for two ambulances for the fire and rescue department. The agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of the execution of the lease. As of September 30, 2019, the Sheriff capitalized \$535,374 for the ambulances and \$22,307 of depreciation has been recorded on the assets.

In February 2019, the Sheriff entered into a lease agreement as the lessee for two fire engines for the fire and rescue department. The agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of the execution of the lease. As of September 30, 2019, the Sheriff capitalized \$1,126,858 for the ambulances and \$46,952 of depreciation has been recorded on the assets.

The following is a schedule of future minimum lease payments under these capital leases, and the present value of the minimum lease payments at September 30, 2019.

**Walton County, Florida**  
**Sheriff**  
**Notes To Financial Statements**

	<b>Long-term Debt</b>
2020	\$ 441,011
2021	419,977
2022	398,942
2023	373,659
2024	239,552
2025	181,293
2026	90,647
Total minimum payments	2,145,081
Less: amount representing interest	(187,823)
<u>Present value of net minimum lease payment</u>	<u>\$ 1,957,258</u>

**NOTE 7: COMMITMENTS**

The Company had operating lease agreements for equipment used by the Inmate Canteen fund during the years ended September 30, 2019 and 2018. Total expense under these leases totaled \$54,835 and \$36,557 for the years ended September 30, 2019 and 2018, respectively.

Future minimum rental commitments under operating leases are as follows:

<b>September 30,</b>	<b>Amount</b>
2020	\$ 54,835
2021	54,835
2022	54,835
2023	24,144
	<u>\$ 188,649</u>

**NOTE 8: EXCESS REVENUE**

Pursuant to Section 30.50(6), Florida Statutes, any excess revenues over expenditures determined as of the date specified in Section 30.50(5), Florida Statutes, "...shall be refunded to the Board of County Commissioners...". Excess revenues over expenditures returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as other financing (uses). All special revenue funds in excess of revenue remains with the Sheriff.



**NOTE 9: RETIREMENT PLAN**

The Sheriff and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Sheriff's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts.

Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least 6 years of Special Risk service, or 25 years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and military service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. For Special Risk Class members, normal retirement is age 60 with at least 8 years of Special Risk service, or 30 years of Special Risk service, regardless of age, or age 57 with 30 years of Special Risk service and military service. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 8.47%, DROP Program – 14.60%, senior management – 25.41%, special risk – 25.48% and elected official – 48.82%. The rate applied to employee salaries for employer contributions was 3% for all classifications, with the exception for the DROP Program.

Total payroll for the Sheriff's employees covered by the System was \$26,577,772, for the year ended September 30, 2019. The Sheriff's total payroll was \$26,690,321 for the same period. The Sheriff's contributions to the plan, net of accrued contributions, for the years ended September 30, 2019, 2018, and 2017 were \$5,373,269, \$4,662,440, and \$3,097,563, respectively. These contributions were paid by the due date for the contribution. The Sheriff has no responsibility to the System other than to make the periodic payments required by state statutes.

**Walton County, Florida**  
**Sheriff**  
**Notes To Financial Statements**

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The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**NOTE 10: POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 9, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in its group health plan while employed. Employees of the Sheriff are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize an OPEB liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 11: FUND BALANCE**

At September 30, 2019, fund balance is comprised of the following:

**Restricted Fund Balance**

Inmate Canteen	\$ 654,382
Law Enforcement Automation and Education	266,866
Federal Forfeiture Sharing	11,090
Law Enforcement Trust	12,525
Crime Prevention	61,770
Traffic and Parking	47,820
Abandoned Property	20,366
Aviation	56,177
Other Grants	457
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Total restricted fund balance	\$ 1,131,453
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**NOTE 12: CONTINGENT LIABILITIES**

At September 30, 2019, the Sheriff was involved in several litigations and claims arising in the normal course of operations. It is the opinion of the Florida Sheriff's Self-Insurance Fund that coverage provided by the Self-Insurance Fund is more than adequate to eliminate any exposure resulting from those claims. The Sheriff receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources

**Walton County, Florida**  
**Sheriff**  
**Notes To Financial Statements**

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may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Sheriff with the terms of the grants/contracts. In the opinion of the Sheriff's management, such allowances, if any, would not be significant in relation to the financial statements of the Sheriff.

**NOTE 13: SUBSEQUENT EVENTS**

The Sheriff has evaluated subsequent events through the date of issuance of these financial statements and has determined that no events occurring subsequent to year-end warranted disclosure.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

**Law Enforcement Education and Automation** – To account for appropriations restricted to educating law enforcement officers and the automation of law enforcement operations.

