

Walton County Florida



Comprehensive Annual Financial Report

FISCAL YEAR ENDED SEPTEMBER 30, 2020

WALTON COUNTY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended

September 30, 2020

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

WALTON COUNTY, FLORIDA

PRINCIPAL OFFICERS

BOARD OF COUNTY COMMISSIONERS

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

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
- ORGANIZATIONAL CHART

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ALEX ALFORD



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

March 8, 2021

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, 2020. This report was prepared in accordance with accounting principles generally accepted in the United States of America 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, 2020 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 principles require that management provide a narrative introduction, overview, and analysis to accompany the 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 74,724. 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 1st 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. The Mossy Head Industrial Park, a 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 and has added to our employment base and offers our citizens more employment options. 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 2020 unemployment rate for Walton County was 4.1%, which is 43% below the state unemployment rate of 7.2% and 47% below the federal unemployment rate of 7.8%.

The beaches of South Walton are an integral part of the local economy with an annual economic impact of approximately \$4 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 2020 topped the \$31 million mark for the first time. The 13.09% 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 2021 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 10.23% in 2017, increased 10.03% in 2018, increased 9.63% in 2019 and increased 8.86% in 2020. Overall, real property values have increased 105.35% in the last ten years. We expect an increase in 2021 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 filings. Over the last year, foreclosure case filings in Walton County dropped by 49.77% from the previous year. This was primarily due to the moratorium on foreclosures due to the Covid-19 global pandemic. We anticipate an increase in 2021 when and if the moratorium is lifted.

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 enough 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 businesses 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 2020 (2019 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 3.6363 mills is an increase of 2.23% from the 2011 general county millage rate.

The Board moved quickly to control spending during the 2020 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 2021 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 2020, Walton County's investment portfolio had a rate of return of 3.85%.

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

- \$12 million from Walton County RESTORE ACT POT 3 funds
- \$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.

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:

- The acquisition of property along the four-mile corridor for development of an industrial park.
- 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 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.

Groundbreaking for the four-mile water/sewer project occurred 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, 2019. 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**

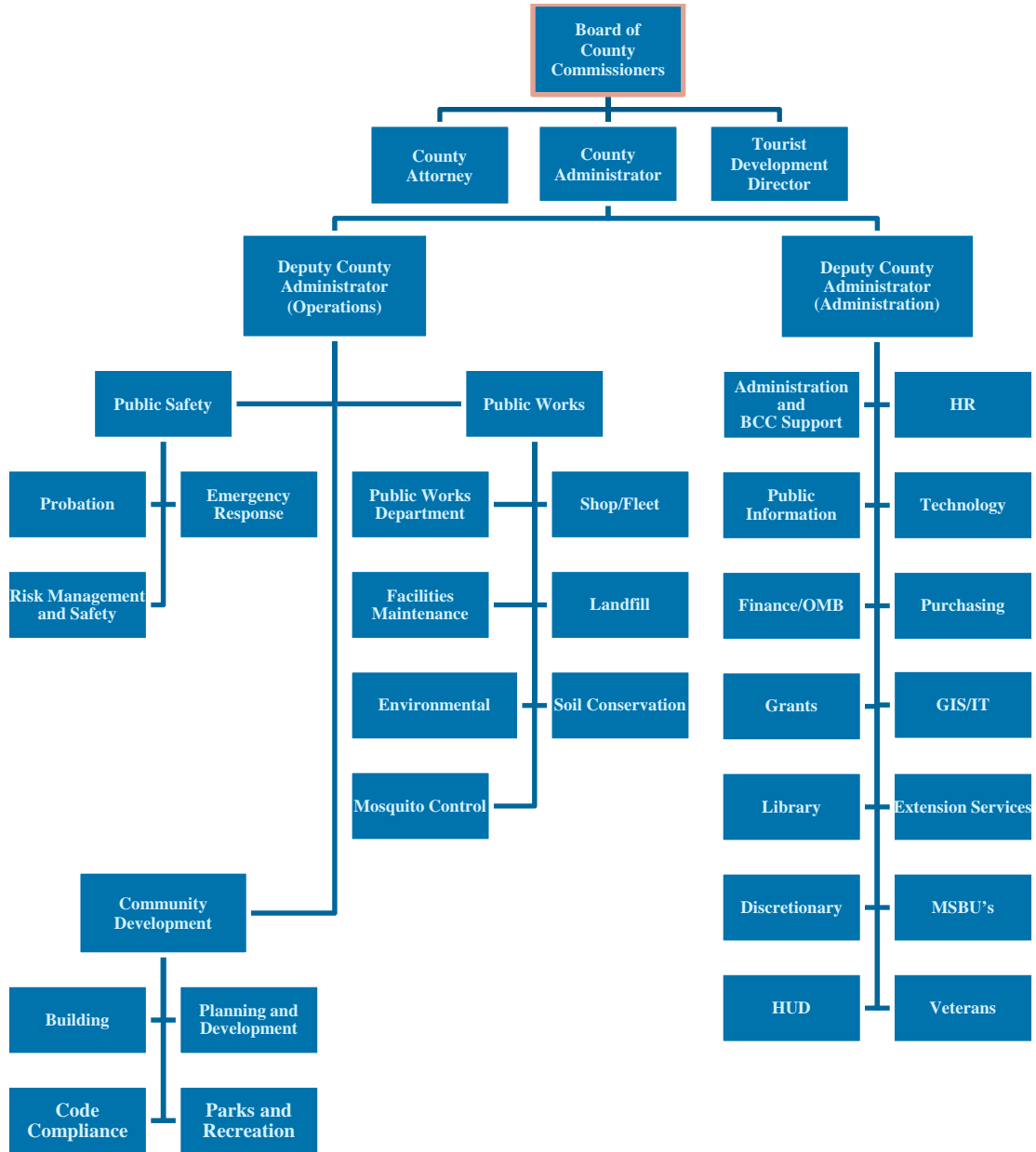
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the proprietary and fiduciary fund types of Walton County, Florida (the "County"), as of and for the year ended September 30, 2020, 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, 2020 and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparison for the major governmental funds 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 91 through 96, 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 8, 2021 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 8, 2021

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, 2020. 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 \$330,078,881 for fiscal year 2020 as compared to \$311,951,131 for fiscal year 2019 as restated. Unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors. Unrestricted net position at September 30, 2020 was \$14,412,676, an increase of \$2,802,401 from the previous year.
- The County's total primary government net position for fiscal year 2020 increased \$18,127,750 over fiscal year 2019.
- At September 30, 2020, the County's governmental funds reported a combined ending fund balance of \$156,066,908, an increase of \$22,294,958 over the prior year.
- The General Fund reported an unassigned fund balance of \$26,870,472 at September 30, 2020, an increase of \$10,465,605 over the prior year.
- The County reported total outstanding notes payable and capital lease debt of \$22,216,605 at September 30, 2020, an increase of \$106,201 over the prior year.
- The primary government's net pension and postemployment benefit liabilities increased \$28,398,901 in fiscal year 2020 to a total obligation of \$143,741,645.

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, 2020. 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 six major funds: the General Fund, the County Transportation Fund, the Fine and Forfeiture Fund, the Tourist Development Fund, the Solid Waste Landfill Fund, and the Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated column titled “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 38.

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 42.

Other Information

This report presents certain required supplementary information on pages 91 through 96 concerning Walton County’s progress in funding its obligation to provide pensions and other postemployment benefits to its employees.

Government-Wide Financial Analysis

Comparative data for fiscal years ending September 30, 2020 and 2019 are shown below:

Net Position-Governmental Activities

<i>For the fiscal year ended September 30,</i>	2019	2020
Assets		
Current and other assets	\$ 151,584,826	\$ 179,397,141
Capital assets	295,436,212	308,296,142
Total assets	447,021,038	487,693,284
Deferred Outflows of Resources		
	42,739,955	49,388,363
Liabilities		
Current liabilities*	20,352,436	25,826,672
Noncurrent liabilities	143,854,081	172,624,570
Total liabilities	164,206,517	198,451,242
Deferred Inflows of Resources		
	13,603,345	8,551,523
Net Position		
Net investment in capital assets	273,325,808	286,079,537
Restricted*	27,015,048	29,586,668
Unrestricted	11,610,275	14,412,676
Total Net Position	\$ 311,951,131	\$ 330,078,881

*For comparative purposes, 2019 Current Liabilities and Restricted Net Position were restated to reflect the prior period adjustment to move an unspent portion of restricted revenue to unearned revenue.

Governmental current and other assets increased \$27,812,315, with the primary increases in cash and cash equivalents of \$14,824,003 and amounts due from other governments of \$7,425,168. The increase in cash and cash equivalents can be attributed to delayed expenditures on projects and delays in the hiring of vacancies due to the COVID-19 pandemic. The increase in the amount due from other governments was due mostly to the grant receivable from the State for Coronavirus Relief Fund expenditures.

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>	2019	2020
Current unrestricted assets	\$ 149,825,521	\$ 177,645,560
Current unrestricted liabilities	20,352,436	25,826,672
Ratio of current assets to current liabilities	7.36	6.88

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 2020. The net position for fiscal years ending September 30, 2019 and 2020, increased \$17,811,255 and \$18,127,750, respectively.

A portion of Walton County’s net position (4.4%) represents unrestricted net position of \$14,412,676, which may be used to meet the County’s ongoing obligations to citizens and creditors.

A portion of the County’s net position (8.7% at September 30, 2019 and 9.0% at September 30, 2020) 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 \$2,571,620 for fiscal year 2020. The increase in restricted net position is principally due to increases in net position restricted for transportation, partially offset by a decrease in net position restricted for capital projects.

The County’s investment in capital assets such as land, buildings, and equipment, as a percentage of net position, amounts to 87.6% and 86.7% at September 30, 2019 and 2020, respectively, and accounts for the largest portion of the County’s net position. The increase of \$12,753,729 in 2020 is principally due to the purchase of the Golf Gardens property in Miramar Beach, improvements to the irrigation system at the Eagle Springs Recreation Facility, and various road, bridge, and stormwater construction projects. These asset values are presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The County uses capital assets to provide services to the citizens and consequently these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Changes in Net Position-Governmental Activities

<i>September 30,</i>	2019	2020
Revenues		
Program revenue:		
Charges for services	\$ 18,131,725	\$ 17,488,699
Operating grants and contributions	6,985,897	15,286,013
Capital grants and contributions	3,853,435	6,010,558
General revenues:		
Property taxes	66,731,083	74,111,096
Other taxes	74,595,295	75,231,900
Other	12,882,422	9,990,612
Total revenues	183,179,857	198,118,878

Expenses		
General government	29,618,838	37,739,314
Public safety	67,532,988	73,065,481
Physical environment	12,783,855	12,100,205
Transportation	27,376,243	24,711,934
Economic environment	21,108,011	24,450,201
Human services	2,508,656	2,631,843
Culture/recreation	3,000,774	4,350,766
Interest on long-term debt	873,700	941,384
Total expenses	164,803,065	179,991,128
Increase in net position	18,376,792	18,127,750
Net Position – Beginning, as restated	293,574,339	311,951,131
Net Position - Ending	\$ 311,951,131	\$ 330,078,881

Governmental Activities

Governmental activities net position increased \$18,127,750 in 2020. Key elements of this increase are as follows:

Charges for services decreased \$643,026, due to lower Landfill fee collections arising from both COVID-19 related closures at the County Landfill during April and May 2020 as well as the opening of an additional privately-owned Class III landfill within Walton County, and a decrease in fees for the housing of additional prisoners at the Sheriff’s Jail facility. Operating grants and contributions increased \$8,300,116 due primarily to federal Coronavirus Relief Funds earned during 2020. The increase of \$2,157,123 in capital grants and contributions can be attributed to the Go-Wal Public Transportation grant and the Alligator Lake NRDA grant for the construction of a bridge at Alligator Lake. Property tax revenues increased \$7,380,013 due to higher overall property values. Due to the COVID-19 pandemic, the Governor of Florida issued statewide executive orders during 2020 which temporarily limited indoor dining and retail activities, and banned short-term rentals from April 2, 2020, through May 19, 2020. As a result of these closures and the associated lower retail activity, sales and gas taxes decreased during 2020. This decrease was offset by the implementation of a High Tourism Impact Tax, which led to an overall increase in other taxes of \$636,605. There was also a decrease in other revenues of \$2,891,809 due to lower Proportionate Fair Share revenues earned in 2020. In 2019, these funds were utilized for a pedestrian underpass, traffic signals, and a mobility study reflecting higher earned revenues in 2019.

The \$8,120,476 increase in General Government expenditures can be attributed to the spending of Coronavirus Relief Funds during 2020 as well as the purchase of the Golf Gardens property in Miramar Beach. The increase in public safety expenditures of \$5,532,493 represented a budgeted increase in spending for the Sheriff’s Office. Transportation spending decreased \$2,664,309 due to COVID-19 related delays in spending on approved transportation projects. Economic environment spending increased \$3,342,190 due to additional promotional Tourist Development spending over 2019.

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 \$133,771,950 at the end of fiscal year 2019 and \$156,066,908 at the end of fiscal year 2020. This was an increase of \$22,294,958 over the prior year. The unassigned General Fund balances of \$16,404,867 at September 30, 2019 and \$26,870,472 at September 30, 2020 were available for spending at the County’s discretion. Governmental funds held restricted, committed, or assigned amounts totaling \$126,934,899 in 2020 to reflect the various constraints placed on those resources for future use, as well as \$2,261,537 for non-spendable amounts, reflecting items such as inventory and prepaid items.

Major Fund Information

	General Fund	County Transportation	Fine and Forfeiture
Fiscal Year 2020			
Revenues and other sources	\$ 51,575,504	\$ 26,805,129	\$ 62,073,640
Expenditures and other uses	44,817,689	25,500,801	61,033,794
Increase (decrease) in fund balance	\$ 6,757,815	\$ 1,304,328	\$ 1,039,846
Fiscal Year 2019			
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 (decrease) in fund balance	\$ 1,117,296	\$ 1,229,994	\$ 501,174
	Tourist Development	Solid Waste Landfill	Capital Projects
Fiscal Year 2020			
Revenues and other sources	\$ 34,988,558	\$ 24,367,948	\$ 6,312,608
Expenditures and other uses	24,253,403	24,367,948	5,715,379
Increase (decrease) in fund balance	\$ 10,735,155	\$ -	\$ 597,229
Fiscal Year 2019			
Revenues and other sources	\$ 30,934,850	\$ 26,076,927	\$ 15,920,146
Expenditures and other uses	26,735,866	25,836,751	8,859,703
Increase (decrease) in fund balance	\$ 4,198,984	\$ 240,176	\$ 7,060,443

General Fund

The General Fund is the chief operating fund of the County. At September 30, 2020, the total fund balance in the General Fund was \$31,243,932 of which \$26,870,472 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 65.0% of total 2020 expenditures, while total fund balance is 75.6% of the same amount. For fiscal year 2019, unassigned fund balance represented 43.8% of total expenditures, while total fund balance was 65.3% of the same amount.

Total revenues in the General Fund increased 13.9%. This can be primarily attributed to the recognition of Coronavirus Relief Funding in fiscal year 2020. Total expenditures increased 10.3%, due to the spending of Coronavirus Relief Funding on COVID-19 mitigation efforts, acquisition of the Golf Gardens property, and the installation of a new irrigation system at Eagle Springs Recreation Facility.

Other Major Governmental Funds

The major governmental funds table also discloses information regarding the other five major governmental funds of the County. Data for the County Transportation, Fine and Forfeiture, Tourist Development Council, Solid Waste Landfill, and Capital Projects funds are presented for fiscal years 2020 and 2019.

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 2020 showed an increase of \$4,023,984 in revenues from fiscal year 2019. This was primarily due to an increase in the ad valorem allocation to this fund in 2020 and was offset by a reduction in the amount transferred in from the Solid Waste Fund of \$3,002,641. Overall expenditures increased \$1,083,971 due to higher spending in 2020 on capital transportation projects that began in 2019, primarily the Highway 2 Cross Drain Replacement project and the grant funded County Road 883 Improvement project.

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 2020 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 values. Increased expenditures can be attributed to an increase in lease payments as well as an increase in the overall cost of operations.

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 2020 over 2019 can be attributed to the implementation of the High Impact Tourist Tax in January 2020. Overall expenditures were higher in fiscal year 2019 due to approximately \$5.7 million in land purchases for beach access parking. While there were no land purchases by the TDC in 2020, promotional spending increased over \$3.1 million due to remarketing efforts following the COVID-19 pandemic and the temporary closure of the beaches in Walton County. While the Tourist Development fund saw a sharp decline in revenues during the temporary suspension of short-term rentals imposed by the State of Florida from April 2, 2020 through May 19, 2020, due to the

pandemic, once this suspension was lifted revenues quickly returned to normal levels, and exceeded the 2019 collection for the remainder of 2020. 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 decreased \$1,437,766 for fiscal year 2020 as a result of the State of Florida's temporary suspension of short-term property rentals and COVID-19 related limitations on retail and indoor dining activities primarily during the months of April and May. As with the Tourist Development Fund, once the suspension was lifted and retail and indoor dining activities were resumed within Walton County, these sales tax revenues quickly returned to normal levels, with revenues during the last three months of the 2020 fiscal year exceeding the same three months in fiscal year 2019. The decrease in expenditures is due to the construction of a new solid waste transfer station at the landfill during the 2019 fiscal year. The balance of the fund is restricted, nonspendable 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 \$1,564,860 at September 30, 2019. This was increased to \$1,595,803 at September 30, 2020.

General Fund Budgetary Highlights

A comparison of original budget to final budget for General Fund revenues shows a \$14,356,011 budget adjustment in intergovernmental revenues. Revenue budget adjustments for intergovernmental revenues included increases for Coronavirus Relief funding, RESTORE Act grant funding agreements for drainage projects and water and sewer along Hwy 331, and a NRDA grant for design and construction of a bridge at Alligator Lake.

General Fund expenditures were \$19,373,288 less than budgeted. The primary component of that difference consisted of \$11,776,787 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 \$1,314,630 in unexpended salary and benefit costs due to the delayed filling of vacancies, and \$2,781,268 budgeted but unspent by the Walton County Constitutional Offices.

Differences between the General Fund's fiscal year 2020 original budget and final amended budget were an increase of \$20,926,725 to Board of County Commissioner accounts. They can be summarized as follows:

- \$6,051,075 rolled forward from fiscal year 2019 for grants and projects not completed in FY 2019
- \$9,825,650 for new grants received in FY 2020
- \$2,300,000 brought forward from General Fund reserves for a loan to the Economic Development Alliance for the purchase of land for the Freeport Industrial Park
- \$2,000,000 transferred in from Landfill reserves and \$700,000 in General Fund reserves for the purchase of the Golf Gardens property in Miramar Beach

- \$50,000 brought forward from General Fund reserves for the new irrigation system at Eagle Springs Recreation Facility

Capital Asset and Debt Administration

The County’s investment in capital assets for its governmental activities, net of accumulated depreciation, as of September 30, 2019 amounted to \$295,436,212, and at September 30, 2020 amounted to \$308,296,142. 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 4.4%.

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

- The purchase of the Golf Gardens property by the General Fund totaling \$2,846,365.
- A cross drain replacement project at County Hwy 2 totaling \$1,032,416.
- Beach access improvements totaling \$1,704,095.
- The installation of a new irrigation system at Eagle Springs Recreation Facility at a total cost of \$969,170.
- Construction in progress at September 30, 2020 consisted mostly of \$24,425,962 for transportation and stormwater infrastructure projects.

Capital Assets-(Net of Depreciation)

<i>September 30,</i>	2019	2020
Land	\$ 97,426,728	\$ 101,342,581
Buildings	56,374,362	56,007,295
Infrastructure	71,496,638	66,411,897
Improvements other than buildings	28,660,300	31,466,147
Construction in progress	19,509,785	28,774,210
Equipment	21,968,399	24,294,012
Total	\$ 295,436,212	\$ 308,296,142

Additional information on the County’s capital assets can be found in Note 2 on page 67 of this report.

Long-Term Debt

The County had \$20,470,739 in notes payable at September 30, 2020, of which \$1,699,481 is due for repayment during fiscal year 2021.

<i>September 30,</i>	2019	2020
Notes payable		
Capital Projects Loan	\$ 19,531,373	\$ 20,470,739

During the current fiscal year, the County's outstanding notes payable increased by \$939,366, or 4.8%. This increase during the current year can be attributed to an additional borrowing related to the County-wide Broadband project offset by 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 2 on page 69 of this report.

Economic Factors and Next Year's Budget and Rates

The unemployment rate for the County at September 30, 2020 was 4.1%, up from 2.5% at September 30, 2019.

Overall building permit activity continued to improve overall for fiscal year 2020, with 3,594 total building permits issued, including 2,003 residential permits. 2,992 building permits, including 2,380 residential permits, were issued for fiscal year 2019. These figures reflect both new housing starts and commercial construction during the County's fiscal year.

Walton County's population increased 6.6% from the fiscal year ending September 30, 2019, to a total population of 74,724.

The general ad valorem tax rate for fiscal year 2020 and the upcoming 2021 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

<i>September 30, 2020</i>	Primary Government	
	Governmental Activities	Component Unit
Assets		
Current assets		
Cash and cash equivalents	\$ 95,523,827	\$ 21,134,823
Cash - designated for construction	-	21,239,644
Investments	59,408,437	5,000,000
Accounts receivable, net	4,993,877	3,106,856
Accounts receivable-developer agreements, net	-	2,054,582
Due from other governments	15,460,762	-
Loans receivable	1,933,667	-
Inventory	324,112	4,749,895
Prepaid items	878	-
Restricted assets:		
Cash and cash equivalents	1,681,783	-
Investments	57,196	-
Assessments receivable	12,602	-
Total current assets	179,397,141	57,285,800
Noncurrent assets		
Restricted cash		
Debt service fund	-	4,258,968
Renewal and replacement fund	-	1,309,026
Customer's deposits	-	2,375,049
Accounts receivable-developer agreements, net	-	2,156,392
Accounts receivable	-	1,988,478
Land and other nondepreciable assets	130,116,791	23,165,277
Capital assets, net of depreciation	178,179,351	158,571,239
Total noncurrent assets	308,296,142	193,824,429
Total assets	487,693,283	251,110,229
Deferred Outflows of Resources		
Deferred outflows related to pension	41,912,938	-
Deferred outflows related to post-employment benefits	7,475,425	-
Deferred losses on debt refundings	-	263,311
Total deferred outflows of resources	49,388,363	263,311

-Continued-

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

Walton County, Florida
Statement of Net Position (Continued)

<i>September 30, 2020</i>	Primary Government	
	Governmental Activities	Component Unit
Liabilities		
Current liabilities		
Accounts payable	\$ 8,390,394	\$ 257,530
Accrued liabilities	3,969,907	190,833
Accrued interest payable	173,460	-
Due to other governments	2,326,467	-
Due to individuals	155,523	-
Deposits	6,199,712	-
Unearned revenue	1,239,723	-
Landfill closure costs	11,500	-
Compensated absences	1,174,043	-
Payable from restricted assets:		
Accrued interest payable	-	336,497
Bonds payable	-	325,000
Notes payable	-	1,324,000
Capital lease obligations	486,462	-
Notes payable	1,699,481	-
Total current liabilities	25,826,672	2,433,860
Noncurrent liabilities		
Customer deposits	-	2,375,049
Notes payable	18,771,258	16,949,000
Capital lease obligations	1,259,404	-
Bonds payable	-	4,664,249
Net pension liability	113,424,645	-
Other post-employment benefit obligation	30,317,000	-
Landfill closure cost	4,801,436	-
Compensated absences	4,050,827	270,354
Total noncurrent liabilities	172,624,570	24,258,652
Total liabilities	198,451,242	26,692,512
Deferred Inflows of Resources		
Deferred inflows related to pension	6,295,523	-
Deferred inflows related to post-employment benefits	2,256,000	-
Total deferred inflows of resources	8,551,523	-
Net Position		
Net investment in capital assets	286,079,537	158,737,578
Restricted for:		
Debt service	143,176	5,567,994
Capital projects	2,712,840	-
General government	1,378,148	-
Public safety	6,352,618	-
Transportation	18,413,584	-
Economic environment	148,245	-
Human services	438,057	-
Unrestricted	14,412,676	60,375,456
Total net position	\$ 330,078,881	\$ 224,681,028

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

**Walton County, Florida
Statement of Activities**

For the year ended September 30, 2020

	Program	
Functions/Programs	Expenses	Charges for Services
Primary Government		
Governmental Activities:		
General government	\$ 37,739,314	\$ 7,117,915
Public safety	73,065,481	8,933,016
Physical environment	12,100,205	639,862
Transportation	24,711,934	-
Economic environment	24,450,201	334,256
Human services	2,631,843	68,475
Culture/recreation	4,350,766	395,175
Interest on long-term debt	941,384	-
Total primary government	\$ 179,991,128	\$ 17,488,699
Component Unit		
Florida Community Services Corporation	\$ 27,366,590	\$ 26,258,992

General Revenues

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

Total general revenues

Change in net position

Total net position - beginning

Prior period adjustment

Net position - beginning, as restated

Total net position - ending

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

Revenues		Net (Expense) Revenues and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit	
\$ 8,312,040	\$ 430,814	\$ (21,878,545)	\$	-
4,153,586	751,693	(59,227,186)		-
-	-	(11,460,343)		-
-	-	(24,711,934)		-
2,748,100	3,547,949	(17,819,896)		-
70,997	-	(2,492,371)		-
1,290	1,280,102	(2,674,199)		-
-	-	(941,384)		-
<u>\$ 15,286,013</u>	<u>\$ 6,010,558</u>	<u>(141,205,858)</u>		-
<u>\$ -</u>	<u>\$ 4,423,618</u>			
				3,316,020
		74,111,096		-
		6,307,431		-
		35,000,216		-
		31,325,781		-
		2,598,472		-
		2,844,553	342,971	
		7,146,059	14,470,709	
		-	322,664	
		<u>159,333,608</u>	<u>15,136,344</u>	
		<u>18,127,750</u>	<u>18,452,364</u>	
		312,516,668	206,228,664	
		(565,537)	-	
		<u>311,951,131</u>	<u>206,228,664</u>	
		<u>\$ 330,078,881</u>	<u>\$ 224,681,028</u>	