**Federal Forfeiture Sharing** – To account for federal forfeiture revenue and expenditures restricted to law enforcement.

**Law Enforcement Trust** – To account for state forfeiture and restitution revenue and expenditures that are restricted for the investigation or prevention of drug related crimes.

**Crime Prevention** – To account for funds used for public related education in crime prevention.

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

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

**Aviation** – To account for funds restricted to on-going maintenance of Sheriff's department aircraft and drones.

**Other Grants** – To account for grant activity related to the Triumph grant and for grant activity related to drug eradication.

**Walton County, Florida**  
**Sheriff**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2019**

	Law Enforcement Education and Automation	Federal Forfeiture Sharing	Law Enforcement Trust
<b>Assets</b>			
Cash and cash equivalents	\$ 234,385	\$ 11,090	\$ 5,580
Accounts receivable	-	-	-
Interfund receivable	34,125	-	8,445
<b>Total assets</b>	<b>\$ 268,510</b>	<b>\$ 11,090</b>	<b>\$ 14,025</b>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts payable	\$ 1,579	\$ -	\$ -
Interfund payable	65	-	-
Due to individuals	-	-	-
Unearned revenue	-	-	-
Due to BCC	-	-	1,500
<b>Total liabilities</b>	<b>1,644</b>	<b>-</b>	<b>1,500</b>
Fund balances			
Restricted for:			
Public Safety - Law Enforcement	266,866	11,090	12,525
<b>Total liabilities and fund balances</b>	<b>\$ 268,510</b>	<b>\$ 11,090</b>	<b>\$ 14,025</b>

<b>Crime Prevention</b>	<b>Traffic and Parking Enforcement</b>	<b>Abandoned Property</b>	<b>Aviation</b>	<b>Other Grants</b>	<b>Total</b>
\$ 62,022	\$ 47,820	\$ 55,616	\$ 56,177	\$ 6,128	\$ 478,818
-	-	-	-	1,516	1,516
168	-	-	-	28,098	70,836
<b>\$ 62,190</b>	<b>\$ 47,820</b>	<b>\$ 55,616</b>	<b>\$ 56,177</b>	<b>\$ 35,742</b>	<b>\$ 551,170</b>
\$ 420	\$ -	\$ -	\$ -	\$ 285	\$ 2,284
-	-	8,445	-	-	8,510
-	-	26,805	-	-	26,805
-	-	-	-	35,000	35,000
-	-	-	-	-	1,500
420	-	35,250	-	35,285	74,099
61,770	47,820	20,366	56,177	457	477,071
<b>\$ 62,190</b>	<b>\$ 47,820</b>	<b>\$ 55,616</b>	<b>\$ 56,177</b>	<b>\$ 35,742</b>	<b>\$ 551,170</b>

**Walton County, Florida**  
**Sheriff**

**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Nonmajor Governmental Funds**  
**September 30, 2019**

	Law Enforcement Education and Automation	Federal Forfeiture Sharing	Law Enforcement Trust
<b>Revenues</b>			
Fines and foreitures	\$ -	\$ -	\$ -
Miscellaneous	4,827	24	8,451
<b>Total revenues</b>	<b>4,827</b>	<b>24</b>	<b>8,451</b>
<b>Expenditures</b>			
Public safety Operating	1,518	9,164	-
<b>Net change in fund balance</b>	<b>3,309</b>	<b>(9,140)</b>	<b>8,451</b>
<b>Fund Balance - beginning</b>	<b>263,557</b>	<b>20,230</b>	<b>4,074</b>
<b>Fund Balance - ending</b>	<b>\$ 266,866</b>	<b>\$ 11,090</b>	<b>\$ 12,525</b>

<b>Crime Prevention</b>	<b>Traffic and Parking Enforcement</b>	<b>Abandoned Property</b>	<b>Aviation</b>	<b>Other Grants</b>	<b>Total</b>
\$ -	\$ 4,774	\$ -	\$ -	\$ -	\$ 4,774
24,179	69	8,223	102	28,663	74,538
24,179	4,843	8,223	102	28,663	79,312
34,338	-	26,158	19,509	28,662	119,349
(10,159)	4,843	(17,935)	(19,407)	1	(40,037)
71,929	42,977	38,301	75,584	456	517,108
\$ 61,770	\$ 47,820	\$ 20,366	\$ 56,177	\$ 457	\$ 477,071