Walton County, Florida
Balance Sheet
Governmental Funds

<i>September 30, 2020</i>	General	County Transportation	Fine and Forfeiture
Assets			
Cash and cash equivalents	\$ 20,084,544	\$ 13,000,284	\$ 4,276,150
Investments	12,796,594	8,648,013	1,748,100
Accounts receivable, net	267,651	112,854	398,082
Due from other governments	7,231,655	2,213,431	1,233,096
Due from other funds	67,142	7,194	406,418
Inventory	109,851	214,261	-
Prepaid items	878	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Assessments receivable	-	-	-
Loans receivable	1,933,667	-	-
Total assets	\$ 42,491,982	\$ 24,196,037	\$ 8,061,846
Liabilities			
Accounts payable	\$ 2,118,536	\$ 943,210	\$ 1,125,376
Accrued liabilities	1,283,469	731,900	1,537,077
Due to other governments	242,730	87,101	-
Due to individuals	-	-	-
Deposits	1,866,636	3,805,044	-
Due to other funds	5,470,527	-	-
Unearned revenue	266,152	937	23,802
Total liabilities	11,248,050	5,568,192	2,686,255
Deferred Inflows of Resources			
Unavailable revenue on special assessments	-	-	-
Fund Balance			
Nonspendable	2,045,126	214,261	-
Restricted	1,047,856	18,413,584	5,375,591
Committed	-	-	-
Assigned	1,280,478	-	-
Unassigned	26,870,472	-	-
Total fund balance	31,243,932	18,627,845	5,375,591
Total liabilities, deferred inflows of resources, and fund balance	\$ 42,491,982	\$ 24,196,037	\$ 8,061,846

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

Tourist Development	Solid Waste Landfill	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 32,378,799	\$ 4,291,409	\$ 10,594,716	\$ 9,862,020	\$ 94,487,922
21,538,735	2,854,020	7,047,787	4,775,188	59,408,437
3,794,463	-	-	420,827	4,993,877
414,744	4,020,987	-	346,849	15,460,762
5,470,193	-	-	134,803	6,085,750
-	-	-	-	324,112
-	-	-	-	878
-	1,595,803	-	85,980	1,681,783
-	-	-	57,196	57,196
-	-	-	12,602	12,602
-	-	-	-	1,933,667
\$ 63,596,934	\$ 12,762,219	\$ 17,642,503	\$ 15,695,465	\$ 184,446,986
\$ 2,747,170	\$ 906,680	\$ 197,252	\$ 352,170	\$ 8,390,394
215,802	50,301	-	151,358	3,969,907
-	1,800,127	-	196,509	2,326,467
-	-	-	155,523	155,523
-	-	-	-	5,671,680
74,150	-	-	541,073	6,085,750
-	-	-	1,476,864	1,767,755
3,037,122	2,757,108	197,252	2,873,497	28,367,476
-	-	-	12,602	12,602
300	1,050	-	800	2,261,537
-	1,595,803	-	3,153,834	29,586,668
41,653,295	-	-	8,704,268	50,357,563
18,906,217	8,408,258	17,445,251	950,464	46,990,668
-	-	-	-	26,870,472
60,559,812	10,005,111	17,445,251	12,809,366	156,066,908
\$ 63,596,934	\$ 12,762,219	\$ 17,642,503	\$ 15,695,465	\$ 184,446,986



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

September 30, 2020

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

Fund balances - Total governmental funds \$ 156,066,908

Assessments receivable are not available to pay current period expenditures and therefore are deferred in the governmental funds. 12,602

Capital assets used in government activities are not current financial resources and therefore are not reported at the fund level. 308,296,142

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. (77,807,230)

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. (25,097,575)

Other liabilities not due and payable in the current period and therefore not reported in the funds are as follows:

Notes payable	(20,470,739)	
Capital lease obligations	(1,745,866)	
Accrued interest payable	(173,460)	
Landfill closure costs	(4,812,936)	
Compensated absences, net of Internal Service		
Fund, \$1,035,905	(4,188,965)	(31,391,966)

Net position of governmental activities \$ 330,078,881

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

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

<i>For the year ended September 30, 2020</i>	General	County Transportation	Fine and Forfeiture
Revenues			
Taxes	\$ 14,934,611	\$ 11,939,387	\$ 50,759,955
Licenses and permits	427,398	12,992	-
Intergovernmental	24,085,416	5,766,964	2,744,087
Charges for services	5,301,766	41,923	5,257,514
Fines and forfeitures	43,681	-	41,879
Investment earnings	633,236	335,211	327,916
Miscellaneous	2,454,585	511,293	224,013
Total revenue	47,880,693	18,607,770	59,355,364
Expenditures			
Current			
General government	26,854,250	2,923,196	-
Public safety	2,725,581	-	51,096,322
Physical environment	456,237	217,821	-
Transportation	-	13,704,290	-
Economic environment	363,731	-	-
Human services	1,983,187	-	-
Culture/recreation	2,123,909	895,492	-
Capital outlay	6,827,401	7,760,002	6,201,613
Debt service			
Principal	10,241	-	3,560,720
Interest	727	-	175,139
Total expenditures	41,345,264	25,500,801	61,033,794
Excess revenue over (under) expenditures	6,535,429	(6,893,031)	(1,678,430)
Other Financing Sources (Uses)			
Transfers in	3,675,292	8,197,359	-
Transfers out	(3,472,425)	-	-
Issuance of debt	19,519	-	2,718,276
Total other financing sources (uses)	222,386	8,197,359	2,718,276
Net change in fund balance	6,757,815	1,304,328	1,039,846
Fund balance - beginning	24,486,117	17,323,517	4,335,745
Prior period adjustment	-	-	-
Fund balance - beginning, as restated	24,486,117	17,323,517	4,335,745
Fund balance - ending	\$ 31,243,932	\$ 18,627,845	\$ 5,375,591

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

Tourist Development	Solid Waste Landfill	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 31,325,781	\$ 23,378,277	\$ -	\$ 553,346	\$ 132,891,357
-	-	-	3,457,754	3,898,144
414,744	85,777	-	4,732,272	37,829,260
79,171	520,671	-	1,740,455	12,941,500
-	-	-	497,202	582,762
851,558	131,120	340,183	225,330	2,844,554
2,317,304	252,103	-	1,378,001	7,137,299
34,988,558	24,367,948	340,183	12,584,360	198,124,876
-	-	-	2,144,267	31,921,713
-	-	-	3,206,054	57,027,957
-	11,129,518	-	64,371	11,867,947
-	-	78,421	-	13,782,711
19,344,164	-	-	2,677,819	22,385,714
-	-	-	523,774	2,506,961
-	-	-	84,473	3,103,874
4,909,239	1,372,779	3,315,199	2,016,017	32,402,250
-	-	1,560,634	-	5,131,595
-	-	761,125	-	936,991
24,253,403	12,502,297	5,715,379	10,716,775	181,067,713
10,735,155	11,865,651	(5,375,196)	1,867,585	17,057,163
-	-	3,472,425	-	15,345,076
-	(11,865,651)	-	(7,000)	(15,345,076)
-	-	2,500,000	-	5,237,795
-	(11,865,651)	5,972,425	(7,000)	5,237,795
10,735,155	-	597,229	1,860,585	22,294,958
49,824,657	10,005,111	16,848,022	11,514,318	134,337,487
-	-	-	(565,537)	(565,537)
49,824,657	10,005,111	16,848,022	10,948,781	133,771,950
\$ 60,559,812	\$ 10,005,111	\$ 17,445,251	\$ 12,809,366	\$ 156,066,908

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, 2020

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

Net change in fund balances - total governmental funds	\$	22,294,958
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.		32,257,068
Depreciation expense on governmental capital assets is included in the governmental activities in the Statement of Activities.		(19,314,975)
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.		(5,237,795)
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.		(82,163)
Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the Statement of Net Position.		5,131,594
Assessment revenue is not collected for several months after year-end and is deferred in the governmental funds.		(5,999)
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.		(4,394)
Accrued landfill closure/post closure costs do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		384,100
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.		(14,939,514)
Accrued other post-employment benefits do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(1,759,155)
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.		(595,975)
Change in net position of governmental activities	\$	18,127,750

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

Walton County, Florida
General Fund

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 14,969,220	\$ 14,677,553	\$ 14,934,611	\$ 257,058
Licenses and permits	523,000	523,000	427,398	(95,602)
Intergovernmental	15,134,451	29,490,462	24,085,416	(5,405,046)
Charges for services	4,080,129	4,113,922	5,301,766	1,187,844
Fines and forfeitures	21,976	21,976	43,681	21,705
Investment earnings	292,750	292,750	633,236	340,486
Miscellaneous	3,528,887	3,528,887	2,454,585	(1,074,302)
Total revenues	38,550,413	52,648,550	47,880,693	(4,767,857)
Expenditures				
Current				
General Government				
Board of County Commissioners	8,472,805	14,706,759	8,733,379	5,973,380
Comptroller	4,875,584	4,894,881	4,114,244	780,637
Clerk of Court - circuit court	220,292	230,292	196,470	33,822
Clerk of Court - county court	69,956	69,956	66,883	3,073
Court technology	117,795	117,795	98,197	19,598
GIS - information services	548,973	546,443	530,233	16,210
Property Appraiser	2,691,335	2,691,335	2,067,276	624,059
Tax Collector	4,936,860	4,951,356	3,722,880	1,228,476
Supervisor of Elections	976,634	1,169,033	1,020,937	148,096
Legal services	924,868	931,168	721,247	209,921
State Attorney/Public Defender	72,300	72,300	80,880	(8,580)
Growth management and comprehensive planning	3,338,086	3,790,360	2,809,538	980,822
County administrator	1,310,194	1,310,194	1,252,166	58,028
Financial and administrative services	1,680,017	1,680,017	1,439,920	240,097
Total general government	30,235,699	37,161,889	26,854,250	10,307,639

-Continued-

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

Walton County, Florida
General Fund

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Public Safety				
Code enforcement	1,788,832	1,750,832	888,968	861,864
Fire coordination	32,791	32,791	32,791	-
Parole and probation	355,628	355,628	236,400	119,228
Emergency operations center	354,235	834,605	538,327	296,278
Emergency medical services	775,669	780,728	781,926	(1,198)
Medical examiner	217,200	247,200	247,169	31
Total public safety	3,524,355	4,001,784	2,725,581	1,276,203
Physical Environment				
Extension service	401,646	404,465	358,492	45,973
Natural resource conservation service	110,944	110,944	97,745	13,199
Total physical environment	512,590	515,409	456,237	59,172
Economic Environment				
Economic development	221,756	221,756	215,289	6,467
Veteran services	161,942	161,942	148,442	13,500
Total economic environment	383,698	383,698	363,731	19,967
Human Services				
Health department	1,951,521	1,993,395	1,818,010	175,385
Community service	58,339	133,339	55,077	78,262
Mental health	75,000	75,000	75,000	-
Welfare	30,700	30,700	35,100	(4,400)
Developmental disabilities	9,338	18,676	-	18,676
Total human services	2,124,898	2,251,110	1,983,187	267,923
Cultural and Recreation				
Library	1,001,567	1,025,611	920,063	105,548
Parks and recreation	1,362,748	1,436,336	1,203,846	232,490
Total cultural and recreation	2,364,315	2,461,947	2,123,909	338,038
Capital Outlay	279,605	13,942,715	6,827,401	7,115,314

-Continued-

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

Walton County, Florida
General Fund

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Debt Service				
Principal	-	-	10,241	(10,241)
Interest	-	-	727	(727)
Total debt service	-	-	10,968	(10,968)
Total expenditures	39,425,160	60,718,552	41,345,264	19,373,288
Excess revenues over (under) expenditures	(874,747)	(8,070,002)	6,535,429	14,605,431
Other Financing Sources (Uses)				
Transfers in	3,995,000	7,302,000	3,675,292	(3,626,708)
Transfers out	(6,639,290)	(6,639,290)	(3,472,425)	3,166,865
Issuance of debt	-	-	19,519	19,519
Total other financing sources (uses)	(2,644,290)	662,710	222,386	(440,324)
Net change in fund balance	(3,519,037)	(7,407,292)	6,757,815	14,165,107
Fund balance - beginning	24,486,117	24,486,117	24,486,117	-
Fund balance - ending	\$ 20,967,080	\$ 17,078,825	\$ 31,243,932	\$ 14,165,107

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

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 12,107,207	\$ 12,107,207	\$ 11,939,387	\$ (167,820)
Licenses and permits	7,000	7,000	12,992	5,992
Intergovernmental	2,879,579	33,019,999	5,766,964	(27,253,035)
Charges for services	44,000	44,000	41,923	(2,077)
Investment earnings	100,000	100,000	335,211	235,211
Miscellaneous	-	308,297	511,293	202,996
Total revenues	15,137,786	45,586,503	18,607,770	(26,978,733)
Expenditures				
General government	3,356,465	3,379,465	2,923,196	456,269
Physical environment	-	638,098	217,821	420,277
Transportation	17,258,377	16,992,550	13,704,290	3,288,260
Culture/recreation	1,123,807	1,123,807	895,492	228,315
Capital outlay	2,488,000	40,157,117	7,760,002	32,397,115
Total expenditures	24,226,649	62,291,037	25,500,801	36,790,236
Excess revenues over (under) expenditures	(9,088,863)	(16,704,534)	(6,893,031)	9,811,503
Other Financing Sources (Uses)				
Proceeds from sale of equipment	313,800	313,800	-	(313,800)
Transfers in	8,197,359	8,197,359	8,197,359	-
Total other financing sources (uses)	8,511,159	8,511,159	8,197,359	(313,800)
Net change in fund balance	(577,704)	(8,193,375)	1,304,328	9,497,703
Fund balance - beginning	17,323,517	17,323,517	17,323,517	-
Fund balance - ending	\$ 16,745,813	\$ 9,130,142	\$ 18,627,845	\$ 9,497,703

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

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 48,880,725	\$ 48,880,725	\$ 50,759,955	\$ 1,879,230
Intergovernmental	873,975	934,615	2,744,087	1,809,472
Charges for services	7,409,000	7,409,000	5,257,514	(2,151,486)
Fine and forfeitures	57,000	57,000	41,879	(15,121)
Investment earnings	74,000	74,000	327,916	253,916
Miscellaneous	100,000	163,050	224,013	60,963
Total revenues	57,394,700	57,518,390	59,355,364	1,836,974
Expenditures				
Current				
Public safety	50,304,229	50,427,919	51,096,322	(668,403)
Capital outlay	4,381,112	7,099,388	6,201,613	897,775
Debt service				
Principal	3,560,720	3,560,720	3,560,720	-
Interest	175,139	175,139	175,139	-
Total expenditures	58,421,200	61,263,166	61,033,794	229,372
Excess revenues over (under) expenditures	(1,026,500)	(3,744,776)	(1,678,430)	2,066,346
Other Financing Sources (Uses)				
Issuance of debt	-	2,718,276	2,718,276	-
Net change in fund balance	(1,026,500)	(1,026,500)	1,039,846	2,066,346
Fund balance - beginning	4,335,745	4,335,745	4,335,745	-
Fund balance - ending	\$ 3,309,245	\$ 3,309,245	\$ 5,375,591	\$ 2,066,346
Reconciliation of GAAP to Budgetary Basis				
GAAP basis revenues	\$ 57,394,700	\$ 57,518,390	\$ 59,355,364	\$ 1,836,974
Non-budgeted revenues				
Intergovernmental	-	-	(2,296,598)	(2,296,598)
Budgetary basis revenues	\$ 57,394,700	\$ 57,518,390	\$ 57,058,766	\$ (459,624)
GAAP basis expenditures	\$ 58,421,200	\$ 61,263,166	\$ 61,033,794	\$ 229,372
Non-budgeted expenditures				
Public safety	-	-	(2,055,016)	2,055,016
Capital outlay	-	-	(241,582)	241,582
Budgetary basis expenditures	\$ 58,421,200	\$ 61,263,166	\$ 58,737,196	\$ 2,525,970

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

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 32,945,807	\$ 32,945,807	\$ 31,325,781	\$ (1,620,026)
Intergovernmental	-	-	414,744	414,744
Charges for services	60,000	60,000	79,171	19,171
Investment earnings	300,000	300,000	851,558	551,558
Miscellaneous	2,576,099	2,576,099	2,317,304	(258,795)
Total revenues	35,881,906	35,881,906	34,988,558	(893,348)
Expenditures				
Current				
Economic environment	27,319,268	26,238,121	19,344,164	6,893,957
Capital outlay	8,562,638	12,317,904	4,909,239	7,408,665
Total expenditures	35,881,906	38,556,025	24,253,403	14,302,622
Excess revenues over (under) expenditures	-	(2,674,119)	10,735,155	13,409,274
Fund balance - beginning	49,824,657	49,824,657	49,824,657	-
Fund balance - ending	\$ 49,824,657	\$ 47,150,538	\$ 60,559,812	\$ 13,409,274

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

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 24,250,000	\$ 24,250,000	\$ 23,378,277	\$ (871,723)
Intergovernmental	-	92,626	85,777	(6,849)
Charges for services	800,000	800,000	520,671	(279,329)
Investment earnings	20,000	20,000	131,120	111,120
Miscellaneous	65,500	65,500	252,103	186,603
Total revenues	25,135,500	25,228,126	24,367,948	(860,178)
Expenditures				
Current				
Physical environment	11,358,641	11,374,898	11,129,518	245,380
Capital outlay	3,234,500	3,902,442	1,372,779	2,529,663
Total expenditures	14,593,141	15,277,340	12,502,297	2,775,043
Excess revenues over expenditures	10,542,359	9,950,786	11,865,651	1,914,865
Other Financing Sources (Uses)				
Transfers out	(10,542,359)	(13,842,359)	(11,865,651)	1,976,708
Net change in fund balance	-	(3,891,573)	-	3,891,573
Fund balance - beginning	10,005,111	10,005,111	10,005,111	-
Fund balance - ending	\$ 10,005,111	\$ 6,113,538	\$ 10,005,111	\$ 3,891,573

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

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ 340,183	\$ 340,183
Expenditures				
Transportation	-	84,606	78,421	6,185
Capital outlay	4,294,290	21,041,067	3,315,199	17,725,868
Debt service:				
Principal	1,530,000	1,530,000	1,560,634	(30,634)
Interest	815,000	815,000	761,125	53,875
Total expenditures	6,639,290	23,470,673	5,715,379	17,755,294
Excess revenues over (under) expenditures	(6,639,290)	(23,470,673)	(5,375,196)	18,095,477
Other Financing Sources (Uses)				
Transfers in	6,639,290	6,639,290	3,472,425	(3,166,865)
Issuance of debt	-	2,500,000	2,500,000	-
Total financing sources (uses)	6,639,290	9,139,290	5,972,425	(3,166,865)
Net change in fund balance	-	(14,331,383)	597,229	14,928,612
Fund balance - beginning	16,848,022	16,848,022	16,848,022	-
Fund balance - ending	\$ 16,848,022	\$ 2,516,639	\$ 17,445,251	\$ 14,928,612

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

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

	Governmental Activities
	Internal Service Fund
<i>September 30, 2020</i>	
<hr/>	
Assets	
Current assets	
Cash and cash equivalents	\$ 1,035,905
<hr/>	
Liabilities	
Current liabilities	
Accrued compensated absences	161,550
Non-current liabilities	
Accrued compensated absences	874,355
<hr/>	
Total liabilities	1,035,905
<hr/>	
Net position	\$ -
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The accompanying notes are an integral part of these financial statements.

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

	Governmental Activities
	Internal Service Fund
<i>For the year ended September 30, 2020</i>	
Operating Revenues	
Charges for services	\$ 230,711
Expenses	
Personal services	230,711
Change in net position	-
Net position - beginning	-
Net position - ending	\$ -

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

Walton County, Florida
Statement of Cash Flows
Proprietary Fund

	Governmental Activities
<i>For the year ended September 30, 2020</i>	Internal Service Fund
Cash Provided by (Used in) Operating Activities	
Funding of compensated absences liability	\$ 230,711
Payments on compensated absences liability	(121,266)
Net increase in cash and cash equivalents	109,445
Cash and cash equivalents at the beginning of the year	926,460
Cash and cash equivalents at the end of the year	\$ 1,035,905
Reconciliation of Change in Net Position to Cash Provided by Operating Activities	
Change in net position	\$ -
Increase in liabilities:	
Compensated absences payable	109,445
Cash provided by operating activities	\$ 109,445

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

Walton County, Florida
Statement of Fiduciary Net Position

<i>September 30, 2020</i>	Agency Funds
<hr/>	
Assets	
Cash	\$ 5,921,593
Receivables, net	2,848
<hr/>	
Total assets	\$ 5,924,441
<hr/> <hr/>	
Liabilities	
Due to other governments	\$ 1,860,713
Deposits	2,819,513
Due to individuals	1,244,215
<hr/>	
Total liabilities	\$ 5,924,441
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The accompanying notes are an integral part of these financial statements.

Walton County, Florida

Notes to Financial Statements

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 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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit (continued)

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Walton County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the County's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Walton County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (continued)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the County's wastewater and sanitation services functions and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The following are reported as major governmental funds:

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

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

Fine and Forfeiture Special Revenue Fund – To account for ad valorem taxes, fines, forfeitures, grants, expenditures and transfers to the 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

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

The County also reports the following fund types:

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

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, animal control, child support, and inmate cash bonds; and unclaimed tax deed sales.

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

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

Budgetary Information

Budgetary Basis of Accounting

Annual budgets for governmental fund types that are legally required to prepare an annual budget are adopted on a basis consistent with GAAP. The following special revenue funds are not budgeted and budget information is not presented: Inmate Canteen (Sheriff), Abandoned Property, Triumph Grant, Federal Forfeiture Sharing, Aviation and Traffic & Parking Enforcement. These funds do not have appropriated budgets since other means control the use of these resources.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

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.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and Cash Equivalents

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

Investments

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

Investments (continued)

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, 2020, Florida PRIME's investments dollar weighted average days to maturity (WAM) was 48 days. Next interest rate reset dates for floating rate securities are used in the calculation of WAM and weighted average life (WAL) is 63 days. Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2019 through September 30, 2020. As of September 30, 2020, 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 Short-Term Bond Fund, a public entity investment trust organized under the laws of the State of Florida. FLGIT is based on current net asset value, variations in value of these assets is determined on a daily basis in the FLGIT portfolio. This fund was assigned a rating of AAAf by Fitch, which is the highest fund credit quality rating offered by Fitch. At September 30, 2020, the FLGIT portfolio invested 50% of funds in treasuries, agencies, and government related securities.

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

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

Receivables and Unbilled Revenue

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

Allowance for Doubtful Accounts

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

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

Inventories and Prepaid Items

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

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment 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.

Walton County, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

Capital Assets (continued)

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The County and component unit have three (3) items that qualify for reporting as deferred outflows of resources, the deferred losses on debt refunding, the deferred outflows related to other postemployment benefits (OPEB) and the deferred outflows related to pensions, all reported in the government-wide statement of net position. The deferred amount on losses on debt refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt.

The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred outflows related to pensions and OPEB will be recognized as either pension or OPEB expense or a reduction in the net pension or OPEB liability in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two (2) items that qualify for reporting as deferred inflows of resources. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred inflows related to pensions and OPEB will be recognized as a reduction to pension or OPEB expense in future reporting years.

Walton County, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

Deferred Outflows/Inflows of Resources (continued)

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 29, 2020:

Unamortized loss on Series 2001 refunding	\$ 138,731
Unamortized loss on Series 2003 refunding	48,693
Unamortized loss on Series 2006 refunding	75,887
<hr/>	
<u>Total deferred losses on debt refunding</u>	<u>\$ 263,311</u>

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, 2020, 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

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.

Bond Premiums, Discounts and Issuance Costs - FCSC

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

Net Position/Fund 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 nor committed.

Walton County, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

Net Position/Fund Equity (continued)

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.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year’s budget. The following are the significant encumbrances reported as assigned fund balance at year-end:

Governmental Activities	Encumbrance
Tourist development	\$ 479,758

Property Taxes

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)

Property Taxes (continued)

2020 property tax calendar:

Lien date	- January 1, 2019
Levy date	- November 1, 2019
Tax bills mailed	- November 1, 2019
Collection dates	- November 30, 2019: 4% discount - Through January 2, 2020: 3% discount - Through January 31, 2020: 2% discount - Through February 29, 2020: 1% discount
Delinquent date	- April 1, 2020
Tax sale - 2019 delinquent property taxes	- on or before June 1, 2020

Pensions

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

Other Postemployment Benefits (OPEB)

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

Management Estimates and Assumptions

The preparation of financial statements in conformity with 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the County's financial statements.

Pronouncements Issued But Not yet Effective

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

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

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

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

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

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

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other

Walton County, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Budgetary Information

During the fiscal year 2020, there were supplemental appropriations of \$89,770,138 or 45 percent of the original budget. The following items represent the major additional appropriations:

<i>General Fund</i>	
Various projects in work and capital projects	\$ 6,598,620
Various operating costs	908,505
Various federal and state grants	13,496,509
<i>Special Revenue Funds</i>	
<i>County Transportation Trust</i>	
Transportation capital projects funded with current revenue, federal and state grants, and available fund balance	38,064,388
<i>Fine and Forfeiture</i>	
Various projects in work and capital projects	2,718,276
Various federal and state grants	123,690
<i>Tourist Development</i>	
Various projects in work and capital projects	2,674,119
<i>Solid Waste Landfill</i>	
Various capital improvements, facility repairs and upgrades	3,984,199
<i>Capital Projects</i>	
Various projects in work and capital projects	16,831,383
<i>Nonmajor Funds</i>	
Various capital improvements, facility repairs and upgrades	3,138,987
Various personnel services and operating costs	1,231,462
Total	\$ 89,770,138

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

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.

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 2020 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.

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Investments (continued)

Interest Rate Risk (continued)

Investment Type	Total Fair Value	0-1 Year	1-5 Year	5-10 Year	More Than 10 Year
Certificate of deposit	\$ 1,464,297	\$ 1,218,401	\$ 245,896	\$ -	\$ -
Corporate bonds	33,320,507	6,365,584	26,658,370	296,553	-
Municipal bonds	5,169,049	1,041,812	3,471,434	655,803	-
U.S. Government and agency securities	7,519,246	150,222	5,368,749	-	2,000,275
	47,473,099	\$ 8,776,019	\$ 35,744,449	\$ 952,356	\$ 2,000,275
Money market	537,804				
Equity securities	535,231				
	<u>\$ 48,546,134</u>				

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)	AAAf	\$ 10,789,132	18.14%

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:

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Investments (continued)

Fair Value Measurement (continued)

- 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, 2020, the County's pooled investments are valued as follows:

Investment Type	9/30/2020 Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Certificates of deposit	\$ 1,464,297	\$ 1,464,297	\$ -
Money market funds	537,804	537,804	-
U.S. government and agency securities	7,519,246	1,190,798	6,328,448
Municipal bonds	5,169,049	-	5,169,049
Corporate bonds	33,320,507	-	33,320,507
Equity securities	535,231	535,231	-
Total investments at fair value	48,546,134	\$ 3,728,130	\$ 44,818,004
<i>Investments Measured at Net Asset Value (NAV)</i>			
Florida Local Government Investment Trust (FLGIT)	10,789,132		
<i>Investments Measured at Amortized Cost</i>			
Florida PRIME (SBA)	130,367		
Total investments valued at NAV and amortized cost	10,919,499		
Total investments	\$ 59,465,633		

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.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Investments (continued)

Florida Community Services Corporation (FCSC)

For the year ended February 29, 2020, FCSC invested certain reserve funds through the Blackrock T-Fund (BTRXX) at the Bank of New York Mellon. The fund strategy is to invest at least 99.5% of its total assets in cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Treasury, and repurchase agreements secured by such obligation or cash. The average weighted maturity of investments held by the fund is 31 days; therefore, 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 29, 2020, total invested in the fund with The Bank of New York Mellon totaled \$11,382,889.

For the year ended February 29, 2020, the FCSC also invested in the Goldman Sachs Financial Square Treasury Obligations Fund (FYAXX and FTOXX) at the Bank of New York Mellon. The fund is a high quality money market portfolio that comprises U.S. Government and U.S. Treasury securities including bills, bonds, notes and repurchase agreements. The average weighted maturity of investments held by the fund is 38 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 29, 2020, total invested in the fund with The Bank of New York Mellon totaled \$2,490,441 (FYAXX) and \$1,790,660 (FTOXX). The Corporation held investments in certificates of deposit of \$5,000,000 at February 29, 2020. The certificates of deposit bear interest at 1.73% and mature in August 2020.

Accounts Receivable

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 \$630,895 and an allowance of \$315,537 and HUD which had billings of \$202,352 and an allowance of \$202,352.

Florida Community Services Corporation (FCSC) charges accounts to bad debt expense as they are billed and deemed uncollectible. At February 29, 2020, the allowance for uncollectible accounts was \$36,242.

Due From Other Governments is comprised of grants reimbursements of \$7,693,720 and revenue sharing and taxes due to the County of \$7,767,042.

Assessment Receivable is the amount due from property owners in various MSBUs. At September 30, 2020, assessments receivable is related to the Leisure Lake and Daughette MSBUs. Receivables are collected annually to the extent of the debt service on bonds issued to pay for the cost of infrastructure.

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Accounts Receivable (continued)

Loans Receivable consists of a loan agreement with the Walton County Economic Development Alliance (“EDA”) for the purchase of real property in order to facilitate growth and business creation in the county. The outstanding balance at September 30, 2020 is \$1,933,667 and will be repaid by the EDA with proceeds of each sale of real property.

FCSC - Developers Agreements Receivable

As of February 29, 2020, FCSC had gross balances for accounts receivable related to developers’ agreements of \$5,753,034. 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 29, 2020, 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 29, 2020, FCSC had established an allowance for doubtful accounts of \$1,542,060. Revenues related to developer agreements are reported as non-operating revenues.

Interfund Activity

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

Due From Other Funds:

General Fund

Tourist development council	\$	67,142
		67,142

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

County Transportation

Other governmental funds	\$	186
Tourist development council		7,008
		\$ 7,194

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

General fund	\$	334
Other governmental funds		406,084
		\$ 406,418

Amounts due from general fund and other governmental funds represent grant reimbursements. All amounts due will be paid within one year of the financial statement date.

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Activity (continued)

Tourist Development Council

General fund	\$	5,470,193
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Amounts due are from Clerk of the Courts for the September 2020 Tourist Development Tax. All amounts due will be paid within one year of the financial statement date.

Other Governmental Funds

Other governmental funds	\$	134,803
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Amount due from other governmental funds represent various operating and grant reimbursements. All amounts due will be paid within one year of the financial statements 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.

Transfers to General Fund from:

Solid waste landfill	\$	3,668,292
Other governmental funds		7,000
	\$	3,675,292

Transfers to County Transportation Fund from :

Solid waste landfill		8,197,359
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Transfers to Capital Projects Fund from:

General fund		3,472,425
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Total interfund transfers	\$	15,345,076
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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:

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Restricted Assets (continued)

	Cash and Cash Equivalents	Investments	Assessments Receivable	Total
<i>Walton County - Primary Government</i>				
Debt service funds	\$ 85,980	\$ 57,196	\$ -	\$ 143,176
Infrastructure improvements	-	-	12,602	12,602
Landfill closure costs	1,595,803	-	-	1,595,803
	\$ 1,681,783	\$ 57,196	\$ 12,602	\$ 1,751,581
<i>Florida Community Service Corporation</i>				
Debt service funds	\$ 4,258,968	\$ -	\$ -	\$ 4,258,968
Renewal and replacement funds	1,309,026	-	-	1,309,026
Customer deposits	2,375,049	-	-	2,375,049
	\$ 7,943,043	\$ -	\$ -	\$ 7,943,043

Capital Assets

Capital assets activity for the fiscal year is as follows:

	October 1, 2019	Additions	Deductions	September 30, 2020
Capital assets not being depreciated				
Land	\$ 97,426,728	\$ 3,915,853	\$ -	\$ 101,342,581
Construction in progress	19,509,785	9,595,028	330,603	28,774,210
Total non-depreciable assets	\$ 116,936,513	\$ 13,510,881	\$ 330,603	\$ 130,116,791
Capital assets being depreciated:				
Buildings	\$ 82,486,201	\$ 1,755,269	\$ -	\$ 84,241,470
Improvements other than buildings	46,090,226	4,825,570	-	50,915,796
Infrastructure	170,157,483	1,780,712	-	171,938,195
Machinery and equipment	74,128,677	10,715,239	2,335,361	82,508,555
Total depreciable assets	372,862,587	19,076,790	2,335,361	389,604,016

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

	October 1, 2019	Additions	Deductions	September 30, 2020
Less accumulated depreciation:				
Buildings	26,111,839	2,122,336	-	28,234,175
Improvements other than buildings	17,429,926	2,019,723	-	19,449,649
Infrastructure	98,660,845	6,865,453	-	105,526,298
Machinery and equipment	52,160,278	8,307,463	2,253,198	58,214,543
Total accumulated depreciation	194,362,888	19,314,975	2,253,198	211,424,665
Total depreciable capital assets, net	178,499,699	(238,185)	82,163	178,179,351
Total governmental activities capital assets, net	\$ 295,436,212	\$ 13,272,696	\$ 412,766	\$ 308,296,142

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

<i>Governmental Activities</i>		
General government		\$ 1,795,919
Public safety		5,385,703
Physical environment		646,576
Transportation		9,292,550
Economic environment		1,125,796
Human services		76,607
Culture and recreation		991,824
Total		\$ 19,314,975

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

	March 1, 2019	Additions	Transfer/ Deductions	February 29, 2020
Capital assets not being depreciated				
Land	\$ 10,247,253	\$ 2,980,572	\$ -	\$ 13,227,825
Construction in progress	9,805,232	6,736,727	(6,604,507)	9,937,452
Total non-depreciable assets	\$ 20,052,485	\$ 9,717,299	\$ (6,604,507)	\$ 23,165,277

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

	March 1, 2019	Additions	Transfer/ Deductions	February 29, 2020
Capital assets being depreciated:				
Buildings	\$ 11,272,761	\$ -	\$ 12,267	\$ 11,285,028
Utility system	303,666,430	12,306,712	6,651,491	322,624,633
Automobiles and trucks	6,017,595	1,275,592	(690,253)	6,602,934
Furniture and fixtures	797,716	95,259	(24,447)	868,528
Machinery and equipment	18,547,559	1,217,442	(235,402)	19,529,599
Total depreciable assets	340,302,061	14,895,005	5,713,656	360,910,722
Less accumulated depreciation	186,527,686	16,489,960	(678,163)	202,339,483
Total depreciable capital assets, net	153,774,375	(1,594,955)	6,391,819	158,571,239
Total governmental activities capital assets, net	\$ 173,826,860	\$ 8,122,344	\$ (212,688)	\$ 181,736,516

Long-term Debt and Liabilities

The following is a summary of changes in long-term debt for the year ended September 30, 2020:

	Balance 10/01/19	Additions	Reductions	Balance 09/30/20	Due Within One Year
Capital leases from direct borrowings	\$ 2,579,031	\$ 2,737,795	\$ 3,570,960	\$ 1,745,866	\$ 486,462
Notes from direct borrowings	19,531,373	2,500,000	1,560,634	20,470,739	1,699,481
Compensated absences	4,519,450	3,571,752	2,866,332	5,224,870	1,174,043
Net pension liability	90,702,744	22,721,901	-	113,424,645	-
Net OPEB liability	24,640,000	5,677,000	-	30,317,000	-
Landfill closure costs	5,197,036	-	384,100	4,812,936	11,500
	\$ 147,169,634	\$ 37,208,448	\$ 8,382,026	\$ 175,996,056	\$ 3,371,486

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

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-term Debt and Liabilities (continued)

Capital Leases From Direct Borrowings

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

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

	Tax Collector	Sheriff	Board	Total
2021	\$ 11,491	\$ 348,262	\$ 167,884	\$ 527,637
2022	11,068	302,939	82,847	396,854
2023	10,619	302,939	37,988	351,546
2024	6,200	302,939	-	309,139
2025	1,663	161,659	-	163,322
2026-2027	-	136,528	-	136,528
Total minimum payments	41,041	1,555,266	288,719	1,885,026
Less: amount representing interest	(1,346)	(137,814)	-	(139,160)
Present value of minimum capital lease payments	\$ 39,695	\$ 1,417,452	\$ 288,719	\$ 1,745,866
Gross capital asset value	\$ 50,234	\$ 2,700,287	\$ 976,803	\$ 3,727,324
Accumulated depreciation	(13,027)	(416,044)	(770,549)	(1,199,620)
Net capital asset value	\$ 37,207	\$ 2,284,243	\$ 206,254	\$ 2,527,704

Notes From Direct Borrowings

September 30, 2020

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. \$ 17,970,739

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

\$ 20,470,739

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-term Debt and Liabilities (continued)

Notes From Direct Borrowings (continued)

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
2021	\$ 1,699,481	\$ 664,699	\$ 2,364,180
2022	1,928,341	594,450	2,522,791
2023	1,983,998	533,333	2,517,331
2024	2,040,337	471,533	2,511,870
2025	2,110,906	405,479	2,516,385
2026-2030	10,707,676	976,140	11,683,816
	\$ 20,470,739	\$ 3,645,634	\$ 24,116,373

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 \$2,321,759 and \$11,305,486, respectively.

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 29, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds, and notes					
Series 2011	\$ 5,255,000	\$ -	\$ 315,000	\$ 4,940,000	\$ 325,000
Series 2013	5,250,000	-	345,000	4,905,000	355,000
Series 2015	14,312,000	-	944,000	13,368,000	969,000
Revenue bonds and notes payable	24,817,000	-	1,604,000	23,213,000	1,649,000
Plus unamortized bond premium	53,562	-	4,313	49,249	-
Total revenue bonds and notes payable	\$ 24,870,562	\$ -	\$ 1,608,313	\$ 23,262,249	\$ 1,649,000

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-term Debt and Liabilities (continued)

Florida Community Services Corporation (FCSC) (continued)

<i>February 29, 2020</i>	Current	Long-term	Total
\$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.	\$ 325,000	\$ 4,615,000	\$ 4,940,000
\$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.	355,000	4,550,000	4,905,000
\$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.	969,000	12,399,000	13,368,000
Total revenue bonds and notes outstanding	1,649,000	21,564,000	23,213,000
Unamortized premium	-	49,249	49,249
Total revenue bonds and notes, net	\$ 1,649,000	\$ 21,613,249	\$ 23,262,249

FCSC's annual requirements to amortize all debts outstanding as of February 29, 2020 on the bonds and notes are as follows:

Year Ending February 29,	Principal	Interest	Total
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	1,793,000	511,768	2,304,768
2025	1,844,000	460,638	2,304,638
2026-2030	10,046,000	1,470,856	11,516,856
2031-2032	4,442,000	158,853	4,600,853
	\$ 23,213,000	\$ 4,429,231	\$ 27,642,231

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-term Debt and Liabilities (continued)

Debt Covenants

FCSC's outstanding bond and note issues require FCSC to provide in each fiscal year net revenues and water and sewer impact fees that are adequate to pay at least 115% of the annual debt service. Additionally, annual net revenues must be adequate to pay 105% of FCSC's annual debt service plus any amounts required to be deposited in reserve and certain other accounts. As of February 29, 2020, 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 29, 2020, 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 2020. Within the same bank account, FCSC maintains additional funds which are designated by FCSC's Board for use in replacement and repairs due to natural disasters, such as hurricanes.

Deposits

At September 30, 2020, deposits totaled \$6,199,712. Of this total, \$1,721,480 was for bid bond deposits and cash sureties for infrastructure paid by developers and \$3,805,044 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.

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 \$29,586,668 of restricted net position, of which \$28,322,462 is restricted by enabling legislation.

Fund Balance

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

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Fund Balance (continued)

At September 30, 2020, fund balance is comprised of the following:

<i>Nonspendable</i>		
General fund		
Inventory	\$	110,581
Prepays		878
Loan receivable		1,933,667
		\$ 2,045,126
County transportation		
Inventory		214,261
Tourist development		
Prepays		300
Solid waste landfill		
Prepays		1,050
Nonmajor funds		
Prepays		800
		\$ 2,261,537
<i>Restricted</i>		
General fund		
Court technology	\$	672,014
Court innovations		375,842
		\$ 1,047,856
County transportation		
Road and bridge		18,413,584
Fine and forfeiture		
Public safety		5,375,591
Solid waste landfill		
Closure costs		1,595,803
Nonmajor governmental funds		
Debt service	143,176	
Housing and Urban Development (HUD)	148,245	
Mosquito control	438,057	
Court technology	792,779	
Public Records Modernization	324,258	
Child support enforcement	330,292	
Law enforcement	977,027	
		3,153,834
		\$ 29,586,668

Walton County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Fund Balance (continued)

Committed

Tourist development			
Beach renourishment	\$	29,099,780	
New product development		7,481,020	
High impact		5,072,495	
			\$ 41,653,295

Nonmajor governmental funds

Code enforcement	4,666,795	
Preservation	3,748,079	
Sidewalk	289,394	

Total nonmajor governmental funds 8,704,268

Total committed fund balance \$ 50,357,563

Assigned

General fund			
Capital projects	\$	980,478	
2021 budget appropriations and encumbrances		300,000	
			\$ 1,280,478

Tourist development

2021 budget appropriations and encumbrances	1,732,263		
Administration	17,173,954		
			18,906,217

Solid waste landfill

2021 budget appropriations and encumbrances	2,358,304		
Landfill operations and capital projects	6,049,954		
			8,408,258

Capital projects

Capital projects and improvements and encumbrances 17,445,251

Nonmajor governmental funds

Capital projects and improvements and encumbrances	348,453		
Public safety	85,843		
Culture and recreation	516,168		
			950,464

Total assigned fund balance \$ 46,990,668

Note 3: RECOGNITION OF LANDFILL CLOSURE AND POST-CLOSURE COSTS

State and federal laws require final cover and closure as well as post-closure care of landfills. Closure cost estimates include final cover, anticipated costs of equipment and facilities constructed near or after closure and thirty years of monitoring and maintenance costs subsequent to closing. Closure costs estimates are subject to regulatory review. The County has one landfill site for which closure and post-closure cost estimates are required. Presently, the County is utilizing a 120 acre site located on Highway 83 North. This site contains approximately 40 acres of filled Class I cells that have been closed, approximately 16 acres of Class III cells that are approximately 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 \$5,095,220 represents closure costs of \$3,020,540 and post-closure cost of \$2,074,680. 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 \$4,812,936 for this used capacity is reflected as a liability at September 30, 2020. Closure and post-closure costs of \$282,284 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 4: 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.

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

Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (continued)

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-10.00% DROP Program-16.98%, special risk employees-24.45%, senior management-27.29% and elected officials-49.18%. 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 System pension plan for the years ended September 30, 2020, 2019, and 2018 were \$7,351,234, \$6,842,066, and \$6,734,188, respectively, and equal to the actuarially determined contributions for each year. The County's contributions to the Retiree Health Insurance Subsidy Program ("HIS") for the years ended September 30, 2020, 2019, and 2018 were \$887,743, \$852,608, and \$779,499, respectively, and equal to the actuarially determined contributions for each year. These contributions were paid by their due date. Total payroll for the County employees covered by the System pension plan and HIS was \$54,445,154 the year ended September 30, 2020. The County's total payroll was \$55,589,263 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, 2020, the Board reported a liability of \$94,686,768 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, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Board's proportion of the collective net pension liability was based on the employers' shares of contributions to the Pension Plan relative to the total employer contributions of all participating employers. At June 30, 2020, the System's proportion of the Pension Plan was 0.218462%, which was an increase of 0.003936% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the Board recognized pension expense of \$13,828,232 for the Pension Plan. At September 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

Walton County, Florida
Notes to Financial Statements

Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,623,778	\$ -
Changes of assumptions	17,140,965	-
Net difference between projected and actual earnings on pension plan investments	5,637,622	-
Changes in proportion and difference between employer contributions and proportionate Employer contributions subsequent to the measurement date	7,871,991	4,162,593
	1,949,131	-
Total	\$ 36,223,487	\$ 4,162,593

\$1,949,131 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, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ended September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2021	\$ 7,253,636	\$ 849,509	\$ 6,404,127
2022	7,253,636	849,509	6,404,127
2023	7,253,636	849,509	6,404,127
2024	7,253,634	849,509	6,404,125
2025	5,259,814	764,557	4,495,257
	\$ 34,274,356	\$ 4,162,593	\$ 30,111,763

Actuarial assumptions. The total pension liability for the Pension Plan was determined by an actuarial valuation as of July 1, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment rate of return*	6.80%
Projected salary increases	3.25%

* Net of pension plan investment expense

Walton County, Florida
Notes to Financial Statements

Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (continued)

The actuarial assumptions used in the actuarial valuation as of July 1, 2020 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:

Asset Class	Target Allocation(1)	Annual Arithmetic Return*	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Total	100%			

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

* Includes assumed rate of inflation of 2.40%

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

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 6.80% 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 (5.80%) or 1-percentage point higher (7.80%) than the current rate:

Walton County, Florida
Notes to Financial Statements

Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (continued)

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Board's proportionate share of collective pension liability	\$ 151,195,641	\$ 94,686,768	\$ 47,486,617

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, 2020. The supporting actuarial information is included in the GASB Statement No. 68 Report for the FRS prepared as of June 30, 2020. The auditor's report dated January 15, 2021 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, 2020 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.

Health Insurance Subsidy Program

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

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, 2020, the Board reported a liability of \$18,737,877 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, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Board's proportion of the collective net pension liability was based on the employers' shares of contributions to the HIS Plan relative to the total employer contributions of all participating employers. At June 30, 2020, the Board's proportion of the HIS Plan was 0.153465%, which was an increase of 0.003114% from its proportion measured as of June 30, 2019.

Walton County, Florida
Notes to Financial Statements

Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)

Health Insurance Subsidy Program (continued)

For the year ended September 30, 2020, the Board recognized pension expense of \$1,111,282 for the HIS Plan. At September 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 766,492	\$ 14,457
Changes of assumptions	2,014,855	1,089,535
Net difference between projected and actual earnings on pension plan investments	14,960	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	2,668,850	1,028,938
Employer contributions subsequent to the measurement date	224,294	-
Total	\$ 5,689,451	\$ 2,132,930

\$224,294 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, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in the pension's expense as follows:

Year Ended September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2021	\$ 882,805	\$ 344,021	\$ 538,784
2022	882,805	344,021	538,784
2023	882,805	344,021	538,784
2024	882,805	344,021	538,784
2025	879,065	344,021	535,044
Thereafter	1,054,872	412,825	642,047
	\$ 5,465,157	\$ 2,132,930	\$ 3,332,227

The total pension liability for the HIS Plan was determined by an actuarial valuation as of July 1, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment rate of return*	2.21%
Projected salary increases	3.25%

* Net of pension plan investment expense

Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)

Health Insurance Subsidy Program (continued)

The actuarial assumptions used in the actuarial valuation as of July 1, 2020 for the HIS Plan were based on the results of an investigation of the economic and demographic experience for the Florida Retirement System (“FRS”) based upon participant data as of June 30, 2018.

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

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

Discount rate. The discount rate used to measure the total pension liability for the HIS Plan was 2.21%. 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 2.21% 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 (1.21%) or 1-percentage point higher (3.21%) than the current rate:

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Board's proportionate share of collective pension liability	\$ 21,660,150	\$ 18,737,877	\$ 16,346,005

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, 2020. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the FRS* prepared as of June 30, 2020. The auditor’s report dated January 15, 2021 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, 2020 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.

Walton County, Florida
Notes to Financial Statements

Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)

Schedule of Pension Information

	System	HIS	Total
Assets	\$ 352,965,655	\$ 580,497	\$ 353,546,152
Deferred outflows	36,223,487	5,689,451	41,912,938
Liabilities	447,652,423	19,318,373	466,970,796
Deferred inflows	4,162,593	2,132,930	6,295,523
Expenditures	13,828,232	1,111,282	14,939,514

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

Plan Description

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

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

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

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

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

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

The benefit is payable immediately upon retirement for life.

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Benefits Provided

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

Membership

At October 1, 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>-</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, 2020 for the County’s fiscal year and reporting period of October 1, 2019 to September 30, 2020. The values shown for this fiscal year and reporting period are based on a measurement date of October 1, 2019 and the corresponding measurement period of October 1, 2018 to September 30, 2019. 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:

Walton County, Florida
Notes to Financial Statements

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Net OPEB Liability (continued)

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Pension (b)	Net OPEB Liability (a)+(b)
Balance at October 1, 2019	\$ 24,640,000	\$ -	\$ 24,640,000
Service cost	765,000	-	765,000
Interest cost	959,000	-	959,000
Difference between expected and actual	(1,292,000)	-	(1,292,000)
Employer contributions	-	735,000	735,000
Benefit payments	(735,000)	(735,000)	(1,470,000)
Other changes	5,980,000	-	5,980,000
Net changes	5,677,000	-	5,677,000
Balance at September 30, 2020	\$ 30,317,000	\$ -	\$ 30,317,000

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 (1.75%) or 1- percentage-point higher (3.75%) than the current discount rate:

	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Net OPEB liability	\$ 37,811,000	\$ 30,317,000	\$ 24,719,000

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 (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1% Decrease 4.50%	Current Trend Rate 5.50%	1% Increase 6.50%
Net OPEB liability	\$ 24,718,000	\$ 30,317,000	\$ 37,955,000

Walton County, Florida
Notes to Financial Statements

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Net OPEB Liability (continued)

At September 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,626,000	\$ 1,096,000
Changes of assumptions	5,074,000	1,160,000
Net difference between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	775,425	-
Total	\$ 7,475,425	\$ 2,256,000

\$775,425 reported as deferred outflows of resources related to postemployment benefits resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2021. 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
2021	\$ 811,000
2022	811,000
2023	811,000
2024	811,000
2025	772,000
2026	428,000
	\$ 4,444,000

Actuarial Methods and Assumptions – The actuarial report dated January 20, 2021 for the fiscal year end date of September 30, 2020 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.

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Net OPEB Liability (continued)

In the October 1, 2018 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 2.75% discount rate, general wage increases of 2.6% and a medical trend rate for fiscal year 2020 of 5.50%, 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, 2019. Mortality rates were based on the Generational RP-2000 Mortality Table.

Note 6: COMMITMENTS AND CONTINGENCIES

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

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

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

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

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

Walton County, Florida
Notes to Financial Statements

Note 6: COMMITMENTS AND CONTINGENCIES (Continued)

The County has active construction projects as of September 30, 2020. At year-end, the County's commitments with contractors are as follows:

Project	Contract Amount	Expended to Date	Remaining Commitment
Various road and bridge projects	\$ 10,508,493	\$ 3,265,041	\$ 7,243,452
Legion Park Seawall Improvements	376,611	364,884	11,727
Total contract commitments	\$ 10,885,104	\$ 3,629,925	\$ 7,255,179

Note 7: 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.

Walton County, Florida
Notes to Financial Statements

Note 8: 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, 2020, the County abated property taxes totaling \$6,825 under this program. The Board has elected to disclose all tax abatement agreements without consideration of materiality.

Name of Business	Purpose	Percent Abated	Amount Abated
Professional Products	To make improvements to real property and purchase tangible personal property to facilitate expansion.	25%	\$ 3,451
Empire Truck Sales, LLC	To construct a new Freightliner Truck dealership.	63%	\$ 1,635
Triangle Chevrolet-Buick, Co. Inc.	Construction of a new dealership, building and related improvements.	80%	\$ 1,739

Note 9: RESTATEMENT OF BEGINNING BALANCES

Nonmajor Governmental Funds

The beginning fund balance of the other governmental funds has been restated on the fund basis to reclassify the unspent portion of restricted revenue from fund balance to deposits. A reconciliation of the prior period ending fund balance to the current year beginning fund balance is as follows:

Beginning fund balance	\$ 11,514,318
Adjustment to move unspent portion of restricted revenue from fund balance to deposits	(565,537)
Beginning fund balance, as restated	\$ 10,948,781

Walton County, Florida
Notes to Financial Statements

Note 9: RESTATEMENT OF BEGINNING BALANCES (Continued)

Governmental Activities

A reconciliation of the prior period ending net position to the current year beginning net position balance is as follows:

Beginning net position	\$ 312,516,668
Adjustment to move unspent portion of restricted revenue from fund balance to deposits	(565,537)
<hr/>	
Beginning net position, as restated	<u>\$ 311,951,131</u>

Note 10: SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to September 30, 2020 and through March 8, 2021, the date these financial statements were available for issue and there are none to disclose.

Note 11: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the County. The occurrence and extent of such an impact will depend on future developments, including (i) the spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain as of September 30, 2020.