### **Fiduciary Funds**

**Suspense** – To account for the collections and remittance of miscellaneous receipts held in trust.

**Individual Depositors** – To account for the collection and disbursement of civil fees and EMS fees.

**Animal Control** – To account for collection and disbursement of animal control funds.

**Walton County, Florida**  
**Sheriff**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**September 30, 2019**

	Suspense	Individual Depositors	Animal Control	Total
<b>Assets</b>				
Cash	\$ 25,008	\$ 171,356	\$ 5,281	\$ 201,645
<b>Liabilities</b>				
Accounts payable	\$ 362	\$ -	\$ -	\$ 362
Due to individuals	24,646	44	-	24,690
Interfund payable	-	-	166	166
Due to BCC	-	171,312	5,115	176,427
<b>Total liabilities</b>	<b>\$ 25,008</b>	<b>\$ 171,356</b>	<b>\$ 5,281</b>	<b>\$ 201,645</b>

**Walton County, Florida**  
**Sheriff**

**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Nonmajor Governmental Funds**  
**September 30, 2019**

	Balance 10/01/18	Additions	Deductions	Balance 9/30/19
<b>Suspense</b>				
<b>Assets</b>				
Cash	\$ 24,261	\$ 2,833	\$ 2,086	\$ 25,008
<b>Liabilities</b>				
Accounts payable	\$ 79	\$ 2,115	\$ 1,832	\$ 362
Due to individuals	24,182	4,698	4,234	24,646
Total liabilities	\$ 24,261	\$ 6,813	\$ 6,066	\$ 25,008
<b>Individual Depositors</b>				
<b>Assets</b>				
Cash	\$ 159,502	\$ 1,823,074	\$ 1,811,220	\$ 171,356
Interfund receivable	27	2,938	2,965	-
Total assets	\$ 159,529	\$ 1,826,012	\$ 1,814,185	\$ 171,356
<b>Liabilities</b>				
Due to individuals	\$ -	\$ 7,044	\$ 7,000	\$ 44
Interfund payable	899	10,459	11,358	-
Due to BCC	158,630	1,955,821	1,943,139	171,312
Total liabilities	\$ 159,529	\$ 1,973,324	\$ 1,961,497	\$ 171,356
<b>Animal Control</b>				
<b>Assets</b>				
Cash	\$ -	\$ 28,882	\$ 23,601	\$ 5,281
Interfund receivable	-	8,269	8,269	-
Total assets	\$ -	\$ 37,151	\$ 31,870	\$ 5,281
<b>Liabilities</b>				
Interfund payable	\$ -	\$ 166	\$ -	\$ 166
Due to BCC	-	23,371	18,256	5,115
Total liabilities	\$ -	\$ 23,537	\$ 18,256	\$ 5,281

-Continued-

**Walton County, Florida**  
**Sheriff**

**Combining Statement of Changes in Fiduciary Assets and Liabilities - Continued**  
**Agency Funds**  
**September 30, 2019**

	Balance 10/01/18	Additions	Deductions	Balance 9/30/19
<b>Total Agency Funds</b>				
<b>Assets</b>				
Cash	\$ 183,763	\$ 1,854,789	\$ 1,836,907	\$ 201,645
Interfund receivable	27	11,207	11,234	-
<b>Total assets</b>	<b>\$ 183,790</b>	<b>\$ 1,865,996</b>	<b>\$ 1,848,141</b>	<b>\$ 201,645</b>
<b>Liabilities</b>				
Accounts payable	\$ 79	\$ 2,115	\$ 1,832	\$ 362
Due to individuals	24,182	11,742	11,234	24,690
Interfund payable	899	10,625	11,358	166
Due to BCC	158,630	1,979,192	1,961,395	176,427
<b>Total liabilities</b>	<b>\$ 183,790</b>	<b>\$ 2,003,674</b>	<b>\$ 1,985,819</b>	<b>\$ 201,645</b>

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

Honorable Michael A. Adkinson, Jr.  
Sheriff  
Walton County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund, the aggregate remaining nonmajor governmental funds and fiduciary fund type of the Walton County, Florida Sheriff (the "Sheriff") as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated February 13, 2020.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

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

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

Enterprise, Alabama

February 13, 2020

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH  
LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Michael A. Adkinson, Jr.  
Sheriff  
Walton County, Florida

We have examined the Walton County, Florida Sheriff's (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

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

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

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

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

Enterprise, Alabama

February 13, 2020

## **MANAGEMENT LETTER**

Honorable Michael A. Adkinson, Jr.  
Sheriff  
Walton County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Walton County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated February 13, 2020.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 13, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

### **Financial Management**

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



### **Additional Matters**

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

### **Purpose of this Letter**

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

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

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

Enterprise, Alabama

February 13, 2020