Walton County, Florida

Required Other Postemployment Benefits Supplementary Information

**Schedule of Changes in Net OPEB Liability and Related Ratios
Last Three Fiscal Years***

<i>As of and for the year ended September 30,</i>	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 765,000	\$ 738,000	\$ 719,000
Interest	959,000	822,000	792,000
Differences between expected and actual experience	(1,292,000)	2,332,000	-
Changes of assumptions	5,980,000	(1,664,000)	-
Benefit payments	(735,000)	(693,000)	(651,000)
Net change in total OPEB liability	5,677,000	1,535,000	860,000
Total OPEB liability - beginning, as restated	24,640,000	23,105,000	22,245,000
Total OPEB liability - ending (a)	\$ 30,317,000	\$ 24,640,000	\$ 23,105,000
Plan Fiduciary Net Position			
Contributions - employer	735,000	693,000	651,000
Benefit payments	(735,000)	(693,000)	(651,000)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	-	-	-
Net OPEB liability - ending (a) - (b)	\$ 30,317,000	\$ 24,640,000	\$ 23,105,000
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 47,319,000	\$ 47,319,000	\$ 36,941,000
Net OPEB liability as a percentage of covered-employee payroll	64.07%	52.07%	62.55%
Contributions as a percentage of covered-employee payroll	1.55%	1.46%	1.76%

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

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

Walton County, Florida
Required Pension Supplementary Information

Schedule of Employer's Proportionate Share of the Net Pension Liability
Florida Retirement Systems Pension Plan
Last Six Fiscal Years (1)

<i>As of and for the year ended June 30,</i>	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.218462%	0.214527%	0.201152%	0.201467%	0.192488%	0.177419%
Employer's proportionate share of the net pension liability	\$ 94,686,768	\$ 73,879,975	\$ 60,588,162	\$ 59,592,706	\$ 48,603,420	\$ 22,916,098
Employer's covered payroll*	\$ 54,271,774	\$ 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	174.47%	144.67%	125.58%	134.22%	119.63%	57.31%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

(1) This schedule is intended to show information for 10 years.
Additional years will be presented as they become 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 Pension Supplementary Information

Schedule of Employer Contributions
Florida Retirement Systems Pension Plan
Last Six Fiscal Years (1)

<i>As of and for the year ended September 30,</i>	2020	2019	2018	2017	2016	2015
Contractually required contribution**	\$ 7,351,234	\$ 6,842,066	\$ 6,734,188	\$ 5,742,586	\$ 5,183,622	\$ 4,710,495
Contributions in relation to the actuarially determined contribution	7,351,234	6,842,066	6,734,188	5,742,586	5,183,622	4,710,495
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 54,445,154	\$ 51,393,221	\$ 46,957,748	\$ 44,194,033	\$ 41,440,841	\$ 39,760,306
Contributions as a percentage of covered payroll	13.50%	13.31%	14.34%	12.99%	12.51%	11.85%

(1) This schedule is intended to show information for 10 years.
Additional years will be presented as they become 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 Pension Supplementary Information

Schedule of Employer's Proportionate Share of the Net Pension Liability
Health Insurance Subsidy Program
Last Six Fiscal Years (1)

<i>As of and for the year ended June 30,</i>	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.153465%	0.150351%	0.140474%	0.138520%	0.131258%	0.127901%
Employer's proportionate share of the net pension liability	\$ 18,737,877	\$ 16,822,769	\$ 14,867,914	\$ 14,811,187	\$ 15,297,561	\$ 13,043,922
Employer's covered payroll*	\$ 54,271,774	\$ 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	34.53%	32.94%	30.82%	33.36%	37.65%	32.62%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

(1) This schedule is intended to show information for 10 years.
Additional years will be presented as they become 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 Pension Supplementary Information

Schedule of Employer Contributions
Health Insurance Subsidy Program
Last Six Fiscal Years (1)

<i>As of and for the year ended September 30,</i>	2020	2019	2018	2017	2016	2015
Contractually required contribution**	\$ 887,743	\$ 852,608	\$ 779,499	\$ 733,621	\$ 687,918	\$ 660,558
Contributions in relation to the actuarially determined contribution	887,743	852,608	779,499	733,621	687,918	660,558
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 54,445,154	\$ 51,393,221	\$ 46,957,748	\$ 44,194,033	\$ 41,440,841	\$ 39,760,306
Contributions as a percentage of covered	1.63%	1.66%	1.66%	1.66%	1.66%	1.66%

(1) This schedule is intended to show information for 10 years.
Additional years will be presented as they become 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 Pension and OPEB Supplementary Information
September 30, 2020

NOTES TO REQUIRED PENSION AND OPEB SUPPLEMENTAL INFORMATION

Note 1: OTHER POSTEMPLOYMENT BENEFITS PLAN

The following actuarial assumptions changed in 2020:

- The discount rate of return was decreased from 3.50% to 2.75%.

Note 2: FLORIDA RETIREMENT SYSTEMS (FRS)

The following actuarial assumptions changed in 2020:

- The long-term expected rate of return was decreased from 6.90% to 6.80%, and the active member mortality assumption was updated.

Note 3: HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

The following actuarial assumptions changed in 2020:

- The municipal rate used to determine total pension liability was decreased from 3.50% to 2.21%
- The economic and demographic experience study as of June 30, 2013 was updated as of June 30, 2018.

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.

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.

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

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

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

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

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

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

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

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.

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

	Special		
<i>September 30, 2020</i>	Mosquito Control Grant	Housing and Urban Development	SHIP Grant
Assets			
Cash and cash equivalents	\$ 11,541	\$ 147,907	\$ 558,608
Investments	7,678	98,390	371,595
Accounts receivable, net	-	-	-
Due from other governments	-	6,139	-
Due from other funds	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Assessments receivable	-	-	-
Total assets	\$ 19,219	\$ 252,436	\$ 930,203
Liabilities			
Accounts payable	\$ 75	\$ 8,522	\$ 69,667
Accrued liabilities	-	15,091	-
Due to other governments	-	-	-
Due to individuals	-	80,392	-
Due to other funds	-	186	-
Unearned revenue	19,144	-	860,536
Total liabilities	19,219	104,191	930,203
Deferred Inflows of Resources			
Unavailable revenue on special assessments	-	-	-
Fund Balance			
Nonspendable	-	-	-
Restricted	-	148,245	-
Committed	-	-	-
Assigned	-	-	-
Total fund balance	-	148,245	-
Total liabilities, deferred inflows of resources and fund balance	\$ 19,219	\$ 252,436	\$ 930,203

Revenue Funds

N. Walton Mosquito Control District		Building Department	Recreation Plat	Inmate Canteen (Sheriff)	Court Technology
\$	275,415	\$ 2,856,899	\$ 519,225	\$ 462,777	\$ 803,461
	183,211	1,899,926	345,396	-	-
	-	-	-	139,935	-
	1,268	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
\$	459,894	\$ 4,756,825	\$ 864,621	\$ 602,712	\$ 803,461
\$	2,420	\$ 2,499	\$ -	\$ 46,807	\$ 939
	19,417	58,500	-	-	9,743
	-	28,231	-	-	-
	-	-	-	39,077	-
	-	-	-	5,645	-
	-	-	-	-	-
	21,837	89,230	-	91,529	10,682
	-	-	-	-	-
	-	800	-	-	-
	438,057	-	-	511,183	792,779
	-	4,666,795	-	-	-
	-	-	864,621	-	-
	438,057	4,667,595	864,621	511,183	792,779
\$	459,894	\$ 4,756,825	\$ 864,621	\$ 602,712	\$ 803,461

-Continued-

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

	Special		
<i>September 30, 2020</i>	Record Modern- ization	Special Law Enforcement	Preservation
Assets			
Cash and cash equivalents	\$ 324,531	\$ 651,371	\$ 2,207,664
Investments	-	208,654	1,468,576
Accounts receivable, net	-	-	-
Due from other governments	-	5,715	71,839
Due from other funds	-	73	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Assessments receivable	-	-	-
Total assets	\$ 324,531	\$ 865,813	\$ 3,748,079
Liabilities			
Accounts payable	\$ 273	\$ 3,247	\$ -
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Due to individuals	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	528,032	-
Total liabilities	273	531,279	-
Deferred Inflows of Resources			
Unavailable revenue on special assessments	-	-	-
Fund Balance			
Nonspendable	-	-	-
Restricted	324,258	334,534	-
Committed	-	-	3,748,079
Assigned	-	-	-
Total fund balance	324,258	334,534	3,748,079
Total liabilities, deferred inflows of resources and fund balance	\$ 324,531	\$ 865,813	\$ 3,748,079

Revenue Funds

Sidewalk		E-911		Abandoned Property		Triumph Grant		Federal Forfeiture Sharing	
\$	173,787	\$	73,169	\$	62,107	\$	59,322	\$	-
	115,607		48,674		-		-		-
	-		-		-		280,892		-
	-		241,582		-		-		-
	-		-		-		134,730		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
\$	289,394	\$	363,425	\$	62,107	\$	474,944	\$	-
\$	-	\$	-	\$	-	\$	216,763	\$	-
	-		-		-		-		-
	-		-		-		-		-
	-		-		36,054		-		-
	-		277,582		-		257,660		-
	-		-		-		-		-
	-		277,582		36,054		474,423		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		26,053		521		-
	289,394		-		-		-		-
	-		85,843		-		-		-
	289,394		85,843		26,053		521		-
\$	289,394	\$	363,425	\$	62,107	\$	474,944	\$	-

-Continued-

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

<i>September 30, 2020</i>	Special		
	Aviation	Traffic and Parking Enforcement	Title IV-D
Assets			
Cash and cash equivalents	\$ 53,823	\$ 50,913	\$ 313,977
Investments	-	-	-
Accounts receivable, net	-	-	-
Due from other governments	-	-	19,947
Due from other funds	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Assessments receivable	-	-	-
Total assets	\$ 53,823	\$ 50,913	\$ 333,924
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	3,632
Due to other governments	-	-	-
Due to individuals	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	3,632
Deferred Inflows of Resources			
Unavailable revenue on special assessments	-	-	-
Fund Balance			
Nonspendable	-	-	-
Restricted	53,823	50,913	330,292
Committed	-	-	-
Assigned	-	-	-
Total fund balance	53,823	50,913	330,292
Total liabilities, deferred inflows of resources and fund balance	\$ 53,823	\$ 50,913	\$ 333,924

<u>Revenue Funds</u>		<u>Debt Service Fund</u>		<u>Total</u>
<u>Clerk's</u>	<u>MSBU</u>	<u>Highway 331</u>	<u>Total</u>	<u>Nonmajor</u>
<u>Fine &</u>	<u>Various</u>	<u>Bridge</u>	<u>Governmental</u>	<u>Funds</u>
<u>Forfeiture</u>				
\$ 214,211	\$ 41,312	\$ -	\$ 9,862,020	
-	27,481	-	4,775,188	
-	-	-	420,827	
-	359	-	346,849	
-	-	-	134,803	
-	-	85,980	85,980	
-	-	57,196	57,196	
-	12,602	-	12,602	
<u>\$ 214,211</u>	<u>\$ 81,754</u>	<u>\$ 143,176</u>	<u>\$ 15,695,465</u>	
\$ 958	\$ -	\$ -	\$ 352,170	
44,975	-	-	151,358	
168,278	-	-	196,509	
-	-	-	155,523	
-	-	-	541,073	
-	69,152	-	1,476,864	
<u>214,211</u>	<u>69,152</u>	<u>-</u>	<u>2,873,497</u>	
-	12,602	-	12,602	
-	-	-	800	
-	-	143,176	3,153,834	
-	-	-	8,704,268	
-	-	-	950,464	
-	-	143,176	12,809,366	
<u>\$ 214,211</u>	<u>\$ 81,754</u>	<u>\$ 143,176</u>	<u>\$ 15,695,465</u>	

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

	Special		
<i>For the year ended September 30, 2020</i>	Mosquito Control Grant	Housing and Urban Development	SHIP Grant
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	65,230	2,375,069	304,405
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	182	338	2,183
Miscellaneous	-	-	-
Total revenue	65,412	2,375,407	306,588
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Economic environment	-	2,378,231	299,588
Human services	33,141	-	-
Culture/recreation	-	-	-
Capital outlay	32,271	-	-
Total expenditures	65,412	2,378,231	299,588
Excess revenue over (under) expenditures	-	(2,824)	7,000
Other Financing Sources (Uses)			
Transfers out	-	-	(7,000)
Net change in fund balance	-	(2,824)	-
Fund balance - beginning	-	151,069	-
Prior period adjustment	-	-	-
Fund balance - beginning, as restated	-	151,069	-
Fund Balance - ending	\$ -	\$ 148,245	\$ -

Revenue Funds

N. Walton				
Mosquito	Building	Recreation	Inmate	Court
Control	Department	Plat	Canteen	Technology
District			(Sheriff)	
\$ 553,346	\$ -	\$ -	\$ -	\$ -
-	3,457,754	-	-	-
738	-	-	-	-
33,105	313,361	-	-	362,708
-	-	-	-	-
11,947	67,893	21,824	-	-
-	73,572	650,565	523,602	-
599,136	3,912,580	672,389	523,602	362,708
-	-	-	-	356,581
-	1,513,884	-	666,801	-
-	-	-	-	-
-	-	-	-	-
490,633	-	-	-	-
-	-	84,473	-	-
105,466	107,529	822,989	-	-
596,099	1,621,413	907,462	666,801	356,581
3,037	2,291,167	(235,073)	(143,199)	6,127
-	-	-	-	-
3,037	2,291,167	(235,073)	(143,199)	6,127
435,020	2,376,428	1,099,694	654,382	786,652
-	-	-	-	-
435,020	2,376,428	1,099,694	654,382	786,652
\$ 438,057	\$ 4,667,595	\$ 864,621	\$ 511,183	\$ 792,779

-Continued-

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

<i>For the year ended September 30, 2020</i>	Record Modernization	Special Law Enforcement	Special Law Preservation
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	50,248
Charges for services	116,427	-	-
Fines and forfeitures	-	40,000	-
Investment earnings	-	-	70,524
Miscellaneous	-	48,955	17,805
Total revenue	116,427	88,955	138,577
Expenditures			
Current			
General government	42,666	-	-
Public safety	-	95,583	-
Physical environment	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Capital outlay	-	-	327,990
Total expenditures	42,666	95,583	327,990
Excess revenue over (under) expenditures	73,761	(6,628)	(189,413)
Other Financing Sources (Uses)			
Transfers out	-	-	-
Net change in fund balance	73,761	(6,628)	(189,413)
Fund balance - beginning	250,497	822,622	3,937,492
Prior period adjustment	-	(481,460)	-
Fund balance - beginning, as restated	250,497	341,162	3,937,492
Fund balance - ending	\$ 324,258	\$ 334,534	\$ 3,748,079

Revenue Funds

	Sidewalk	E-911	Abandoned Property	Triumph Grant	Federal Forfeiture Sharing
\$	-	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-
	-	720,953	-	783,271	-
	-	-	-	-	-
	-	-	-	-	5,928
	4,882	38,255	-	-	-
	43,602	-	19,695	66	11
	48,484	759,208	19,695	783,337	5,939
	-	-	-	-	-
	-	722,948	14,008	173,379	17,029
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	609,893	-
	-	722,948	14,008	783,272	17,029
	48,484	36,260	5,687	65	(11,090)
	-	-	-	-	-
	48,484	36,260	5,687	65	(11,090)
	240,910	49,583	20,366	456	11,090
	-	-	-	-	-
	240,910	49,583	20,366	456	11,090
\$	289,394	\$ 85,843	\$ 26,053	\$ 521	\$ -

-Continued-

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

	Special		
<i>For the year ended September 30, 2020</i>	Aviation	Traffic and Parking Enforcement	Title IV-D
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	131,607
Charges for services	-	-	-
Fines and forfeitures	-	3,033	-
Investment earnings	-	-	-
Miscellaneous	68	60	-
Total revenue	68	3,093	131,607
Expenditures			
Current			
General government	-	-	194,050
Public safety	2,422	-	-
Physical environment	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	2,422	-	194,050
Excess revenue over (under) expenditures	(2,354)	3,093	(62,443)
Other Financing Sources (Uses)			
Transfers out	-	-	-
Net change in fund balance	(2,354)	3,093	(62,443)
Fund balance - beginning	56,177	47,820	392,735
Prior period adjustment	-	-	-
Fund balance - beginning, as restated	56,177	47,820	392,735
Fund balance - ending	\$ 53,823	\$ 50,913	\$ 330,292

<u>Revenue Funds</u>		<u>Debt Service Fund</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Clerk's Fine & Forfeiture</u>	<u>MSBU Various</u>	<u>Highway 331 Bridge</u>		
\$ -	\$ -	\$ -	\$ -	553,346
-	-	-	-	3,457,754
247,593	-	53,158	-	4,732,272
850,483	64,371	-	-	1,740,455
448,241	-	-	-	497,202
4,653	-	2,649	-	225,330
-	-	-	-	1,378,001
<u>1,550,970</u>	<u>64,371</u>	<u>55,807</u>		<u>12,584,360</u>
1,550,970	-	-	-	2,144,267
-	-	-	-	3,206,054
-	64,371	-	-	64,371
-	-	-	-	2,677,819
-	-	-	-	523,774
-	-	-	-	84,473
-	-	9,879	-	2,016,017
<u>1,550,970</u>	<u>64,371</u>	<u>9,879</u>		<u>10,716,775</u>
-	-	45,928	-	1,867,585
-	-	-	-	(7,000)
-	-	45,928	-	1,860,585
-	84,077	97,248	-	11,514,318
-	(84,077)	-	-	(565,537)
-	-	97,248	-	10,948,781
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,176</u>	<u>\$ -</u>	<u>\$ 12,809,366</u>

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 34,480	\$ 84,356	\$ 65,230	\$ (19,126)
Investment earnings	-	-	182	182
Total revenues	34,480	84,356	65,412	(18,944)
Expenditures				
Current				
Human services	34,480	34,480	33,141	1,339
Capital outlay	-	49,876	32,271	17,605
Total expenditures	34,480	84,356	65,412	18,944
Excess revenues under expenditures	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 2,525,982	\$ 2,654,226	\$ 2,375,069	\$ (279,157)
Investment earnings	-	-	338	338
Total revenues	2,525,982	2,654,226	2,375,407	(278,819)
Expenditures				
Current				
Economic environment				
Housing Assistance	2,525,982	2,654,226	2,378,231	275,995
Excess revenues under expenditures	-	-	(2,824)	(2,824)
Fund balance - beginning	151,069	151,069	151,069	-
Fund balance - ending	\$ 151,069	\$ 151,069	\$ 148,245	\$ (2,824)

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ -	\$ 1,089,261	\$ 304,405	\$ (784,856)
Investment earnings	-	-	2,183	2,183
Total revenues	-	1,089,261	306,588	(782,673)
Expenditures				
Current				
Economic environment				
SHIP Program	-	1,082,261	299,588	782,673
Excess revenues over (under) expenditures	-	7,000	7,000	-
Other Financing Uses				
Transfers out	-	(7,000)	(7,000)	-
Net change in Fund Balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 542,044	\$ 542,044	\$ 553,346	\$ 11,302
Intergovernmental	-	-	738	738
Charges for services	10,800	33,105	33,105	-
Investment earnings	5,000	5,000	11,947	6,947
Total revenues	557,844	580,149	599,136	18,987
Expenditures				
Current				
Human services	659,894	763,389	490,633	272,756
Capital outlay	69,000	106,000	105,466	534
Total expenditures	728,894	869,389	596,099	273,290
Excess revenues over (under) expenditures	(171,050)	(289,240)	3,037	292,277
Fund balance - beginning	435,020	435,020	435,020	-
Fund balance - ending	\$ 263,970	\$ 145,780	\$ 438,057	\$ 292,277

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Licenses and permits	\$ 2,731,638	\$ 2,731,638	\$ 3,457,754	\$ 726,116
Charges for services	45,000	45,000	313,361	268,361
Investment earnings	-	-	67,893	67,893
Miscellaneous	-	-	73,572	73,572
Total revenues	2,776,638	2,776,638	3,912,580	1,135,942
Expenditures				
Public safety	2,560,638	2,560,638	1,513,884	1,046,754
Capital outlay	216,000	216,000	107,529	108,471
Total expenditures	2,776,638	2,776,638	1,621,413	1,155,225
Excess revenues over (under) expenditures	-	-	2,291,167	2,291,167
Fund balance - beginning	2,376,428	2,376,428	2,376,428	-
Fund balance - ending	\$ 2,376,428	\$ 2,376,428	\$ 4,667,595	\$ 2,291,167

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ -	\$ -	\$ 21,824	\$ 21,824
Miscellaneous	300,000	300,000	650,565	350,565
Total revenues	300,000	300,000	672,389	372,389
Expenditures				
Current				
Cultural/recreation	300,000	245,682	84,473	161,209
Capital outlay	-	1,136,503	822,989	313,514
Total expenditures	300,000	1,382,185	907,462	474,723
Excess revenues over (under) expenditures	-	(1,082,185)	(235,073)	847,112
Fund balance - beginning	1,099,694	1,099,694	1,099,694	-
Fund balance - ending	\$ 1,099,694	\$ 17,509	\$ 864,621	\$ 847,112

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Charges for services	\$ 250,000	\$ 250,000	\$ 362,708	\$ 112,708
Expenditures				
Current				
General government				
Court Technology	375,228	375,228	356,581	18,647
Excess revenues over (under) expenditures	(125,228)	(125,228)	6,127	131,355
Fund balance - beginning	786,652	786,652	786,652	-
Fund balance - ending	\$ 661,424	\$ 661,424	\$ 792,779	\$ 131,355

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Charges for services	\$ 77,000	\$ 77,000	\$ 116,427	\$ 39,427
Expenditures				
Current				
General government				
Court Technology	77,000	77,000	42,666	34,334
Excess revenues over (under) expenditures	-	-	73,761	73,761
Fund balance - beginning	250,497	250,497	250,497	-
Fund balance - ending	\$ 250,497	\$ 250,497	\$ 324,258	\$ 73,761

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ -	\$ 285,635	\$ 50,248	\$ (235,387)
Investment earnings	-	-	70,524	70,524
Miscellaneous	-	-	17,805	17,805
Total revenues	-	285,635	138,577	(147,058)
Expenditures				
Current				
Capital outlay	-	1,079,732	327,990	751,742
Excess revenues over (under) expenditures	-	(794,097)	(189,413)	604,684
Fund balance - beginning	3,937,492	3,937,492	3,937,492	-
Fund balance - ending	\$ 3,937,492	\$ 3,143,395	\$ 3,748,079	\$ 604,684

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ -	\$ -	\$ 4,882	\$ 4,882
Miscellaneous	75,000	75,000	43,602	(31,398)
Total revenues	75,000	75,000	48,484	(26,516)
Expenditures				
Current				
General government				
Sidewalk	75,000	75,000	-	75,000
Excess revenues over (under) expenditures	-	-	48,484	48,484
Fund balance - beginning	240,910	240,910	240,910	-
Fund balance - ending	\$ 240,910	\$ 240,910	\$ 289,394	\$ 48,484

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 350,000	\$ 1,129,814	\$ 720,953	\$ (408,861)
Investment earnings	-	36,000	38,255	2,255
Total revenues	350,000	1,165,814	759,208	(406,606)
Expenditures				
Current				
Public safety				
E-911 Services	350,000	1,165,814	722,948	442,866
Excess revenue over (under) expenditures	-	-	36,260	36,260
Fund balance - beginning	49,583	49,583	49,583	-
Fund balance - ending	\$ 49,583	\$ 49,583	\$ 85,843	\$ 36,260

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Fines and forfeitures	\$ 35,000	\$ 40,000	\$ 40,000	\$ -
Miscellaneous	-	-	48,955	48,955
Total revenues	35,000	40,000	88,955	48,955
Expenditures				
Current				
General government				
Public safety	35,000	40,000	95,583	(55,583)
Excess revenues over (under) expenditures	-	-	(6,628)	(6,628)
Fund balance - beginning	822,622	822,622	822,622	-
Prior period adjustment	(481,460)	(481,460)	(481,460)	-
Fund balance - beginning, as restated	341,162	341,162	341,162	-
Fund balance - ending	\$ 341,162	\$ 341,162	\$ 334,534	\$ (6,628)

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 216,000	\$ 216,000	\$ 131,607	\$ (84,393)
Expenditures				
Current				
General government				
Child Support	278,928	278,928	194,050	84,878
Excess revenues over (under) expenditures	(62,928)	(62,928)	(62,443)	485
Fund Balance - beginning	392,735	392,735	392,735	-
Fund Balance - ending	\$ 329,807	\$ 329,807	\$ 330,292	\$ 485

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 393,742	\$ 237,134	\$ 247,593	\$ 10,459
Charges for services	883,900	868,094	850,483	(17,611)
Fines and forfeitures	410,300	380,300	448,241	67,941
Investment earnings	3,000	3,000	4,653	1,653
Total revenues	1,690,942	1,488,528	1,550,970	62,442
Expenditures				
Current				
General government				
Clerk of Court	1,690,942	1,488,528	1,550,970	(62,442)
Excess revenues over (under) expenditures	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Charges for services	\$ 52,265	\$ 66,265	\$ 64,371	\$ (1,894)
Expenditures				
Current				
Physical environment				
MSBU various	52,265	66,265	64,371	1,894
Excess revenues over (under) expenditures	-	-	-	-
Fund balance - beginning	84,077	84,077	84,077	-
Prior period adjustment	(84,077)	(84,077)	(84,077)	-
Fund balance - beginning, as restated	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ 53,158	\$ 53,158
Investment earnings	-	-	2,649	2,649
Total revenues	-	-	55,807	55,807
Expenditures				
Capital outlay	-	168,256	9,879	158,377
Excess revenues over (under) expenditures	-	(168,256)	45,928	214,184
Fund balance - beginning	-	168,256	97,248	(71,008)
Fund balance - ending	\$ -	\$ -	\$ 143,176	\$ 143,176



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

	Tax Collector		
<i>September 30, 2020</i>	Licenses	Tags	Property Tax
Assets			
Cash	\$ 6,514	\$ 509,041	\$ 1,183,802
Receivables, net	-	-	-
Total assets	\$ 6,514	\$ 509,041	\$ 1,183,802
Liabilities			
Due to other governments	\$ 6,514	\$ 509,041	\$ 56,923
Deposits	-	-	1,126,879
Due to individuals	-	-	-
Total liabilities	\$ 6,514	\$ 509,041	\$ 1,183,802

Clerk of the Circuit Court

General Agency	Witness	Registry of the Court	Child Support	Appearance Bonds	Tax Redemption
\$ 2,195,527 1,962	\$ 17,443 -	\$ 614,639 -	\$ 235 -	\$ 343,345 -	\$ 878,147 -
\$ 2,197,489	\$ 17,443	\$ 614,639	\$ 235	\$ 343,345	\$ 878,147
\$ 1,112,804 1,084,133 552	\$ 17,443 - -	\$ 6,138 608,501 -	\$ 235 - -	\$ 5,122 - 338,223	\$ - - 878,147
\$ 2,197,489	\$ 17,443	\$ 614,639	\$ 235	\$ 343,345	\$ 878,147

-Continued-

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

	Sheriff				
<i>September 30, 2020</i>	Suspense	Individual Depositors	Animal Control	Total	
Assets					
Cash	\$ 27,123	\$ 140,648	\$ 5,129	\$ 5,921,593	
Receivables, net	-	886	-	2,848	
Total assets	\$ 27,123	\$ 141,534	\$ 5,129	\$ 5,924,441	
Liabilities					
Due to other governments	\$ -	\$ 141,364	\$ 5,129	\$ 1,860,713	
Deposits	-	-	-	2,819,513	
Due to individuals	27,123	170	-	1,244,215	
Total liabilities	\$ 27,123	\$ 141,534	\$ 5,129	\$ 5,924,441	

Walton County, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds

<i>For the year ended September 30, 2020</i>	Balance 10/1/19	Additions	Deductions	Balance 9/30/20
<u>Tax Collector</u>				
Licenses				
Assets				
Cash	\$ 5,306	\$ 178,536	\$ 177,328	\$ 6,514
Liabilities				
Due to other governments	\$ 5,306	\$ 290,588	\$ 289,380	\$ 6,514
Tags				
Assets				
Cash	\$ 374,261	\$ 12,688,324	\$ 12,553,544	\$ 509,041
Liabilities				
Due to other governments	\$ 374,261	\$ 13,452,486	\$ 13,317,706	\$ 509,041
Property Tax				
Assets				
Cash	\$ 1,001,638	\$ 217,221,266	\$ 217,039,102	\$ 1,183,802
Liabilities				
Due to other governments	\$ 74,863	\$ 217,859,664	\$ 217,877,604	\$ 56,923
Deposits	926,775	16,263,781	16,063,677	1,126,879
Total liabilities	\$ 1,001,638	\$ 234,123,445	\$ 233,941,281	\$ 1,183,802
<u>Clerk of the Circuit Court</u>				
General Agency				
Assets				
Cash	\$ 1,010,493	\$ 53,618,407	\$ 52,433,373	\$ 2,195,527
Receivables, net	2,279	3,775	4,092	1,962
Total assets	\$ 1,012,772	\$ 53,622,182	\$ 52,437,465	\$ 2,197,489
Liabilities				
Due to other governments	\$ 5,160	\$ 52,346,494	\$ 51,238,850	\$ 1,112,804
Deposits	1,004,171	1,102,264	1,022,302	1,084,133
Due to individuals	3,441	173,424	176,313	552
Total liabilities	\$ 1,012,772	\$ 53,622,182	\$ 52,437,465	\$ 2,197,489
Witness				
Assets				
Cash	\$ 14,888	\$ 8,187	\$ 5,632	\$ 17,443
Liabilities				
Due to other governments	\$ 14,888	\$ 8,187	\$ 5,632	\$ 17,443

-Continued-

Walton County, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds (Continued)

<i>For the year ended September 30, 2020</i>	Balance 10/1/19	Additions	Deductions	Balance 9/30/20
Registry of the Court				
Assets				
Cash	\$ 736,473	\$ 5,190,215	\$ 5,312,049	\$ 614,639
Liabilities				
Due to other governments	\$ -	\$ 6,138	\$ -	\$ 6,138
Deposits	736,473	5,184,077	5,312,049	608,501
Total liabilities	\$ 736,473	\$ 5,190,215	\$ 5,312,049	\$ 614,639
Child Support				
Assets				
Cash	\$ 209	\$ 72,486	\$ 72,460	\$ 235
Liabilities				
Due to other governments	\$ 209	\$ 72,486	\$ 72,460	\$ 235
Appearance Bonds				
Assets				
Cash	\$ 243,715	\$ 489,908	\$ 390,278	\$ 343,345
Liabilities				
Due to other governments	\$ 8,612	\$ 8,421	\$ 11,911	\$ 5,122
Due to individuals	235,103	481,487	378,367	338,223
Total liabilities	\$ 243,715	\$ 489,908	\$ 390,278	\$ 343,345
Tax Redemption				
Assets				
Cash	\$ 724,896	\$ 715,798	\$ 562,547	\$ 878,147
Liabilities				
Due to other governments	\$ 1,616	\$ 8,680	\$ 10,296	\$ -
Due to individuals	723,280	707,118	552,251	878,147
Total liabilities	\$ 724,896	\$ 715,798	\$ 562,547	\$ 878,147
Sheriff				
Suspense				
Assets				
Cash	\$ 25,008	\$ 4,231	\$ 2,116	\$ 27,123
Liabilities				
Accounts payable	\$ 362	\$ 1,506	\$ 1,868	\$ -
Due to individuals	24,646	4,231	1,754	27,123
Total liabilities	\$ 25,008	\$ 5,737	\$ 3,622	\$ 27,123

-Continued-

Walton County, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds (Continued)

<i>For the year ended September 30, 2020</i>	Balance 10/1/19	Additions	Deductions	Balance 9/30/20
Individual Depositors				
Assets				
Cash	\$ 171,356	\$ 1,834,700	\$ 1,865,408	\$ 140,648
Receivables, net	-	1,094	208	886
Total assets	\$ 171,356	\$ 1,835,794	\$ 1,865,616	\$ 141,534
Liabilities				
Due to individuals	\$ 44	\$ 1,114	\$ 988	\$ 170
Due to other governments	171,312	1,783,474	1,813,422	141,364
Total liabilities	\$ 171,356	\$ 1,784,588	\$ 1,814,410	\$ 141,534
Animal Control				
Assets				
Cash	\$ 5,281	\$ 73,816	\$ 73,968	\$ 5,129
Receivable, net	-	269	269	-
Total assets	\$ 5,281	\$ 74,085	\$ 74,237	\$ 5,129
Liabilities				
Due to other governments	\$ 5,281	\$ 81,305	\$ 81,457	\$ 5,129
Total Agency Funds				
Assets				
Cash	\$ 4,313,524	\$ 292,095,874	\$ 290,487,805	\$ 5,921,593
Receivables, net	2,279	4,869	4,300	2,848
Total assets	\$ 4,315,803	\$ 292,100,743	\$ 290,492,105	\$ 5,924,441
Liabilities				
Due to other governments	\$ 661,508	\$ 285,917,923	\$ 284,718,718	\$ 1,860,713
Accounts payable	362	1,506	1,868	-
Deposits	2,667,419	22,550,122	22,398,028	2,819,513
Due to individuals	986,514	1,367,374	1,109,673	1,244,215
Total liabilities	\$ 4,315,803	\$ 309,836,925	\$ 308,228,287	\$ 5,924,441

**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, 2020

Governmental Funds Capital Assets:

Land	\$ 101,342,581
Buildings	84,241,470
Improvements other than buildings	50,915,796
Machinery and equipment	82,508,555
Infrastructure	171,938,195
Construction in progress	28,774,210

Total governmental funds capital assets	\$ 519,720,807
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Investment in Governmental Funds Capital Assets by Source:

General Fund	\$ 62,104,929
Special Revenue Fund	351,654,165
Capital Projects Fund	75,016,755
Grants	30,944,958

Total governmental funds capital assets	\$ 519,720,807
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Walton County, Florida
Capital Assets Used in the Operations of Governmental Funds
Schedule by Function and Activity

September 30, 2020

Function and Activity	Land	Buildings	Improvements Other Than Buildings
General Government:			
Finance and administration	\$ 463,071	\$ 7,856,338	\$ -
Comprehensive planning	-	-	-
Judicial	166,696	25,823,450	82,804
Other general government	11,412,564	4,289,030	2,670,325
Total general government	12,042,331	37,968,818	2,753,129
Public Safety:			
Law enforcement	1,163,746	27,986,435	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	33,802,355	6,723,932
Physical Environment	1,044,101	5,905,502	160,333
Transportation	3,267,451	1,008,897	6,278,894
Economic Environment:			
Housing authority	-	-	-
Tourist development	18,388,704	2,066,419	9,802,168
Farmers market	71,693	37,196	-
Total economic environment	18,460,397	2,103,615	9,802,168
Human Services:			
Health	-	1,406,280	214,748
Veterans	-	-	-
Total human services	-	1,406,280	214,748
Culture and Recreation:			
Beach access	36,948,501	-	3,891,974
Parks and recreation	26,869,100	390,224	21,090,618
Library	268,204	1,655,779	-
Total culture and recreation	64,085,805	2,046,003	24,982,592
Total governmental funds capital assets	\$ 101,342,581	\$ 84,241,470	\$ 50,915,796

Machinery and Equipment	Infrastructure	Construction In Progress	Total
\$ 337,755	\$ -	\$ -	\$ 8,657,164
769,351	-	-	769,351
2,175,406	-	-	28,248,356
2,652,192	535,225	1,073,225	22,632,561
5,934,704	535,225	1,073,225	60,307,432
25,981,454	-	-	61,629,501
12,230,682	-	-	12,230,682
248,584	170,298	167,297	2,137,966
240,147	-	-	672,427
73,448	-	-	203,642
89,146	-	-	2,181,916
259,999	-	-	3,373,704
39,123,460	170,298	167,297	82,429,838
5,737,855	697,094	494,332	14,039,217
27,903,635	167,556,576	22,769,127	228,784,580
19,464	-	-	19,464
2,305,688	2,955,002	3,585,748	39,103,729
-	-	-	108,889
2,325,152	2,955,002	3,585,748	39,232,082
417,707	-	-	2,038,735
6,995	-	-	6,995
424,702	-	-	2,045,730
-	-	35,605	40,876,080
854,430	24,000	648,876	49,877,248
204,617	-	-	2,128,600
1,059,047	24,000	684,481	92,881,928
\$ 82,508,555	\$ 171,938,195	\$ 28,774,210	\$ 519,720,807

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

As of and for the year ended September 30, 2020

Function and Activity	Capital Assets 10/01/19	Additions
General Government:		
Finance and administration	\$ 8,624,468	\$ 32,696
Comprehensive planning	147,927	621,424
Judicial	28,152,828	95,528
Other general government	17,988,957	4,687,782
Total general government	54,914,180	5,437,430
Public Safety:		
Law enforcement	59,342,257	2,706,236
Ambulance service	8,631,025	3,599,657
Civil defense	1,894,788	243,178
Building inspection	594,617	107,529
Emergency 911	203,642	-
Animal control	2,181,916	-
Fire	3,373,704	-
Total public safety	76,221,949	6,656,600
Physical Environment	13,035,443	1,369,208
Transportation	217,920,470	12,529,422
Economic Environment:		
Housing authority	19,464	-
Tourist development	38,244,718	947,634
Farmers market	108,889	-
Total economic environment	38,373,071	947,634
Human Services:		
Health	1,930,902	147,775
Veterans	6,995	-
Total human services	1,937,897	147,775
Culture and Recreation:		
Beach access	39,123,911	1,752,169
Parks and recreation	46,143,579	3,747,433
Library	2,128,600	-
Total culture and recreation	87,396,090	5,499,602
Total governmental funds capital assets	\$ 489,799,100	\$ 32,587,671

Deductions	Transfers	Capital Assets 9/30/20
\$ -	\$ -	\$ 8,657,164
-	-	769,351
-	-	28,248,356
44,178	-	22,632,561
<hr/> 44,178	<hr/> -	<hr/> 60,307,432
418,992	-	61,629,501
-	-	12,230,682
-	-	2,137,966
29,719	-	672,427
-	-	203,642
-	-	2,181,916
-	-	3,373,704
<hr/> 448,711	<hr/> -	<hr/> 82,429,838
365,434	-	14,039,217
<hr/> 1,665,312	<hr/> -	<hr/> 228,784,580
-	-	19,464
88,623	-	39,103,729
-	-	108,889
<hr/> 88,623	<hr/> -	<hr/> 39,232,082
39,942	-	2,038,735
-	-	6,995
<hr/> 39,942	<hr/> -	<hr/> 2,045,730
-	-	40,876,080
13,764	-	49,877,248
-	-	2,128,600
<hr/> 13,764	<hr/> -	<hr/> 92,881,928
<hr/> <hr/> \$ 2,665,964	<hr/> <hr/> \$ -	<hr/> <hr/> \$ 519,720,807



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)

<i>For the year ended September 30,</i>	2020	2019	2018	2017
Government-Wide Expenses by Function				
General government	\$ 37,739,314	\$ 29,618,838	\$ 27,081,341	\$ 33,365,289
Public safety	73,065,481	67,532,988	55,294,616	53,085,811
Physical environment	12,100,205	12,783,855	11,458,965	12,379,377
Transportation	24,711,934	27,376,243	26,914,820	21,438,931
Economic environment	24,450,201	21,108,011	17,862,455	12,781,381
Human services	2,631,843	2,508,656	2,408,915	2,088,995
Culture/recreation	4,350,766	3,000,774	2,107,503	4,034,242
Debt services	941,384	873,700	825,119	774,434
Total government-wide expense by function	\$ 179,991,128	\$ 164,803,065	\$ 143,953,734	\$ 139,948,460
Government-Wide Revenues				
Program revenues				
Charges for services	\$ 17,488,699	\$ 18,131,725	\$ 16,359,145	\$ 13,734,896
Operating grants and contributions	15,286,013	6,985,897	4,501,975	4,905,961
Capital grants and contributions	6,010,558	3,853,435	6,111,741	9,125,493
General revenues				
Taxes				
Property taxes	74,111,096	66,731,083	60,600,283	55,078,685
Gasoline taxes	6,307,431	7,004,726	6,422,671	6,145,598
Sales taxes	35,000,216	37,158,087	33,670,146	31,403,705
Tourist development bed tax	31,325,781	27,701,336	25,726,361	23,524,494
Other taxes	253,482	276,964	289,635	286,193
State revenue sharing	2,344,990	2,454,182	2,281,910	2,119,357
Investment earnings	2,844,553	3,565,286	502,257	593,657
Miscellaneous	7,146,059	9,317,136	5,239,856	7,794,156
Special item	-	-	-	-
Total government-wide revenues	\$ 198,118,878	\$ 183,179,857	\$ 161,705,980	\$ 154,712,195

	2016	2015	2014	2013	2012	2011
\$	25,692,294	\$ 25,430,143	\$ 21,492,257	\$ 19,616,228	\$ 20,059,277	\$ 23,572,423
	46,892,084	39,889,287	37,774,222	38,408,334	35,075,260	35,052,324
	9,916,761	11,190,946	9,566,044	8,415,882	8,531,130	6,679,998
	21,217,707	15,552,252	27,124,508	24,136,571	23,897,299	21,323,130
	17,123,638	15,889,294	14,789,508	13,556,398	14,852,494	17,659,390
	2,283,853	1,874,924	2,226,393	2,129,798	2,002,946	2,030,979
	1,504,076	4,029,171	1,378,960	1,250,844	2,418,242	1,691,665
	869,730	1,071,059	1,136,315	2,929,167	1,262,630	1,249,156
	<u>\$ 125,500,143</u>	<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>
\$	12,818,417	\$ 10,471,312	\$ 8,092,365	\$ 5,407,633	\$ 4,510,316	\$ 5,378,020
	4,958,896	4,349,574	3,877,757	6,205,459	8,244,002	13,611,753
	4,576,423	14,218,252	8,043,617	5,664,441	5,172,864	5,864,008
	49,609,053	44,521,882	39,934,572	38,065,283	38,070,775	40,140,763
	5,918,651	5,167,916	4,511,542	4,258,291	4,255,974	4,186,892
	32,072,589	36,548,311	33,394,983	29,072,535	21,082,466	19,338,378
	21,758,228	20,146,264	19,987,554	18,582,874	16,490,339	13,859,997
	288,454	289,111	297,650	330,000	293,476	499,095
	1,984,974	2,037,312	1,683,966	1,496,532	1,392,992	1,373,364
	1,129,859	595,163	1,256,265	(752,996)	2,540,456	1,505,357
	8,470,082	8,292,648	6,530,799	5,708,946	5,248,102	5,458,304
	-	7,227,657	10,370,000	50,000,000	(75,000,000)	-
	<u>\$ 143,585,626</u>	<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>

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

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Environment
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
2020	31,921,713	57,027,957	11,867,947	13,782,711	22,385,714

* Includes all Governmental Fund Types

	Human Services	Culture/ Recreation	Capital Projects	Debt Service	Total (*)
\$	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
	2,506,961	3,103,874	32,402,250	6,068,586	181,067,713

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

Fiscal Year	Taxes	Licenses and Permits	Inter- governmental	Charges for Services
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
2020	132,891,357	3,898,144	37,829,260	12,941,500

* Includes all Governmental Fund Types.

	Fines and Forfeitures	Investment Earnings (Loss)	Miscellaneous	Total*
\$	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
	582,762	2,844,554	7,137,299	198,124,876

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

<i>For the year ended September 30,</i>	2020	2019	2018	2017
Revenues				
Program revenue				
Charges for services				
General government	\$ 7,117,915	\$ 6,482,620	\$ 6,093,711	\$ 3,143,151
Public safety	8,933,016	10,180,708	9,478,276	9,041,994
Physical environment	639,862	1,098,704	574,967	1,188,692
Economic environment	334,256	206,089	182,118	307,277
Human services	68,475	10,800	10,800	30,800
Culture/recreation	395,175	152,804	19,273	22,982
Operating grants and contributions	15,286,013	6,985,897	4,501,975	4,905,961
Capital grants and contributions	6,010,558	3,853,435	6,111,741	9,125,493
General revenues				
Property taxes	74,111,096	66,731,083	60,600,283	55,078,685
Other taxes	75,231,900	74,595,295	68,390,723	63,479,346
Other	9,990,612	12,882,422	5,742,113	8,387,814
Total revenues	198,118,878	183,179,857	161,705,980	154,712,195
Expenses				
General government	\$37,739,314	\$29,618,838	27,081,341	33,365,289
Public safety	73,065,481	67,532,988	55,294,616	53,085,811
Physical environment	12,100,205	12,783,855	11,458,965	12,379,377
Transportation	24,711,934	27,376,243	26,914,820	21,438,931
Economic environment	24,450,201	21,108,011	17,862,455	12,781,381
Human services	2,631,843	2,508,656	2,408,915	2,088,995
Culture and recreation	4,350,766	3,000,774	2,107,503	4,034,242
Interest on long-term debt	941,384	873,700	825,119	774,434
Total expenses	179,991,128	164,803,065	143,953,734	139,948,460
Special item	-	-	-	-
Change in net position	\$ 18,127,750	\$ 18,376,792	\$ 17,752,246	\$ 14,763,735
Prior period adjustment	\$ (565,537)	\$ -	\$ (10,224,000)	\$ (800,864)
Net investment in capital assets	\$ 286,079,537	\$ 273,325,808	\$ 247,481,794	\$ 230,298,796
Restricted for:				
Debt service	143,176	97,248	1,450,217	1,601,150
Capital projects	2,712,840	3,768,720	3,256,071	2,795,200
General government	1,378,148	1,407,668	1,266,929	1,379,718
Public safety	6,352,618	5,948,658	5,412,019	3,152,957
Transportation	18,413,584	15,772,202	14,423,434	12,361,190
Economic environment	148,245	151,069	173,421	242,916
Human services	438,057	435,020	414,454	408,674
Unrestricted (deficit)	14,412,676	11,610,275	20,261,537	34,371,029
Total primary government net position	\$ 330,078,881	\$ 312,516,668	\$ 294,139,876	\$ 286,611,630

	2016	2015	2014	2013	2012	2011
\$	2,954,381	\$ 3,336,621	\$ 2,869,825	\$ 1,552,308	\$ 1,323,663	\$ 1,300,806
	8,498,997	6,030,010	4,156,691	3,449,112	2,783,665	2,428,121
	1,207,916	963,849	929,419	244,639	242,074	1,478,482
	115,187	111,103	105,248	164,553	133,895	141,409
	20,800	10,800	10,800	10,800	10,800	10,500
	21,136	18,929	20,382	16,221	16,219	18,702
	4,958,896	4,349,574	3,877,757	6,205,459	8,244,002	10,941,594
	4,576,423	14,218,252	8,043,617	5,664,441	5,172,864	5,864,008
	49,609,053	44,521,882	39,934,572	38,065,283	38,070,775	40,140,763
	62,022,896	64,188,914	59,875,695	53,740,233	43,515,247	41,927,885
	9,599,941	8,887,811	7,787,064	4,955,949	7,788,558	6,963,661
	143,585,626	146,637,745	127,611,070	114,068,998	107,301,762	111,215,931
	25,692,294	25,430,143	21,492,257	19,616,228	20,059,277	23,572,423
	46,892,084	39,889,287	37,774,222	38,408,334	35,075,260	35,052,324
	9,916,761	11,190,946	9,566,044	8,415,882	8,531,130	6,679,998
	21,217,707	15,552,252	27,124,508	24,136,571	23,897,299	21,323,130
	17,123,638	15,889,294	14,789,508	13,556,398	14,852,494	17,659,390
	2,283,853	1,874,924	2,226,393	2,129,798	2,002,946	2,030,979
	1,504,076	4,029,171	1,378,960	1,250,844	2,418,242	1,691,665
	869,730	1,071,059	1,136,315	2,929,167	1,262,630	1,249,156
	125,500,143	114,927,076	115,488,207	110,443,222	108,099,278	109,259,065
	-	7,227,657	10,370,000	50,000,000	(75,000,000)	-
\$	18,085,483	\$ 38,938,326	\$ 22,492,863	\$ 53,625,776	\$ (75,797,516)	\$ 1,956,866
\$	(351,613)	\$ (37,086,830)	\$ -	\$ -	\$ (4,016)	\$ (793,626)
\$	206,407,365	\$ 185,573,714	\$ 183,054,531	\$ 184,908,949	\$ 186,263,846	\$ 182,774,876
	6,177,040	3,531,053	7,957,589	3,912,013	86,274	-
	2,530,939	2,044,676	2,058,293	2,110,339	1,310,054	6,270,344
	1,733,494	1,664,480	3,974,323	3,782,011	3,528,147	4,857,020
	2,872,318	2,133,933	2,235,752	1,657,563	1,725,029	2,277,900
	8,817,128	8,646,500	8,594,891	8,256,492	8,153,724	10,569,615
	302,277	586,004	1,054,343	1,014,020	1,161,336	1,030,636
	396,423	382,269	947,709	883,914	903,173	778,246
	42,653,123	49,593,608	42,427,310	23,286,577	(26,915,481)	43,458,997
\$	271,890,107	\$ 254,156,237	\$ 252,304,741	\$ 229,811,878	\$ 176,216,102	\$ 252,017,634

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

<i>As of September 30,</i>	2020	2019	2018	2017
General Fund				
Nonspendable	\$ 2,045,126	\$ 561,725	\$ 517,245	\$ 1,010,518
Restricted	1,047,856	1,014,933	987,732	1,029,015
Assigned	1,280,478	6,504,592	4,172,170	4,963,789
Unassigned	26,870,472	16,404,867	17,691,674	15,671,532
Total general fund	31,243,932	24,486,117	23,368,821	22,674,854
All Other Governmental Funds				
Nonspendable	216,411	639,249	610,773	593,107
Restricted	28,538,812	26,565,652	25,408,813	21,052,929
Committed	50,357,563	41,131,149	44,588,810	38,612,893
Assigned	45,710,190	41,515,320	33,525,597	36,992,622
Total other governmental funds	124,822,976	109,851,370	104,133,993	97,251,551
Total governmental funds	\$ 156,066,908	\$ 134,337,487	\$ 127,502,814	\$ 119,926,405

2016	2015	2014	2013	2012	2011
\$ 711,723	\$ 816,015	\$ 2,982,067	\$ 2,599,162	\$ 2,691,134	\$ 2,861,884
1,174,581	1,173,500	1,128,160	1,046,541	976,192	2,446,825
4,854,242	4,290,458	3,933,644	2,939,435	5,263,998	5,714,472
16,610,115	15,603,519	12,559,627	11,177,642	11,252,947	11,685,814
23,350,661	21,883,492	20,603,498	17,762,780	20,184,271	22,708,995
546,936	493,143	468,455	466,080	477,074	496,924
21,963,698	17,986,301	23,729,155	18,653,573	14,500,603	21,266,754
42,978,200	35,824,170	30,002,035	21,340,544	12,889,101	10,012,785
32,892,709	43,844,489	31,371,414	24,502,866	28,387,751	24,338,643
98,381,543	98,148,103	85,571,059	64,963,063	56,254,529	56,115,106
\$ 121,732,204	\$ 120,031,595	\$ 106,174,557	\$ 82,725,843	\$ 76,438,800	\$ 78,824,101

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

<i>For the year ended September 30,</i>	2020	2019	2018	2017
Revenues				
Taxes	\$ 132,891,357	\$ 123,768,397	\$ 112,732,328	\$ 103,247,809
Licenses and permits	3,898,144	3,812,551	3,219,599	2,892,531
Intergovernmental	37,829,260	28,507,600	26,994,452	29,405,601
Charges for services	12,941,500	13,599,020	12,399,911	10,113,664
Fines and forfeitures	582,762	627,491	633,030	645,055
Interest	2,844,554	3,565,307	502,255	593,657
Miscellaneous	7,137,299	10,633,906	6,024,140	9,171,722
Total revenues	198,124,876	184,514,272	162,505,715	156,070,039
Expenditures				
Current				
General government	31,921,713	34,973,284	29,087,292	27,191,825
Public safety	57,027,957	60,853,449	51,896,519	50,526,999
Physical environment	11,867,947	15,740,504	12,583,836	10,986,632
Transportation	13,782,711	23,998,736	25,419,451	27,842,250
Economic environment	22,385,714	29,573,103	25,696,123	32,645,259
Human services	2,506,961	2,694,640	2,409,611	1,998,608
Culture/recreation	3,103,874	5,503,881	3,240,258	2,906,679
Capital outlay	32,402,250	3,775,422	3,762,969	1,905,430
Debt service				
Principal	5,131,595	2,193,306	1,976,019	2,145,875
Interest	936,991	886,258	837,270	806,980
Total expenditures	181,067,713	180,192,583	156,909,348	158,956,537
Excess Revenue Over (Under)				
Expenditures	17,057,163	4,321,689	5,596,367	(2,886,498)
Other Financing Sources (Uses)				
Proceeds from sale of equipment	-	820,037	752,949	-
Transfers in	15,345,076	27,620,221	18,663,752	19,527,339
Transfers out	(15,345,076)	(27,620,221)	(18,663,752)	(19,527,339)
Issuance of debt	5,237,795	1,692,947	469,246	1,096,233
Total other financing sources	5,237,795	2,512,984	1,222,195	1,096,233
Special item				
	-	-	-	-
Net change in fund balance	\$ 22,294,958	\$ 6,834,673	\$ 6,818,562	\$ (1,790,265)
Debt service as a percentage of				
noncapital expenditures	4.08%	2.25%	2.24%	2.44%

	2016	2015	2014	2013	2012	2011
\$	97,267,784	\$ 95,226,101	\$ 87,629,743	\$ 80,465,499	\$ 70,988,064	\$ 69,118,565
	2,886,510	2,530,020	2,316,764	2,171,620	1,515,539	1,075,390
	25,099,737	35,584,050	24,183,633	23,268,876	24,101,048	23,021,752
	9,267,053	7,136,458	4,837,396	2,958,491	2,771,045	2,844,143
	641,313	653,554	944,323	324,413	237,659	274,872
	1,129,858	595,162	1,256,265	(752,996)	2,540,456	1,505,357
	9,604,217	9,350,836	7,402,882	6,549,334	5,248,103	12,211,933
	145,896,472	151,076,181	128,571,006	114,985,237	107,401,914	110,052,012
	22,483,326	28,051,626	20,816,662	19,400,946	18,645,847	20,400,163
	44,314,780	38,739,905	35,959,383	35,063,268	31,434,246	33,202,442
	12,275,325	10,666,566	9,451,630	8,911,217	8,056,333	7,663,908
	23,878,064	29,429,954	22,730,338	19,423,503	23,359,653	21,929,338
	34,281,506	16,484,966	15,479,069	14,068,424	14,204,426	17,752,312
	2,234,033	2,784,291	2,224,329	2,018,499	1,879,932	1,961,064
	1,182,302	3,541,894	889,381	1,432,502	1,945,696	1,236,363
	1,234,476	2,280,287	361,879	2,896,357	3,699,244	720,454
	1,951,754	38,396,195	7,559,324	52,804,659	5,656,634	4,218,038
	853,778	1,082,618	1,024,758	3,050,331	1,100,197	1,256,078
	144,689,344	171,458,302	116,496,753	159,069,706	109,982,208	110,340,160
	1,207,128	(20,382,121)	12,074,253	(44,084,469)	(2,580,294)	(288,148)
	-	-	-	-	-	-
	17,898,837	16,935,224	16,537,000	11,601,547	13,873,137	9,762,294
	(17,898,837)	(16,935,224)	(16,537,000)	(11,601,547)	(13,873,137)	(9,762,294)
	845,091	27,018,625	997,460	371,512	75,199,009	423,872
	845,091	27,018,625	997,460	371,512	75,199,009	423,872
	-	7,227,657	10,370,000	50,000,000	(75,000,000)	-
\$	2,052,219	\$ 13,864,161	\$ 23,441,713	\$ 6,287,043	\$ (2,381,285)	\$ 135,724
	2.53%	27.38%	7.83%	37.17%	7.29%	5.60%



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
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%	1,174,474	37,549,670	96.50%
2013	38,900,662	36,561,502	93.99%	1,044,384	37,561,604	96.56%
2014	40,763,405	39,259,877	96.31%	57,590	39,317,467	96.45%
2015	45,538,540	43,974,522	96.57%	29,633	44,004,155	96.63%
2016	50,802,529	49,076,935	96.60%	1,774,620	50,851,555	100.10%
2017	56,451,376	54,522,421	96.58%	1,978,810	56,501,231	100.09%
2018	62,246,972	60,058,915	96.48%	2,209,061	62,267,976	100.03%
2019	75,056,111	66,161,116	88.15%	2,371,920	68,533,036	91.31%
2020	75,218,968	72,540,652	96.44%	-	72,540,652	96.44%

(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
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
2020	21,947,972,220	21,947,972,220	517,864,328	517,864,328

(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		
\$ 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%
2,699,388	2,699,388	22,468,535,936	22,468,535,936	3.636	100%

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

	2020	2019	2018	2017
Board of County Commissioners				
General Fund	1.125	0.733	0.873	0.795
County Transportation Trust Fund	0.390	0.410	0.27	0.348
Fine and Forfeiture Fund	2.122	2.494	2.493	2.493
<hr/>				
Total general county	3.636	3.636	3.636	3.636
District School System				
	5.075	5.022	5.097	5.191
<hr/>				
Total County wide	8.711	8.658	8.733	8.827
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Special Districts				
South Walton Mosquito Control	0.240	0.240	0.163	0.163
Walton County Fire and Rescue	FLAT	FLAT	FLAT	FLAT
South Walton Fire District	1.000	1.000	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
North West Florida Water District				
	0.031	0.033	0.036	0.037
Cities				
DeFuniak Springs	5.000	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.

2016	2015	2014	2013	2012	2011
1.299	1.291	1.348	1.710	1.480	1.410
0.389	0.397	0.260	0.286	0.550	0.689
1.948	1.948	1.948	1.560	1.526	1.458
3.636	3.636	3.556	3.556	3.557	3.557
5.348	5.491	5.491	5.659	5.013	5.011
8.984	9.127	9.047	9.215	8.570	8.568
0.163	0.163	0.138	0.138	0.114	0.114
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
0.980	0.980	0.980	0.980	0.980	0.900
0.491	0.491	0.491	0.491	0.491	0.491
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
0.038	0.039	0.040	0.040	0.040	0.040
4.500	4.500	4.500	4.500	4.500	4.000
4.730	4.730	4.730	4.730	4.730	4.730

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

Year	General Obligation Bonds	Special Assessment Debt	Notes Payable	Capital Leases
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
2020	-	-	20,470,739	1,745,866

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

	Total	Percentage of Personal Income (1)	Per Capita (1)
\$	27,232,396	1.17%	491
	96,774,772	3.70%	1699
	44,341,626	1.68%	767
	37,779,762	1.29%	632
	26,274,160	0.83%	433
	25,167,176	0.73%	400
	24,117,534	0.64%	369
	22,610,761	0.56%	334
	22,110,404	0.52%	316
	22,216,605	0.46%	297

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

Fiscal Year	Principal	Interest	Other Debt Service	Total Debt Service (1)	Total General Expenditures (2)	Ratio of Debt Service to Total General Expenditures
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%
2020	-	-	-	-	181,067,713	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
Last Ten Fiscal Years

Fiscal Year	Real Property Value (1)	Construction (2)	Bank Deposits (3)
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
2020	21,947,972,220	859,578,158	1,748,525,000

(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
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%
2020	74,724	64,481	4,818,278	10,542	4.10%	7.20%	7.80%

(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

Function/Program	2020	2019	2018
General Government			
Single family dwelling permits	2,003	2,380	1,487
Total building and other permits issued	16,018	13,976	12,995
Building inspections conducted	26,268	24,455	22,643
Public Safety			
Number of E911 calls	49,407	68,796	82,101
Number of E911 Fire/EMS calls	8,030	6,978	7,506
Animal control responses	8,691	8,510	4,823
Tourist Development Council			
Bed tax receipts (gross dollars in thousands) **	31,330	27,728	25,726
Library			
Number of registered borrowers	45,790	44,497	49,639
Number of visits	88,697	117,761	103,273
Number of items in collection	99,377	110,050	109,891
Constitutional Officers:			
Clerk of Circuit Court			
Marriage licenses issued	1,210	1,520	1,617
Instruments recorded	50,470	43,607	43,502
Passports	904	1,696	1,408
Tax deeds sold	109	184	232
Civil cases filed	2,832	3,656	3,326
Misdemeanor cases filed	1,083	1,071	960
Felony cases filed	845	754	940
Traffic infractions	4,142	4,274	4,270
Supervisor of Elections			
Number of registered voters	59,743	52,460	49,928
Number of polling places	21	21	21
Property Appraiser			
Parcels in county	85,636	84,518	81,981
Tax Collector			
Tax certificates sold	3,216	3,145	2,890
Tag and title transactions processed	93,700	125,284	124,754
Driver licenses issued/ renewed	23,413	25,520	19,714
Hunting/fishing licenses issued	786	1,232	896
Concealed weapons applications processed	1,832	777	870
Birth certificates reissued	856	561	708
Sheriff			
Law enforcement officers	267	269	251
Calls for service	243,193	257,646	133,368
Misdemeanor arrests	1,722	2,936	1,798

* Information is not available for the year presented

** 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.

2017	2016	2015	2014	2013	2012	2011
1,298	1,748	1,155	1,113	1,236	1,008	475
12,400	12,010	9,705	9,459	9,964	7,055	5,114
23,590	21,782	19,134	17,964	16,459	10,800	7,461
51,470	61,447	61,727	59,518	52,642	46,752	53,606
14,448	15,220	8,821	8,751	8,036	8,189	7,914
5,505	5,014	5,013	4,281	4,926	4,836	5,240
23,527	21,758	20,148	19,988	18,582	16,490	16,530
47,690	45,796	44,095	43,109	41,141	37,865	37,865
107,781	110,140	119,098	131,280	113,728	128,954	148,897
112,053	112,532	109,297	108,125	106,421	105,873	104,192
1,627	1,842	1,724	1,581	1,658	1,721	1,655
42,332	42,189	42,812	42,911	44,359	41,251	38,009
1,427	1,280	1,005	799	971	883	906
177	214	129	84	322	102	117
3,258	3,093	2,986	2,594	2,757	2,132	2,040
1,320	1,881	1,716	1,667	2,114	1,913	1,072
1,152	936	898	804	821	756	759
5,308	4,264	5,217	5,912	5,732	7,890	9,195
47,264	48,968	43,492	42,126	40,426	37,881	37,983
21	21	21	21	21	21	21
84,503	80,998	80,445	80,145	79,866	79,142	78,814
2,944	3,724	4,364	4,783	4,518	5,193	5,373
116,326	104,436	100,951	94,624	81,537	74,818	79,938
18,772	17,745	16,797	15,224	9,924	1,434	-
898	930	988	936	1,045	887	1,121
1,713	4,096	167	-	-	-	-
784	659	260	-	-	-	-
255	159	152	221	169	160	160
131,277	128,817	160,625	167,910	158,447	165,599	135,337
3,903	2,598	2,284	2,699	2,970	2,455	2,222

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

Employer	2020		
	Employees (1)	Rank	Percentage of Total County Employment
Walton County School Board	1,346	1	4.9%
Walton County Government	1,092	2	4.0%
Publix Super Markets	677	3	2.5%
Sacred Heart Hospital of the Emerald Coast	594	4	2.2%
Sandestin Golf and Beach Resort	583	5	2.1%
Watercolor Inn and Resort	515	6	1.9%
Wal-Mart Super Center (multiple locations)	435	7	1.6%
Hilton Sandestin Beach and Golf Resort	328	6	1.2%
Walton Correctional Institution	280	9	1.0%
Healthmark Regional Medical Center	107	10	0.4%
Wyndham Vacation Rentals (former ResortQuest)	-		0.0%
St. Joe Company	-		0.0%
Total	5,957		15.8%

Total number of individuals employed within Walton County (2) 27,376

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

2011		
Employees	Rank	Percentage of Total County Employment
1,118	1	3.6%
824	2	2.6%
425	6	1.4%
540	4	1.7%
691	3	2.2%
275	8	0.9%
		0.0%
400	7	1.3%
-	-	0.0%
200	10	0.6%
500	5	1.6%
250	9	0.8%
5,223		16.7%

31,248

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

Taxpayer	2020		
	Assessed Value (1)	Rank	Percentage of Total Net Assessed Value
EBSCO Gulf Coast Development	\$ 116,243,127	1	0.52%
Choctawhatchee Electric Cooperative	96,780,667	2	0.43%
Gulf Power Company	68,422,307	3	0.30%
Sandestin Hilton, LTD	58,847,811	4	0.26%
Sandestin Investments, LLC	42,065,358	5	0.19%
Florida Gas Transmission Company	40,471,901	6	0.18%
GB Retail	32,622,987	7	0.15%
Atticus Highway 98 Ventures	31,319,598	8	0.14%
Rosestar LLC	30,692,521	9	0.14%
Powersouth	29,611,484	10	0.13%
Embarq-Florida Incorporated			-
Silver Sands Joint Venture			-
St. Joe Paper Company			-
Sanctuary By the Sea, LLC			-
Total Principal Taxable Vaule	547,077,761		2.43%
Total Taxable Assessed Value	\$ 22,468,535,936		100.00%

(1) Source: Walton County Property Appraiser

2011		
Assessed Value (1)	Rank	Percentage of Total Net Assessed Value
\$ 110,832,602	1	1.01%
70,295,988	2	0.64%
30,529,032	6	0.28%
45,540,978	4	0.42%
40,263,098	3	0.37%
30,922,252	5	0.28%
-		-
-		-
-		-
-		-
23,572,580	9	0.22%
21,313,960	8	0.19%
21,024,001	7	0.19%
20,377,592	10	0.19%
414,672,083		3.79%
\$ 10,941,371,754		100.00%

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

	2020	2019	2018	2017
General Government				
Facilities owned/leased (sq. ft.)	701,415	684,448	648,639	635,083
Libraries available to the public(sq. ft.)	19,513	19,513	19,513	18,441
Public Safety				
Fire/Rescue vehicles (number)	85	61	66	66
EMS/Fire stations(number)*	15	15	15	15
Tourist Development Council				
Beaches (miles)	26	26	26	26
Beach access (number)	74	73	65	62
Transportation				
Paved miles	703	689	674	666
Unpaved miles	350	363	377	375
Culture and Recreation				
Parks (number)	17	17	23	23
Parks with boat ramps (number)	32	32	16	16
Constitutional Officers:				
Clerk of Circuit Court				
Facilities (sq. ft.)	45,650	42,990	42,990	42,990
Facilities (number)	2	2	2	2
Supervisor of Elections				
Facilities (sq. ft.)	3,900	3,900	3,900	3,900
Facilities (number)	2	2	2	2
Property Appraiser				
Facilities (sq. ft.)	8,100	8,100	8,100	8,100
Facilities (number)	2	2	2	2
Tax Collector				
Facilities (sq. ft.)	10,800	10,800	7,400	7,400
Facilities (number)	3	3	2	2
Sheriff				
Facilities/Stations	7	7	7	7
Facilities owned (sq. ft.)	63,364	63,364	63,364	63,364

* 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.

2016	2015	2014	2013	2012	2011
582,430	483,763	369,424	363,386	363,386	363,386
16,961	16,961	16,961	16,961	16,961	16,961
49	51	48	50	46	47
15	22	22	22	21	21
26	26	26	26	26	26
61	61	60	60	62	62
664	758	756	752	749	745
377	404	406	410	413	418
21	21	21	21	21	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	6	5	5	5
61,668	61,668	61,668	39,400	39,400	39,400

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

	2020	2019	2018
General government	101	102	90
Public safety	43	27	25
Physical environment	28	28	27
Transportation	136	139	127
Economic environment	66	72	62
Human services	5	5	5
Culture and recreation	40	38	32
Total County government	419	411	368
Constitutional Officers:			
Clerk of the Circuit Court	67	69	68
Property Appraiser	26	27	28
Tax Collector	38	40	39
Sheriff	534	555	436
Supervisor of Elections	8	8	7
Total Constitutional Officers	673	699	578
Total government-wide employees by function	1,092	1,110	946

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

2017	2016	2015	2014	2013	2012	2011
97	109	101	120	83	77	82
26	122	109	95	156	152	149
23	25	23	19	24	25	23
131	136	128	127	127	125	130
64	50	40	40	40	37	32
5	5	6	7	11	14	13
27	16	17	30	26	26	26
373	463	424	438	467	456	455
66	67	71	67	69	65	67
28	28	28	29	28	29	30
35	32	32	32	32	32	29
435	330	319	347	241	232	237
7	6	6	7	6	6	6
571	463	456	482	376	364	369
944	926	880	920	843	820	824

**Walton County, Florida
Schedule of Insurance in Force
September 30, 2020**

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	10/1/19-20
Property Coverage			
Real Property	\$82,895,351	Florida Municipal Insurance Trust Administered by the Florida League of Cities	10/1/19-20
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	10/1/19-20
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	10/1/19-20
Health Insurance	Contract specification	BC/BS of Florida BC/BS of Florida	10/1/19-20
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	10/1/19-20
Life Insurance	\$10,000 to \$50,000 depending upon employee classification	Sun Life Insurance Company	10/1/19-20
Long-Term Disability Insurance	60% of income up to a maximum of \$7,000 per month	Sun Life Insurance Company	10/1/19-20
Accident Medical for Parks & Recreation	\$100,000 per injury	AIG Accident & Health	10/1/19-20

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, 2020, 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 8, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

Enterprise, Alabama

March 8, 2021

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 major state projects for the year ended September 30, 2020. The County's major federal programs and major 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 major 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 major state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major 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, 2020.

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 major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and 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 8, 2021

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

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
U.S Department of Housing and Urban Development				
Direct Program				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	FL110	\$ -	\$ 2,145,882
COVID-19 Section 8 Housing Choice Vouchers	14.871	COVID-19 FL110	-	93,258
Subtotal for CFDA 14.871				2,239,140
Mainstream Vouchers	14.879	FL110	-	94,769
Housing Voucher Cluster total				2,333,909
Family Self-Sufficiency Program	14.877	FL110	-	31,077
Department total				2,364,986
U.S. Department of Health and Human Services				
Pass-through Florida Department of Revenue				
Child Support Enforcement - Title IV-D	93.563	COC66	-	131,607
Pass-through Florida Department of Children and Families				
Temporary Assistance for Needy Families	93.558	AJ496	-	758,376
Social Services Block Grant	93.667	AJ496	-	160,056
Foster Care Title IV-E	93.658	AJ496	-	29,280
Emergency Management Performance	97.042	HHA-44011726379	-	50,913
Medical Assistance Program *	93.778	AJ496	-	1,230
Department total				1,131,462
U.S. Department of Justice				
Pass-through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Program	16.738	2019-JAGC-WALT-1-N2-036	-	46
Edward Byrne Memorial Justice Assistance Program	16.738	2019-JAGC-WALT-3-5R-003	-	29,396
Edward Byrne Memorial Justice Assistance Program	16.738	2020-JAGC-WALT-1-Y5-141	-	30,320
Public Safety Partnership and Community Policing Grants	16.710	2020UMWX0224, ORI FLO6600	-	25,352
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	COVID-19 2020-VD-BX-0020	-	38,577
Equitable Sharing Program	16.922	FLO66000	-	8,992
Bullet Proof Vest Partnership Program	16.607	2018BUBX18093632	-	15,829
Total passed through Florida Department of Law Enforcement				148,512

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)

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	N/A	-	11,973
Subtotal for CFDA 16.738			-	71,735
Equitable Sharing Program	16.922	FC/FLN_0328	-	26,888
Subtotal for CFDA 16.922			-	35,880
Total Direct Programs			-	38,861
Department total			-	187,373
Election Assistance Commission				
Pass-through Florida Department of State				
HAVA Election Security Grants	90.404	2020-001-WAL	-	59,857
Help America Vote Act	90.401	2019-2020-0001	-	76,494
Department total			-	136,351
U.S. Department of the Interior				
Pass-through Florida Department of Environmental Protection				
Outdoor Recreation Acquisition, Development, and Planning	15.916	LW682	-	5,468
U.S. Department of the Treasury				
Pass-through Florida Division of Emergency Management				
COVID-19 Coronavirus Relief Fund	21.019	COVID-19 Y2289	-	6,734,436
Pass-through Florida Division of Management Services				
COVID-19 Coronavirus Relief Fund	21.019	COVID-19 100-2020	-	37,911
Subtotal for CFDA 21.019			-	6,772,347

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)

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
Direct Program				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR250060-01-00	-	253,020
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	8 RDCGR250065-01-02	-	228,308
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR250089-01-00	-	62,550
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR250116-01-00	-	433,706
Subtotal for CFDA 21.015			-	977,584
Department total			-	7,749,931
National Endowment for the Humanities				
Pass-through Florida Department of State				
Grants to States	45.310	20-LSTA-B-24	-	1,290
U.S. Department of Transportation				
Pass-through Florida Department of Environmental Protection				
Recreational Trails Program**	20.219	T1821	-	44,780
U.S. Department of Commerce				
Pass-through Florida Department of Environmental Protection				
Coastal Zone Management Administration				
Awards	11.419	CM923	-	14,959
U.S. Department of Agriculture				
Pass-through Florida Department of Children and Families				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program***				
	10.561	AJ496	-	21,503
Direct Program				
Emergency Watershed Protection Program	10.923	NR204209XXXXC003	-	115,151
Department total			-	136,654

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)

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Homeland Security				
Pass-through Florida Department of Emergency Management				
Flood Mitigation Assistance	97.029	18FM-X8-01-76-01-225	-	3,419
Disaster Grants - Public Assistance	97.036	Z0844	-	414,743
Disaster Grants - Public Assistance	97.036	Z0633	-	123,427
Subtotal for CFDA 97.036				538,170
Hazard Mitigation Grant Program	97.039	DR4564	-	42,228
Hazard Mitigation Grant Program	97.039	DR4486-Z1921	-	55,687
Hazard Mitigation Grant Program	97.039	DR5308-FM-FL	-	15,636
Subtotal for CFDA 97.039				113,551
Emergency Management Performance	97.042	G0175	-	22,132
Emergency Management Performance	97.042	G0036	-	40,782
Emergency Management Performance	97.042	2019-2020	-	8,551
Emergency Management Performance	97.042	GS0147	-	1,796
Subtotal for CFDA 97.042				124,174
Assistance to Firefighters Grants	97.044	FY20 EMPG-S	-	49,759
Pre-Disaster Mitigation	97.047	B0060	-	51,408
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2017-FH-00582	-	580,668
Department total				1,410,236
Total Expenditures of Federal Awards			\$ -	\$ 13,183,490
Executive Office of Governor				
Emergency Management Programs	31.063	A0026	\$ -	\$ 72,205
Emergency Management Programs	31.063	A0120	-	28,820
Department total/subtotal for CSFA 31.063				101,025
Florida Fish & Wildlife Conservation Commission				
Derelict Vessel Removal Program	77.005	FWC-18335	-	3,525
Florida Department of Agriculture				
Mosquito Control	42.003	FDACS # 026490	-	15,353
Mosquito Control	42.003	FDACS # 025499	-	49,876
Department total				65,229
Florida Housing Finance Agency				
SHIP Program	40.901	N/A	-	304,405

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)

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
Florida Department of Environmental Protection				
Early Restoration Deepwater Horizon Oil Spill	37.081	DH008	-	1,251,632
Small County Consolidated Grants	37.012	SC032	-	85,777
Department total			-	1,337,409
Florida Department of State				
State Aid to Libraries	45.030	20-ST-89	-	19,083
State Aid to Libraries	45.030	19-ST-89	-	5,862
Department total/subtotal for CSFA 45.030			-	24,945
Florida Department of Health				
Emergency Medical Services (EMS) Matching Awards	64.003	M8020	-	12,181
County Grant Awards	64.005	C8066	-	7,630
Department total			-	19,811
Florida Department of Transportation				
Local Arterial Highway Construction Initiatives	55.044	GOT42 441498-1-54-01 & 441498-2-54-01	-	180,000
County Incentive Grant Program	55.008	G0U18 438307-1-54-01	-	1,673,369
Small County Outreach Program (SCOP)	55.009	G1B62 440645-1-34-01	-	653,135
Small County Outreach Program (SCOP)	55.009	G0T80 436847-1-54-01	-	24,244
Small County Outreach Program (SCOP)	55.009	G0T63 436840-1-54-01	-	46,194
Subtotal for CSFA 55.009			-	723,573
Public Transit Service Development Program	55.012	G1B08 - 4203 14-3-84-01	-	741,303
Small County Road Assistance Program	55.016	G0T81 436696-1-54-01	-	52,256
Small County Road Assistance Program	55.016	G0T83 440890-1-34-01	-	81,171
Small County Road Assistance Program	55.016	G1B60 440890-1-54-01	-	1,755
Subtotal for CSFA 55.016			-	135,182
Local Transportation Projects	55.039	G1I72 445810-1-54-01	-	24,813
Department total			-	3,478,240
Florida Department of Management Services				
Wireless 911 Emergency System				
Telephone Grants:				
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	20-04-32	-	34,164
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	19-04-32	-	2,400
Subtotal for CSFA 72.001			-	36,564
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S11-18-05-24	-	152,024
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S12-19-02-24	-	89,558
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S13-19-06-16	-	20,000
Subtotal for CSFA 72.003			-	261,582
Department total			-	298,146
Total of Expenditures of State Financial Assistance			\$	\$ 5,632,735

* Medicaid Cluster

** Highway Planning and Construction Cluster

*** SNAP 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, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentations

The accompanying schedule of expenditures of federal awards and state financial assistance (Schedule) includes the federal spending of Walton County, Florida (the "County") and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not represent the financial position of the County.

Note 2: INDIRECT COST

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended September 30, 2020, the County did not elect to use this rate.

Note 3: LOANS AND LOAN GUARANTEES

The County did not have any loans or loan guarantee programs required to be reported on the Schedule for the fiscal year ending September 30, 2020.

Note 4: SUBRECIPIENTS

During the year ended September 30, 2020, the County had no subrecipients.

Note 5: NONCASH ASSISTANCE AND OTHER

The County did not receive any noncash assistance or federally funded insurance during the year ended September 30, 2020.

Note 6: CONTINGENCIES

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the County does not believe that such disallowance, if any, would have a material effect on the financial position of the County.

Walton County, Florida
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance (Continued)
For the Year Ended September 30, 2020

Note 7: FEDERAL PASS-THROUGH FUNDS

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

Note 8: FLORIDA STATE AID TO LIBRARIES

The County received \$19,083 in grant funding and interest from the Florida State Aid to Libraries grant for the fiscal year ended September 30, 2020. The County expended \$24,945, which included grant funding and interest received for the fiscal years ending September 30, 2020 and 2019.

Walton County, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2020

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? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|--|------------|
| 1. Type of 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
21.019	COVID-19 Coronavirus Relief Fund
21.015	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States
93.558	Temporary Assistance for Needy Families Housing Vouchers Cluster
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 |

Walton County, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2020

3. Any audit findings disclosed that are required to be reported in accordance with Florida Single Audit Act? None noted

4. Identification of major projects

CSFA Number	State Project
37.081	Early Restoration Deepwater Horizon Oil Spill
55.008	County Incentive Grant Program

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

Section II: Financial Statement Findings

There are no findings to report.

Section III: Federal Award Findings and Questioned Costs

There are no findings to report.

Section IV: Major State Projects Findings and Questioned Costs

The audit did not disclose any audit findings required to be reported pursuant to Section 10.557, Rules of the Auditor General. (Section 10.554(1)(I)1.f, Rules of the Auditor General).

**Walton County, Florida
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2020**



Walton Board of County Commissioners
76 North 6th Street - DeFuniak Springs, FL 32433 - Phone: (850) 892-8155
<http://www.co.walton.fl.us/>

**Larry D. Jones, Administrator
Walton County**

**Stan Sunday, Deputy Administrator (Operations)
Dede Hinote, Deputy Administrator (Administration)**

January 26, 2021

Carr, Riggs, & Ingram, LLC
PO Box 311070
Enterprise, Alabama 36331

Dear Sirs or Madams:

In response to follow up of prior year audit findings for the Walton County Board of Commissioners during the fiscal year ended September 30, 2020, the County responds as follows:

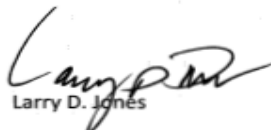
FINDING 2019-001: Planning Department Revenue Classification

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.

Recommendation: The County should implement a review of all planning department fee deposits to help ensure the deposits are proper classified.

Current Status: The 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.

Sincerely,


Larry D. Jones
County Administrator

Walton Board of County Commissioners
District 1: Bill Chapman, Vice-Chair District 2: Danny Glidewell District 3: Melanie Nipper
District 4: Trey Nick District 5: Tony Anderson, Chair

Walton County, Florida
Schedule of Receipts and Expenditures of
Funds Related to the Deepwater Horizon Oil Spill

Source: British Petroleum - Lost Tax Revenue Claim - Final Settlement

For the year ended September 30, 2020

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	-	-
2020	-	3,678

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.



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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, 2020:

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, 2020.

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 8, 2021

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, 2020 and have issued our report thereon dated March 8, 2021.

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 Major 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 8, 2021 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. 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

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

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

Enterprise, Alabama
March 8, 2021



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**

FINANCIAL STATEMENTS

September 30, 2020



**Walton County, Florida
Clerk of the Circuit Court
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September 30, 2020**

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**Walton County, Florida
Clerk of the Circuit Court
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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, 2020, and the related notes to the financial statements, which collectively comprise the Clerk'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 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, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund, and Fine and Forfeiture 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, 2020, 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 March 8, 2021 on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

March 8, 2021

**Walton County, Florida
Clerk of the Circuit Court
Balance Sheet – Governmental Funds**

<i>September 30, 2020</i>	General	Fine and Forfeiture
Assets		
Cash and cash equivalents	\$ 6,634,062	\$ 214,211
Due from other governments	-	-
Total assets	\$ 6,634,062	\$ 214,211
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 2,891	\$ 958
Wages and benefits payable	155,115	44,975
Deposits	263	-
Due to Board of County Commissioners	6,475,793	-
Due to other governments	-	168,278
Total liabilities	6,634,062	214,211
Fund balances		
Restricted	-	-
Total liabilities and fund balances	\$ 6,634,062	\$ 214,211

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

Other Governmental Funds	Total Governmental Funds
\$ 1,441,969	\$ 8,290,242
19,947	19,947
<hr/>	
\$ 1,461,916	\$ 8,310,189
<hr/> <hr/>	
\$ 1,212	\$ 5,061
13,375	213,465
-	263
-	6,475,793
-	168,278
<hr/>	
14,587	6,862,860
<hr/>	
1,447,329	1,447,329
<hr/>	
\$ 1,461,916	\$ 8,310,189
<hr/> <hr/>	

Walton County, Florida
Clerk of the Circuit Court

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

<i>For the year ended September 30, 2020</i>	General	Fine and Forfeiture
Revenues		
Charges for services	\$ 1,656,331	\$ 850,483
Fines and forfeitures	-	448,241
Intergovernmental	-	247,593
Investment earnings	23,894	4,653
Total revenues	1,680,225	1,550,970
Expenditures		
General government		
Personnel services	3,290,800	1,417,769
Operating	841,444	67,776
Capital outlay	32,014	-
Total expenditures	4,164,258	1,485,545
Excess of revenues over (under) expenditures	(2,484,033)	65,425
Other Financing Sources (Uses)		
Appropriations from Board of County Commissioners	3,487,533	-
Reversion		
Board of County Commissioners	(1,003,500)	-
Clerk of Courts Trust Fund	-	(59,774)
Justice Administrative Commission	-	(5,651)
Net other financing sources (uses)	2,484,033	(65,425)
Net change in fund balance	-	-
Fund balances, beginning	-	-
Fund balances, ending	\$ -	\$ -

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

Other Governmental Funds	Total Governmental Funds
\$ 116,427	\$ 2,623,241
-	448,241
494,315	741,908
-	28,547
<u>610,742</u>	<u>3,841,937</u>
457,454	5,166,023
135,843	1,045,063
-	32,014
<u>593,297</u>	<u>6,243,100</u>
<u>17,445</u>	<u>(2,401,163)</u>
-	3,487,533
-	(1,003,500)
-	(59,774)
-	(5,651)
<u>-</u>	<u>2,418,608</u>
17,445	17,445
<u>1,429,884</u>	<u>1,429,884</u>
<u>\$ 1,447,329</u>	<u>\$ 1,447,329</u>

Walton County, Florida
Clerk of the Circuit Court

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

<i>For the year ended September 30, 2020</i>	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 1,389,301	\$ 1,408,598	\$ 1,656,331	\$ 247,733
Investment earnings	16,750	16,750	23,894	7,144
Total revenues	1,406,051	1,425,348	1,680,225	254,877
Expenditures				
General government				
Administrative				
Personnel services	3,789,561	3,727,458	3,290,800	436,658
Operating	1,026,573	1,092,748	841,444	251,304
Capital outlay	77,450	92,675	32,014	60,661
Total expenditures	4,893,584	4,912,881	4,164,258	748,623
Excess of revenues over (under) expenditures	(3,487,533)	(3,487,533)	(2,484,033)	1,003,500
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	3,487,533	3,487,533	3,487,533	-
Reversion to Board of County Commissioners	-	-	(1,003,500)	(1,003,500)
Total other financing sources (uses)	3,487,533	3,487,533	2,484,033	(1,003,500)
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

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

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

<i>For the year ended September 30, 2020</i>	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 883,900	\$ 868,094	\$ 850,483	\$ (17,611)
Fines and forfeitures	410,300	380,300	448,241	67,941
Intergovernmental	393,742	237,134	247,593	10,459
Investment earnings	3,000	3,000	4,653	1,653
Total revenues	1,690,942	1,488,528	1,550,970	62,442
Expenditures				
General government				
Administrative				
Personnel services	1,607,215	1,419,945	1,417,769	2,176
Operating	83,727	68,583	67,776	807
Total expenditures	1,690,942	1,488,528	1,485,545	2,983
Excess of revenues over expenditures	-	-	65,425	65,425
Other Financing Sources (uses)				
Reversion				
Clerk of Courts Trust Fund	-	-	(59,774)	(59,774)
Justice Administrative Commission	-	-	(5,651)	(5,651)
Total other financing sources (uses)	-	-	(65,425)	(65,425)
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

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

**Walton County, Florida
Clerk of the Circuit Court
Statement of Net Position
Proprietary Funds**

<i>September 30, 2020</i>	Governmental Activities - Internal Service Funds
<hr/>	
Assets	
Cash and cash equivalents	\$ 976,758
<hr/>	
Liabilities	
Current liabilities:	
Accrued compensated absences	152,678
Non-current liabilities:	
Accrued compensated absences	824,080
<hr/>	
Total liabilities	976,758
<hr/>	
Net position	\$ -
<hr/> <hr/>	

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

Walton County, Florida
 Clerk of the Circuit Court
Statement of Revenues, Expenses And Changes in Net Position
Proprietary Funds

	Governmental Activities - Internal Service Funds
<i>For the year ended September 30, 2020</i>	
<hr/>	
Operating Revenues	
Charges for services	\$ 216,534
Operating Expenses	
Personnel services	216,534
<hr/>	
Change in net position	-
Net position, beginning	-
<hr/>	
Net position, ending	\$ -
<hr/> <hr/>	

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

**Walton County, Florida
Clerk of the Circuit Court
Statement of Cash Flows
Proprietary Funds**

	Governmental Activities - Internal Service Funds
<i>For the year ended September 30, 2020</i>	
Cash Flows from Operating Activities:	
Funding of compensated absences liability	\$ 216,534
Cash payments to employees for compensated absences	(116,798)
<hr/>	
Net increase in cash and cash equivalents	99,736
Cash and cash equivalents, beginning	877,022
<hr/>	
Cash and cash equivalents, ending	\$ 976,758
<hr/> <hr/>	
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities	
Change in net position	\$ -
Increase in liabilities:	
Compensated absences payable	99,736
<hr/>	
Net cash provided by operating activities	\$ 99,736
<hr/> <hr/>	

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

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

September 30, 2020

Agency Funds

Assets

Cash and cash equivalents	\$	4,049,336
Receivables, net		1,962

Total assets	\$	4,051,298
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Liabilities

Due to other governments	\$	1,141,742
Deposits		1,692,634
Due to individuals		1,216,922

Total liabilities	\$	4,051,298
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The accompanying notes are an integral part of these financial statements.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Walton County, Florida Clerk of the Circuit Court (the “Clerk”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Clerk are described below.

Reporting Entity

The Clerk is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes Chapter 7.66. The Clerk's financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the “County”) taken as a whole. Although the Clerk's office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to *GASB Codifications of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*, the Clerk's financial statements are combined with those of the Board and other elected officials into the reporting entity of the County.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that, generally,

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 an other financing source. At year-end, excess revenue and other financial sources over expenditures are remitted to the Board and reported as reversion to the Board of County Commissioners.

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for property taxes and ninety days for all other revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, if measurable, except for accumulated sick and vacation compensation which is expensed when paid.

The Proprietary fund (the internal service fund) is reported using the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund’s principal ongoing operations. The principle operating revenues of the Clerk’s internal service fund are charges to funds related to the Clerk’s compensated absences activity. Operating expenses for the internal service fund include recognition of changes in the compensated absences liabilities. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Fiduciary fund (agency fund) statements are prepared using the economic resource measurement focus and the accrual basis of accounting.

Fund Financial Statements

The Clerk’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

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.

The following nonmajor governmental funds are reported:

Court Technology – A special revenue fund that accounts for an additional service charge for each recorded instrument reserved for the technology needs of the court system within the Clerk's office.

Title IV-d – A special revenue fund that receives federal reimbursement for expenses related to the Title IV-d child support cases.

Record Modernization – A special revenue fund that accounts for an additional service charge for each recorded instrument. These funds are to be used exclusively for improvements to the 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.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Assets, Liabilities and Net Position or Equity

Cash and Cash equivalents

The Clerks' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore, no amount has been reported.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (continued)

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.

Categories and Classification of Fund Equity

Net position flow assumption – The Clerk funds outlays from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Clerk's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – The Clerk funds outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Clerk' policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further,

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Categories and Classification of Fund Equity (continued)

when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Clerk itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Clerk's highest level of decision-making authority. The Clerk is the highest level of decision-making authority. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Clerk for specific purposes but do not meet the criteria to be classified as committed. The Clerk can authorize the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 8, 2021 and determined there were no events that occurred that required disclosure.

Impact of Recently Issued Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Clerk's financial statements.

Pronouncements Issued But Not yet Effective

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

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

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

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

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

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB 96 (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash, Cash Equivalents, and Investments

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. Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Custodial Credit Risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the Clerk places its deposits are certified as “qualified public depositories,” as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the Clerk will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Cash, Cash Equivalents, and Investments (continued)

Credit and Interest Rate Risk - The Clerk adheres to the investment policy adopted by the Board, thereby limiting its exposure to both credit and interest rate risk as noted below. Concentration of credit risk is the risk of loss attributable to the quantity of the Clerk's investments in a single issuer. The entire amount of the Clerk's demand deposits are held in a public fund net interest bearing checking account, paying interest at the current federal funds rate less (5) basis points, with no reserve requirements. This arrangement increases the liquidity of the Clerk's deposits and eliminates the fees paid on sweep accounts. Balances in the account are fully collateralized in compliance with applicable State statutes.

Due From Other Governments

The Clerk is due receivables from various other government sources, all of which are deemed collectible within 60 days of year-end.

Source	Other Governmental Funds	Total
Other governments	\$ 19,947	\$ 19,947

Capital Assets

Capital asset activity for the fiscal year is as follows:

	Balance 10/1/19	Additions	Deletions	Balance 9/30/20
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 1,886,082	\$ 29,129	\$ -	\$ 1,915,211
Less accumulated depreciation	(1,637,265)	(136,871)	-	(1,774,136)
 Total governmental activities				
Capital assets, net	\$ 248,817	\$ (107,742)	\$ -	\$ 141,075

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	\$ 136,871
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**Walton County, Florida
Clerk of the Circuit Court
Notes to Financial Statements**

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long Term Debt and Liabilities

The following is a summary of changes in long-term debt during the year ended September 30, 2020:

	Compensated Absences
Balance – October 1, 2019	\$ 877,022
Additions	237,496
Deletions	(137,760)
Balance – September 30, 2020	976,758
Less current portion	152,678
<u>Long-term balance</u>	<u>\$ 824,080</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.

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. \$1,003,500 of excess revenues over expenditures was returned to the Board by October 31, 2020 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 30th 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, 2020, excess court revenues did not exceed 1/12 of revenue projections in the amount of \$16,924 and therefore no funds were remitted back to the Clerk of Courts Trust Fund. Excess court fund revenues from September 2020 were retained by the Clerk to fund October 2020 court operations in the amount of \$102,254.

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Fund Balance

At September 30, 2020, fund balance is comprised of the following:

Restricted Fund Balance

Record Modernization – Court Innovations	\$ 324,258
Court Technology – Court Technology	792,779
Title IV-d – Child Support Enforcement	330,292
<hr/>	
Total restricted fund balance	<u>\$ 1,447,329</u>

Note 3: 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.

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

Note 3: RETIREMENT PLAN (Continued)

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 – 16.98%, regular employees – 10.00%, senior management – 27.29% and elected officials – 49.18%. 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, 2020, total payroll for the Clerk's employees covered by the System was \$4,623,129 and total payroll was \$4,654,229. The Clerk's contributions to the plan for the years ended September 30, 2020, 2019, and 2018 were \$667,895, \$488,261, and \$451,218 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.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Clerk are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another Postemployment 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 5: 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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Court Technology – Accounts for additional service charge for each recorded instrument reserved for the technology needs of the court system within the Clerk’s General Fund activities.

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**

<i>September 30, 2020</i>	Court Technology	Title IV-d Fund	Modernization Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 803,461	\$ 313,977	\$ 324,531	\$ 1,441,969
Due from other governments	-	19,947	-	19,947
Total assets	\$ 803,461	\$ 333,924	\$ 324,531	\$ 1,461,916
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 939	\$ -	\$ 273	\$ 1,212
Wages and benefits payable	9,743	3,632	-	13,375
Total liabilities	10,682	3,632	273	14,587
Fund balances				
Restricted	792,779	330,292	324,258	1,447,329
Total liabilities and fund balances	\$ 803,461	\$ 333,924	\$ 324,531	\$ 1,461,916

Walton County, Florida
Clerk of the Circuit Court

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

<i>For the year ended September 30, 2020</i>	Court Technology	Title IV-d Fund	Record Modernization Fund	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental	\$ 362,708	\$ 131,607	\$ -	\$ 494,315
Charges for services	-	-	116,427	116,427
Total revenues	362,708	131,607	116,427	610,742
Expenditures				
Current:				
General government				
Personnel services	294,220	163,234	-	457,454
Operating	62,361	30,816	42,666	135,843
Total expenditures	356,581	194,050	42,666	593,297
Excess of revenues over (under) expenditures	6,127	(62,443)	73,761	17,445
Fund balances, beginning	786,652	392,735	250,497	1,429,884
Fund balances, ending	\$ 792,779	\$ 330,292	\$ 324,258	\$ 1,447,329

Walton County, Florida
Clerk of the Circuit Court
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Court Technology Fund

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for services	\$ 250,000	\$ 250,000	\$ 362,708	\$ 112,708
Expenditures				
General government				
Administrative				
Personnel services	313,803	302,614	294,220	8,394
Operating	61,425	72,614	62,361	10,253
Total expenditures	375,228	375,228	356,581	18,647
Net change in fund balance	(125,228)	(125,228)	6,127	131,355
Fund balance, beginning	786,652	786,652	786,652	-
Fund balance, ending	\$ 661,424	\$ 661,424	\$ 792,779	\$ 131,355

Walton County, Florida
Clerk of the Circuit Court
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Title IV-d

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	\$ 216,000	\$ 216,000	\$ 131,607	\$ (84,393)
Expenditures				
General government				
Administrative				
Personnel services	278,628	247,985	163,234	84,751
Operating	300	30,943	30,816	127
Total expenditures	278,928	278,928	194,050	84,878
Net change in fund balance	(62,928)	(62,928)	(62,443)	485
Fund balance, beginning	392,735	392,735	392,735	-
Fund balance, ending	\$ 329,807	\$ 329,807	\$ 330,292	\$ 485

Walton County, Florida
Clerk of the Circuit Court
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Record Modernization

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for services	\$ 77,000	\$ 77,000	\$ 116,427	\$ 39,427
Expenditures				
General government				
Administrative				
Operating	77,000	77,000	42,666	34,334
Net change in fund balance	-	-	73,761	73,761
Fund balance, beginning	250,497	250,497	250,497	-
Fund balance, ending	\$ 250,497	\$ 250,497	\$ 324,258	\$ 73,761



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

<i>September 30, 2020</i>	General Agency	Juror and Witness	Registry of Court
Assets			
Cash and cash equivalents	\$ 2,195,527	\$ 17,443	\$ 614,639
Receivables, net	1,962	-	-
Total assets	\$ 2,197,489	\$ 17,443	\$ 614,639
Liabilities			
Due to other governments	\$ 1,112,804	\$ 17,443	\$ 6,138
Deposits	1,084,133	-	608,501
Due to individuals	552	-	-
Total liabilities	\$ 2,197,489	\$ 17,443	\$ 614,639

Child Support	Appearance Bonds	Tax Redemption	Total
\$ 235	\$ 343,345	\$ 878,147	\$ 4,049,336
-	-	-	1,962
\$ 235	\$ 343,345	\$ 878,147	\$ 4,051,298
\$ 235	\$ 5,122	\$ -	\$ 1,141,742
-	-	-	1,692,634
-	338,223	878,147	1,216,922
\$ 235	\$ 343,345	\$ 878,147	\$ 4,051,298

Walton County, Florida
Clerk of the Circuit Court
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds

<i>For the year ended September 30, 2020</i>	Balance 10/01/19	Additions	Deductions	Balance 9/30/20
General Agency				
Assets				
Cash and cash equivalents	\$ 1,010,493	\$ 53,618,407	\$ 52,433,373	\$ 2,195,527
Receivables, net	2,279	3,775	4,092	1,962
Total assets	\$ 1,012,772	\$ 53,622,182	\$ 52,437,465	\$ 2,197,489
Liabilities				
Due to other governments	\$ 5,160	\$ 52,346,494	\$ 51,238,850	\$ 1,112,804
Deposits	1,004,171	1,102,264	1,022,302	1,084,133
Due to individuals	3,441	173,424	176,313	552
Total liabilities	\$ 1,012,772	\$ 53,622,182	\$ 52,437,465	\$ 2,197,489
Juror and Witness				
Assets				
Cash and cash equivalents	\$ 14,888	\$ 8,187	\$ 5,632	\$ 17,443
Liabilities				
Due to other governments	\$ 14,888	\$ 8,187	\$ 5,632	\$ 17,443
Registry of Court				
Assets				
Cash and cash equivalents	\$ 736,473	\$ 5,190,215	\$ 5,312,049	\$ 614,639
Liabilities				
Due to other governments	\$ -	\$ 6,138	\$ -	\$ 6,138
Deposits	736,473	5,184,077	5,312,049	608,501
Total liabilities	\$ 736,473	\$ 5,190,215	\$ 5,312,049	\$ 614,639
Child Support				
Assets				
Cash and cash equivalents	\$ 209	\$ 72,486	\$ 72,460	\$ 235
Liabilities				
Due to other governments	\$ 209	\$ 72,486	\$ 72,460	\$ 235

-Continued-

Walton County, Florida
Clerk of the Circuit Court

Combining Statement of Changes in Fiduciary Assets and Liabilities - Continued
Agency Funds

<i>For the year ended September 30, 2020</i>	Balance 10/01/19	Additions	Deductions	Balance 9/30/20
Appearance Bonds				
Assets				
Cash and cash equivalents	\$ 243,715	\$ 489,908	\$ 390,278	\$ 343,345
Liabilities				
Due to other governments	\$ 8,612	\$ 8,421	\$ 11,911	\$ 5,122
Due to individuals	235,103	481,487	378,367	338,223
Total liabilities	\$ 243,715	\$ 489,908	\$ 390,278	\$ 343,345
Tax Redemption				
Assets				
Cash and cash equivalents	\$ 724,896	\$ 715,798	\$ 562,547	\$ 878,147
Liabilities				
Due to other governments	\$ 1,616	\$ 8,680	\$ 10,296	\$ -
Due to individuals	723,280	707,118	552,251	878,147
Total liabilities	\$ 724,896	\$ 715,798	\$ 562,547	\$ 878,147
Total Agency Funds				
Assets				
Cash and cash equivalents	\$ 2,730,674	\$ 60,095,001	\$ 58,776,339	\$ 4,049,336
Receivables, net	2,279	3,775	4,092	1,962
Total assets	\$ 2,732,953	\$ 60,098,776	\$ 58,780,431	\$ 4,051,298
Liabilities				
Due to other governments	\$ 30,485	\$ 52,450,406	\$ 51,339,149	\$ 1,141,742
Deposits	1,740,644	6,286,341	6,334,351	1,692,634
Due to individuals	961,824	1,362,029	1,106,931	1,216,922
Total liabilities	\$ 2,732,953	\$ 60,098,776	\$ 58,780,431	\$ 4,051,298

**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, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated March 8, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

Enterprise, Alabama

March 8, 2021

**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, 2020. 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, 2020.

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 8, 2021



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, 2020. 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, 2020.

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 8, 2021



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, 2020. 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, 2020.

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 8, 2021

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, 2020, and have issued our report thereon dated March 8, 2021.

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 March 8, 2021, 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
March 8, 2021

**Property Appraiser
Walton County, Florida**

Financial Statements

September 30, 2020

**Walton County, Florida
Property Appraiser
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INDEPENDENT AUDITORS' REPORT

Honorable Gary J. Gregor
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, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

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, 2020, 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, 2020, 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 March 8, 2021 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
March 8, 2021

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

<i>September 30, 2020</i>	General Fund
Assets	
Cash and cash equivalents	\$ 369,420
Liabilities and Fund Balance	
Liabilities	
Due to Board of County Commissioners	\$ 288,839
Due to other governments	37,869
Wages and benefits payable	42,712
Total liabilities	369,420
Fund balance	-
Total liabilities and fund balance	\$ 369,420

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

Walton County, Florida
Property Appraiser

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds

<i>For the year ended September 30, 2020</i>	General Fund
Revenues	
Intergovernmental	\$ 245,285
Miscellaneous	110
<hr/>	
Total revenues	245,395
<hr/>	
Expenditures	
General government	
Personnel services	1,582,538
Operating	173,283
Capital outlay	34,009
<hr/>	
Total expenditures	1,789,830
<hr/>	
Excess revenues over (under) expenditures	(1,544,435)
<hr/>	
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	1,871,143
Reversion to Board of County Commissioners	(288,839)
Return of excess fees to other taxing authorities	(37,869)
<hr/>	
Total other financing sources (uses)	1,544,435
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance - beginning	-
<hr/>	
Fund balance - ending	\$ -
<hr/> <hr/>	

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

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

<i>For the year ended September 30, 2020</i>	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$ 245,285	\$ 245,285	\$ 245,285	\$ -
Miscellaneous	-	-	110	110
Total revenues	245,285	245,285	245,395	110
Expenditures				
General government				
Personnel services	1,841,473	1,892,166	1,582,538	309,628
Operating	192,966	192,966	173,283	19,683
Capital outlay	28,000	28,000	34,009	(6,009)
Non-operating	53,989	3,296	-	3,296
Total expenditures	2,116,428	2,116,428	1,789,830	326,598
Excess revenues over (under) expenditures	(1,871,143)	(1,871,143)	(1,544,435)	326,708
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	1,871,143	1,871,143	1,871,143	-
Reversion to Board of County Commissioners	-	-	(288,839)	(288,839)
Return of excess fees to other taxing authorities	-	-	(37,869)	(37,869)
Total other financing sources (uses)	1,871,143	1,871,143	1,544,435	(326,708)
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

Walton County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Walton County, Florida Property Appraiser (the “Property Appraiser”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Property Appraiser are described below.

Reporting Entity

The Property Appraiser is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes chapter 7.66. The Property Appraiser’s financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the “County”) taken as a whole. Although the Property Appraiser’s office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600*, the Property Appraisers’ financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of the County.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Property Appraiser considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally,

Walton County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

Fund Financial Statements

The Property Appraiser’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Property Appraiser has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s county-wide financial statements.

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

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.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes Chapter 195.087 details the preparation, adoption and administration of the Property Appraiser’s annual budget. On or before June 1 of each year, the Property Appraiser shall certify to the Department of Revenue (the “Department”) a proposed budget. The Department has until August 15 to approve or modify the budget. The Board has until September 30 to approve a final budget during hearings held pursuant to Florida Statute 200.065. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Property Appraiser. 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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

Capital Assets

Capital assets are recorded as expenditures at the time acquired and if donated, acquisition value at 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.

The Property Appraiser did not report any land, buildings or improvements. For tangible personal property, depreciation has been provided using the straight-line method over the asset's estimated useful lives:

Capital Asset Classes	Lives
Machinery and equipment	5-20
Vehicles	2-10

Walton County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

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, 2019	\$	105,095
Additions		137,155
Deletions		122,005
<hr/>		
Balance at September 30, 2020		120,245
Less: current portion		12,025
<hr/>		
Long-term balance	\$	<u>108,220</u>

Categories and Classification of Fund Equity

Fund balance flow assumptions – The Property Appraiser funds outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Property Appraiser’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Property Appraiser itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Walton County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Categories and Classification of Fund Equity (continued)

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Property Appraiser's highest level of decision-making authority. The Property Appraiser is the highest level of decision-making authority. Once adopted, the limitation imposed by the formal action remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Property Appraiser for specific purposes but do not meet the criteria to be classified as committed. The Property Appraiser can authorize the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 8, 2021 and determined there were no events that occurred that required disclosure.

Walton County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Property Appraiser financial statements.

Pronouncements Issued But Not yet Effective

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

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

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

Walton County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

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

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

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs

Walton County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

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

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

Walton County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

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

Note 2: DETAILED NOTES TO GENERAL FUND

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

Walton County, Florida
Property Appraiser
Notes to Financial Statements

Note 2: DETAILED NOTES TO GENERAL FUND (Continued)

Capital Assets

Capital asset activity for the fiscal year is as follows:

	Balance 10/01/19	Additions	Deletions	Balance 09/30/20
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 293,055	\$ 26,267	\$ -	\$ 319,322
Less: accumulated depreciation	224,138	24,730	-	248,868
<hr/>				
Total governmental activities				
Capital assets, net	\$ 68,917	\$ 1,537	\$ -	\$ 70,454

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:

<u>General government</u>	<u>\$ 24,730</u>
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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 3: RETIREMENT PLAN

The Property Appraiser and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Property Appraiser's employees are not determinable.

Walton County, Florida
Property Appraiser
Notes to Financial Statements

Note 3: RETIREMENT PLAN (Continued)

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 – 10.00%, DROP Program – 16.98% and senior management – 27.29%. 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 \$1,314,452 for the year ended September 30, 2020. The Property Appraiser's total payroll was \$1,339,066 for the same period. The Property Appraiser's contributions to the plan for the years ended September 30, 2020, 2019, and 2018 were \$151,637, \$147,773, and \$172,669, respectively and were paid by the due date for the contribution. The Property Appraiser has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

Walton County, Florida
Property Appraiser
Notes to Financial Statements

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

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

Note 5: 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.

**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 Gary J. Gregor
Property Appraiser
Walton County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Walton County, Florida Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, and have issued our report thereon dated March 8, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

Enterprise, Alabama

March 8, 2021

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Gary J. Gregor
Property Appraiser
Walton County, Florida

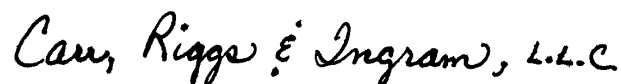
We have examined the Walton County, Florida Property Appraiser's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* during the year ended September 30, 2020. Management of the Property Appraiser is responsible for the 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, 2020.

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.

Enterprise, Alabama
March 8, 2021



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MANAGEMENT LETTER

Honorable Gary J. Gregor
Property Appraiser
Walton County, Florida

Report on the Financial Statements

We have audited the financial statements of the Walton County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 8, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and 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 March 8, 2021, 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
March 8, 2021

Tax Collector
Walton County, Florida

Financial Statements

Year Ended September 30, 2020

Walton County, Florida
Tax Collector
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September 30, 2020

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INDEPENDENT AUDITORS' REPORT

Honorable Rhonda Skipper
Tax Collector
Walton County, Florida

Report on Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

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, 2020, 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, 2020, 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 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 March 8, 2021 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
March 8, 2021

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

<i>September 30, 2020</i>	General Fund
Assets	
Cash and cash equivalents	\$ 1,725,454
Due from individuals	266,378
<hr/>	
Total assets	\$ 1,991,832
<hr/> <hr/>	
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 11,747
Wages and benefits payable	80,457
Due to Board of County Commissioners	1,714,970
Due to other governments	184,658
<hr/>	
Total liabilities	1,991,832
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 1,991,832
<hr/> <hr/>	

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

Walton County, Florida
Tax Collector

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds

For the year ended September 30, 2020

General Fund

Revenues

Charges for services	\$	5,137,179
----------------------	----	-----------

Expenditures

General government		
Personnel services	2,581,072	
Operating	579,832	
Capital outlay	85,197	
Debt service		
Principal	10,241	
Interest	727	

Total expenditures		3,257,069
--------------------	--	-----------

Excess revenues over expenditures		1,880,110
-----------------------------------	--	-----------

Other Financing Sources (Uses)

Lease proceeds		19,519
Return of excess fees to other taxing authorities	(184,659)	
Reversion to Board of County Commissioners	(1,714,970)	

Total other financing sources (uses)		(1,880,110)
--------------------------------------	--	-------------

Net change in fund balance		-
----------------------------	--	---

Fund balance - beginning		-
--------------------------	--	---

Fund balance - ending	\$	-
-----------------------	----	---

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

Walton County, Florida
Tax Collector

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

<i>For the year ended September 30, 2020</i>	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 3,265,422	\$ 3,317,204	\$ 5,137,179	\$ 1,819,975
Expenditures				
General government				
Personnel services	2,617,072	2,653,554	2,581,072	72,482
Operating	594,350	594,350	579,832	14,518
Capital outlay	54,000	69,300	85,197	(15,897)
Debt service				
Principal	-	-	10,241	(10,241)
Interest	-	-	727	(727)
Total expenditures	3,265,422	3,317,204	3,257,069	60,135
Excess revenues over expenditures	-	-	1,880,110	1,880,110
Other Financing Sources (Uses)				
Proceeds from issuance of capital lease	-	-	19,519	19,519
Return of excess fees to other taxing authorities	-	-	(184,659)	(184,659)
Reversion to Board of County Commissioners	-	-	(1,714,970)	(1,714,970)
Total other financing sources (uses)	-	-	(1,880,110)	(1,880,110)
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

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

September 30, 2020

Agency Funds

Assets

Cash	\$ 1,699,357
------	--------------

Liabilities

Due to other governments	\$ 572,478
--------------------------	------------

Deposits	1,126,879
----------	-----------

Total liabilities	\$ 1,699,357
-------------------	--------------

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

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Walton County, Florida Tax Collector (the "Tax Collector") have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Tax Collector are described below.

Reporting Entity

The Tax Collector is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes chapter 7.66. The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the "County") taken as a whole. Although the Tax Collector's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to *GASB Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*, the Tax Collector's financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of the County.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Tax Collector considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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.

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fiduciary fund (agency fund) statements are prepared using the economic resource measurement focus and the accrual basis of accounting.

Fund Financial Statements

The Tax Collector’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s 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.

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.

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Requirements (continued)

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.

Assets, Liabilities, and Net Position or Equity

Cash and Cash equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

Capital Assets

Capital assets are recorded as expenditures at the time acquired, and if donated, acquisition value at 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 2 for detailed capital lease activity.

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

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 for non-exempt employees, and 480 hours for Exempt employees. There is no limitation on the amount of sick leave accumulation. However, upon separation from employment, all accumulated sick leave up to 240 hours (480 hours for exempt employees), regardless of length of employment, and all accumulated annual leave up to 240 hours (480 hours for exempt employees), pending one full year of employment, will be paid provided one of the following conditions are met:

- Resignation of position, with notice and in good standing
- Elimination of position due to staff cutbacks and layoffs
- Retirement
- Death

Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Tax Collector are the obligation of the County and are reported at the county-wide level.

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 Tax Collector's accrued compensated absences to be reported at the county-wide level is \$384,911.

Categories and Classification of Fund Equity

Fund balance flow assumptions – The Tax Collector funds outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Tax Collector's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Tax Collector itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Categories and Classification of Fund Equity (continued)

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Tax Collector’s highest level of decision-making authority. The Tax Collector is the highest level of decision-making authority. Once adopted, the limitation imposed by the formal action remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Tax Collector for specific purposes but do not meet the criteria to be classified as committed. The Tax Collector can authorize the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 8, 2021 and determined there were no events that occurred that required disclosure.

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Tax Collector's financial statements.

Pronouncements Issued But Not yet Effective

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

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

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

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument’s variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

of whether the occurrence of a hedged expected transaction is probably, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

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

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

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital asset activity for the fiscal year is as follows:

	Balance 10/1/19	Additions	Deletions	Balance 9/30/20
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 664,049	\$ 65,968	\$ (22,029)	\$ 707,988
Less: accumulated depreciation	(565,426)	(32,138)	22,029	(575,535)
Total governmental activities capital assets, net	\$ 98,623	\$ 33,830	\$ -	\$ 132,453

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	\$ 32,138
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Long- Term Debt

The following is a summary of changes in long-term debt:

	Balance 9/30/19	Additions	Deletions	Balance 9/30/20	Due in One year
Capital leases	\$ 30,416	\$ 19,519	\$ 10,241	\$ 39,694	\$ 10,889
Compensated absences	361,635	148,578	125,302	384,911	38,491
Total	\$ 392,051	\$ 168,097	\$ 135,543	\$ 424,605	\$ 49,380

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.

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Leases (continued)

The following is an analysis of the property under capital lease at September 30, 2020:

	Capital Assets
Machinery and equipment	\$ 50,234
Less: accumulated depreciation	(13,027)
Net leased property	\$ 37,207

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020 are as follows:

For the fiscal year ended September 30,

		\$	
2021			11,491
2022			11,068
2023			10,619
2024			6,200
2025			1,663
Total minimum lease payments			41,041
Less: amount representing interest			1,347
Present value of future minimum lease payments		\$	39,694

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, 2020 as required by Florida Statutes and are accrued and reported as other financing uses at September 30, 2020. For fiscal year 2020, \$1,899,629 of excess fees was remitted to various taxing authorities.

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 3: RETIREMENT PLAN

The Tax Collector and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Tax Collector's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by State law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. 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 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: regular employees – 10.00%, DROP Program – 16.98%, senior management – 27.29% and elected officials – 49.18%. 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 \$1,957,392 for the year ended September 30, 2020. The Tax Collector's total payroll was \$2,075,642 for the same period. The Tax Collector's contributions to the plan for the years ended September 30, 2020, 2019, and 2018 were \$318,064, \$277,625, and \$244,415, 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.

Walton County, Florida
Tax Collector
Notes to Financial Statements

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

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

Note 5: 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 contingencies have been made in these financial statements.

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

<i>September 30, 2020</i>	License	Tag	Tax	Total
Assets				
Cash	\$ 6,514	\$ 509,041	\$ 1,183,802	\$ 1,699,357
Liabilities				
Due to other governments	\$ 6,514	\$ 509,041	\$ 56,923	\$ 572,478
Deposits	-	-	1,126,879	1,126,879
Total liabilities	\$ 6,514	\$ 509,041	\$ 1,183,802	\$ 1,699,357

Walton County, Florida
Tax Collector

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds

<i>For the year ended September 30, 2020</i>	Balance 10/1/19	Additions	Deductions	Balance 9/30/20
License				
Assets				
Cash	\$ 5,305	\$ 178,537	\$ 177,328	\$ 6,514
Liabilities				
Due to other governments	\$ 5,305	\$ 290,589	\$ 289,380	\$ 6,514
Tag				
Assets				
Cash	\$ 374,262	\$ 12,688,323	\$ 12,553,544	\$ 509,041
Liabilities				
Due to other governments	\$ 374,262	\$ 13,452,485	\$ 13,317,706	\$ 509,041
Tax				
Assets				
Cash	\$ 1,001,638	\$ 217,221,266	\$ 217,039,102	\$ 1,183,802
Liabilities				
Due to other governments	\$ 74,863	\$ 217,859,664	\$ 217,877,604	\$ 56,923
Deposits	926,775	16,263,781	16,063,677	1,126,879
Total liabilities	\$ 1,001,638	\$ 234,123,445	\$ 233,941,281	\$ 1,183,802
Total All Agency Funds				
Assets				
Cash	\$ 1,381,205	\$ 230,088,126	\$ 229,769,974	\$ 1,699,357
Liabilities				
Due to other governments	\$ 454,430	\$ 231,602,738	\$ 231,484,690	572,478
Deposits	926,775	16,263,781	16,063,677	1,126,879
Total liabilities	\$ 1,381,205	\$ 247,866,519	\$ 247,548,367	\$ 1,699,357

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 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, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated March 8, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

CARR, RIGGS & INGRAM, LLC

Enterprise, Alabama

March 8, 2021

**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, 2020. 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, 2020.

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 8, 2021

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, 2020, and have issued our report thereon dated March 8, 2021.

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, which are dated March 8, 2021, 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
March 8, 2021

**Supervisor of Elections
Walton County, Florida**

Financial Statements

September 30, 2020

**Walton County, Florida
Supervisor of Elections
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September 30, 2020**

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INDEPENDENT AUDITORS' REPORT

Honorable Robert Beasley
Supervisor of Elections
Walton County, Florida

Report on Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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, 2020, 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 major 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, 2020, 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 March 8, 2021, 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
March 8, 2021

**Walton County, Florida
Supervisor of Elections
Balance Sheet
Governmental Funds**

<i>September 30, 2020</i>	General Fund
Assets	
Cash and cash equivalents	\$ 142,621
Due from other governments	10,000
<hr/>	
Total assets	\$ 152,621
<hr/>	
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 77,983
Due to Board of County Commissioners	2,987
Wages and benefits payable	15,603
Unearned revenue	56,048
<hr/>	
Total liabilities	152,621
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 152,621
<hr/>	

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

Walton County, Florida
Supervisor of Elections

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds

<i>For the year ended September 30, 2020</i>	General Fund
Revenues	
Intergovernmental	\$ 136,351
Miscellaneous revenues	10,000
<hr/>	
Total revenues	146,351
<hr/>	
Expenditures	
General government	
Personnel services	605,206
Operating	347,711
Capital outlay	88,458
<hr/>	
Total expenditures	1,041,375
<hr/>	
Excess revenues over (under) expenditures	(895,024)
<hr/>	
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	897,203
Reversion to Board of County Commissioners	(2,179)
<hr/>	
Net other financing sources (uses)	895,024
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance, beginning	-
<hr/>	
Fund balance, ending	\$ -
<hr/> <hr/>	

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

Walton County, Florida
Supervisor of Elections

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

<i>For the year ended September 30, 2020</i>	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$ 8,550	\$ 200,949	\$ 136,351	\$ (64,598)
Miscellaneous revenues	1,900	11,900	10,000	(1,900)
Total revenues	10,450	212,849	146,351	(66,498)
Expenditures				
General government				
Personnel services	631,478	634,812	605,206	29,606
Operating	212,130	384,098	347,711	36,387
Capital outlay	74,045	91,142	88,458	2,684
Total expenditures	917,653	1,110,052	1,041,375	68,677
Excess (deficiency) of revenues over (under) expenditures	(907,203)	(897,203)	(895,024)	2,179
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	897,203	897,203	897,203	-
Reversion to Board of County Commissioners	-	-	(2,179)	(2,179)
Net other financing sources (uses)	897,203	897,203	895,024	(2,179)
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

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

**Walton County, Florida
Supervisor of Elections
Statement of Net Position
Proprietary Funds**

	Governmental Activities
<i>September 30, 2020</i>	Internal Service Fund
Assets	
Cash and cash equivalents	\$ 59,147
Liabilities	
Current liabilities	
Accrued compensated absences	8,872
Non-current liabilities	
Accrued compensated absences	50,275
Total liabilities	59,147
Net position	\$ -

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

Walton County, Florida
Supervisor of Elections
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds

		Governmental Activities
<i>For the year ended September 30, 2020</i>		Internal Service Fund
Operating Revenues		
Charges for services	\$	14,177
Operating Expenses		
Personnel services		14,177
Net change in net position		-
Net position, beginning		-
Net position, ending	\$	-

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

**Walton County, Florida
Supervisor of Elections
Statement of Cash Flows
Proprietary Funds**

	Governmental Activities
<i>For the year ended September 30, 2020</i>	Internal Service Fund
Cash Flows from Operating Activities	
Cash received from funding of compensated absences liability	\$ 14,177
Cash payments on compensated absences liability	(4,468)
<hr/>	
Net increase (decrease) in cash and cash equivalents	9,709
Cash and cash equivalents, beginning	49,438
<hr/>	
Cash and cash equivalents, ending	\$ 59,147
<hr/>	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Change in net position	\$ -
Increase in liabilities:	
Compensated absences payable	9,709
<hr/>	
Net cash provided by operating activities	\$ 9,709
<hr/>	

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

Walton County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Walton County, Florida Supervisor of Elections (the “Supervisor of Elections”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Supervisor of Elections are described below.

Reporting Entity

The Supervisor of Elections is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes chapter 7.66. 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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Supervisor of Elections considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Walton County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The proprietary fund (internal service fund) is reported using the *economic resources measurement* focus and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities. 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.

The operations of the Supervisor of Elections are funded by the Board of County Commissioners and appropriations from the Board are reported as other financing source. At year-end, excess revenue and other financing sources over expenditures are remitted to the Board and reported as reversion to Board of County Commissioners.

Fund Financial Statements

The Supervisor of Elections’ financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Supervisor of Elections has not presented reconciliations to the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

The Supervisor of Elections reports the following major governmental fund:

General Fund – The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Supervisor of Elections that are not required either legally or by GAAP to be accounted for in another fund.

Walton County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

The Supervisor of Elections reports the following proprietary fund type.

Internal Service Fund – The Internal Service fund (a proprietary fund) is used to report funded and accrued compensated absences.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes Chapter 129.201 and 129.03 details the preparation, adoption and administration of the Supervisor of Elections' annual budget. By June 1 of each year, the Supervisor of Elections shall 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.

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

Capital Assets

Capital assets are recorded as expenditures at the time 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.

Walton County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Capital Assets (continued)

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.

The Supervisor of Elections did not report any land, buildings or improvements. For tangible personal property, depreciation has been provided using the straight-line method over the asset's estimated useful lives:

Capital Asset Classes	Lives
Machinery and equipment	5-20

Unearned Revenue

Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

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 from employment. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Liabilities and expenses for compensated absences are recorded in the accrued compensation fund.

The following is a schedule of changes in compensated absences:

Balance at October 1, 2019	\$ 49,438
Additions	14,177
Deletions	4,468
Balance at September 30, 2020	59,147
Less: current portion	8,872
Long-term balance	\$ 50,275

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Categories and Classification of Fund Equity

Net position flow assumption – The Supervisor of Elections funds outlays from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Supervisor of Elections’ policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – The Supervisor of Elections funds outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Supervisor of Elections’ policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Supervisor of Elections itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Supervisor of Elections’ highest level of decision-making authority. The Supervisor of Elections is the highest level of decision-making authority. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken to remove or revise the limitation.

Walton County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Categories and Classification of Fund Equity (continued)

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Supervisor of Elections for specific purposes but do not meet the criteria to be classified as committed. The Supervisor of Elections can authorize the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 8, 2021, and determined there were no events that occurred that required disclosure.

Impact of Recently Issued Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Supervisor of Elections financial statements.

Pronouncements Issued But Not yet Effective

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

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

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

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Walton County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

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

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

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

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in

Walton County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

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

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash, Cash Equivalents and Investments

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

The Supervisor of Elections adheres to the investment policy adopted by the Board, thereby limiting its exposure to both credit and interest rate risk as noted below. The investment program is established in accordance with the Supervisor of Elections' investment policy, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the Supervisor to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Sections 280, Florida Statutes.

Interest rate risk - Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Board's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements.

Credit risk - Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. Concentration of credit risk is the risk of loss attributable to the quantity of the Supervisor of Elections' investments in a single issuer. The Supervisor of Elections' deposits are held in a public funds net interest bearing checking account, paying interest at the current federal funds rate less five (5) basis points with no reserve requirements. Balances in the account are fully collateralized in compliance with applicable State statutes.

Walton County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2020:

	Balance 10/01/19	Additions	Deletions	Balance 09/30/20
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery, equipment, and improvements	\$ 492,948	\$ 88,459	\$ -	\$ 581,407
Less: accumulated depreciation	(433,450)	(62,128)	-	(495,578)
<hr/>				
Total governmental activities capital assets, net	\$ 59,498	\$ 26,331	\$ -	\$ 85,829

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 county-wide financial statements.

Depreciation expense to be reported by the County was charged to the functions of the government as follows:

General government	\$ 62,128
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Long-Term Debt and Liabilities

Compensated Absences

The accrued compensation 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.

The following is a summary of changes in long-term debt:

	Balance 09/30/19	Additions	Deletions	Balance 09/30/20	Due in One Year
Compensated absences	\$ 49,438	\$ 14,177	\$ 4,468	\$ 59,147	\$ 8,872

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 \$13,221 for the year ended September 30, 2020.

Walton County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Operating Leases (continued)

Future minimum lease payments under non-cancelable operating leases with initial or remaining terms of one year or more are as follows:

<u>2021</u>	<u>\$</u>	<u>8,558</u>
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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, 2020 as required by Florida Statutes. Total excess fees transferred to the Board for the year ended September 30, 2020 totaled \$2,179.

Note 3: RETIREMENT PLAN

Description of 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.

Walton County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 3: RETIREMENT PLAN (Continued)

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 \$376,859 for the year ended September 30, 2020. The Supervisor of Elections' total payroll was \$455,624 for the same period. The Supervisor of Elections' contributions to the plan for the years ended September 30, 2020, 2019, and 2018 were \$97,515, \$92,762, and \$82,913, 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.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in 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 postemployment benefit (OPEB) liability on the statement of net position. These amounts, if any, are recorded in the County's government-wide financial statements.

Note 5: COMMITMENTS AND CONTINGENCIES

The Supervisor of Elections receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Supervisor of Elections with the terms of the grants/contracts. In the opinion of the Supervisor of Elections' management, such allowances, if any, would not be significant in relation to the financial statements of the Supervisor of Elections.

**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, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated March 8, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

Enterprise, Alabama
March 8, 2021

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Robert Beasley
Supervisor of Elections
Walton County, Florida

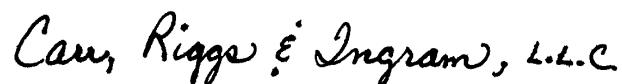
We have examined the Walton County, Florida Supervisor of Elections' (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* during the year ended September 30, 2020. Management of the Supervisor of Elections is responsible 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, 2020.

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.

Enterprise, Alabama
March 8, 2021

MANAGEMENT LETTER

Honorable Robert Beasley
Supervisor of Elections
Walton County, Florida

Report on the Financial Statements

We have audited the financial statements of the Walton County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 8, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and 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 March 8, 2021, 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
March 8, 2021

**Sheriff
Walton County, Florida**

FINANCIAL STATEMENTS

Year Ended September 30, 2020

Walton County, Florida
Sheriff
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September 30, 2020

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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, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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, 2020, 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, 2020, 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 March 8, 2021 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

March 8, 2021

Walton County, Florida
Sheriff
Balance Sheet
Governmental Funds

<i>September 30, 2020</i>	General Fund	Inmate Canteen Fund
Assets		
Cash and cash equivalents	\$ 1,648,286	\$ 462,777
Accounts receivable	-	139,935
Grant receivable	-	-
Interfund receivable	257,660	-
Due from Board of County Commissioners	527,783	-
Due from other governments	1,022,867	-
Total assets	\$ 3,456,596	\$ 602,712
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 1,124,426	\$ 46,807
Wages and benefits payable	1,581,140	-
Interfund payable	135,616	-
Unearned revenue	23,802	-
Due to Board of County Commissioners	591,612	5,662
Inmate deposits	-	39,060
Due to individuals	-	-
Total liabilities	3,456,596	91,529
Fund balances		
Restricted for:		
Public Safety - Law Enforcement	-	511,183
Total liabilities and fund balances	\$ 3,456,596	\$ 602,712

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

Triumph Grant Fund	Other Governmental Funds	Total Governmental Funds
\$ 59,322	\$ 504,551	\$ 2,674,936
-	-	139,935
280,892	-	280,892
134,730	73	392,463
-	-	527,783
-	-	1,022,867
\$ 474,944	\$ 504,624	\$ 5,038,876
\$ 216,763	\$ 3,247	\$ 1,391,243
-	-	1,581,140
257,660	-	393,276
-	-	23,802
-	-	597,274
-	-	39,060
-	36,054	36,054
474,423	39,301	4,061,849
521	465,323	977,027
\$ 474,944	\$ 504,624	\$ 5,038,876

Walton County, Florida
Sheriff

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

<i>For the Year Ended September 30, 2020</i>	General Fund	Inmate Canteen Fund
Revenues		
Fines and forfeitures	\$ -	\$ -
Intergovernmental	2,296,597	-
Grant match	-	-
Miscellaneous	-	483,794
Total revenues	2,296,597	483,794
Expenditures		
Public safety		
Personnel services	40,591,068	305,140
Operating	11,244,757	321,853
Capital outlay	6,504,793	-
Debt service		
Principal	3,258,083	-
Interest	161,283	-
Total expenditures	61,759,984	626,993
Excess revenues over (under) expenditures	(59,463,387)	(143,199)
Other Financing Sources (Uses)		
Appropriations from Board of County Commissioners	56,749,040	-
Reversion to Board of County Commissioners	(3,929)	-
Lease proceeds	2,718,276	-
Total other financing sources (uses)	59,463,387	-
Net change in fund balance	-	(143,199)
Fund balance - beginning	-	654,382
Fund balance - ending	\$ -	\$ 511,183

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

Triumph Grant Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 23,961	\$ 23,961
367,960	-	2,664,557
415,311	-	415,311
66	68,789	552,649
783,337	92,750	3,656,478
-	-	40,896,208
173,379	119,768	11,859,757
609,893	-	7,114,686
-	-	-
-	-	3,258,083
-	-	161,283
783,272	119,768	63,290,017
65	(27,018)	(59,633,539)
-	25,000	56,774,040
-	(9,274)	(13,203)
-	-	2,718,276
-	15,726	59,479,113
65	(11,292)	(154,426)
456	476,615	1,131,453
\$ 521	\$ 465,323	\$ 977,027

Walton County, Florida
Sheriff

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

<i>For the year ended September 30, 2020</i>	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 2,296,597	\$ 2,296,597
Expenditures				
Public safety				
Personnel services	38,518,601	39,026,208	40,591,068	(1,564,860)
Operating	10,794,740	14,370,796	11,244,757	3,126,039
Capital outlay	4,381,112	6,070,312	6,504,793	(434,481)
Debt service				
Principal	-	-	3,258,083	(3,258,083)
Interest	-	-	161,283	(161,283)
Total expenditures	53,694,453	59,467,316	61,759,984	(2,292,668)
Excess revenues under expenditures	(53,694,453)	(59,467,316)	(59,463,387)	3,929
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	53,694,453	56,749,040	56,749,040	-
Reversion to Board of County Commissioners	-	-	(3,929)	(3,929)
Lease proceeds	-	2,718,276	2,718,276	-
Total other financing sources	53,694,453	59,467,316	59,463,387	(3,929)
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
Reconciliation of GAAP to Budgetary Basis				
GAAP basis revenues	\$ -	\$ -	\$ 2,296,597	\$ 2,296,597
Non-budgeted revenues				
Intergovernmental	-	-	(2,296,597)	(2,296,597)
Budgetary basis revenues	-	-	-	-
GAAP basis expenditures	53,694,453	59,467,316	61,759,984	(2,292,668)
Non-budgeted public safety expenditures				
Personnel services	-	-	(1,678,438)	1,678,438
Operating	-	-	(376,577)	376,577
Capital outlay	-	-	(241,582)	241,582
Budgetary basis expenditures	\$ 53,694,453	\$ 59,467,316	\$ 59,463,387	\$ 3,929

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

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

<i>September 30, 2020</i>	Agency Funds
<hr/>	
Assets	
Cash	\$ 172,900
Interfund receivables	886
<hr/>	
Total assets	\$ 173,786
<hr/>	
Liabilities	
Due to individuals	\$ 27,293
Interfund payable	73
Due to BCC	146,420
<hr/>	
Total liabilities	\$ 173,786
<hr/>	

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

Walton County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Walton County, Florida Sheriff (the "Sheriff") have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Sheriff are described below.

Reporting Entity

The Sheriff is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes Chapter 7.66. The Sheriff's financial statements do not purport to reflect the financial position or the results of operations of Walton County, Florida (the "County") taken as a whole. Although the Sheriff's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to *GASB Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*, the Sheriff's financial statements are combined with those of the Board and other elected officials into the reporting entity of the County.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that, generally, only current assets and current liabilities are included in the balance sheet. Governmental fund

Walton County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The portion of operations of the Sheriff funded by the Board of County Commissioners 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.

Fiduciary fund (agency fund) statements are prepared using the economic resource measurement focus and the accrual basis of accounting.

Fund Financial Statements

The Sheriff’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Sheriff has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s county-wide financial statements.

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.

Triumph Grant Fund – The Triumph Grant Fund is a special revenue fund used to account for the Triumph grant revenues and expenditures.

The Sheriff has seven additional special revenue funds which have been combined into a single aggregate presentation as other governmental funds. Individual data for these non-major funds is provided in the combining statements of this report. Special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.

Walton County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

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.

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 the general fund which displays the revenues available to the office and the functions for which the money is to be expended and submits it to the Board for approval. Major special revenue funds are not budgeted. By June 1 of each year, the Sheriff shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Sheriff's proposed budget during hearings held pursuant to Florida Statutes 129. Once approved, any subsequent amendments must be approved by the Board. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Sheriff. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board.

Assets, Liabilities and Net Position or Equity

Cash and Cash equivalents

Cash and cash equivalents are cash on hand, demand deposits and short term investments with maturities of three months or less from the date of acquisition.

Receivables

The Sherriff reports accounts receivables from various sources all of which are deemed collectible within 90 days of year end. Receivables due from the Board of County Commissioners, other governments and grantors are for reimbursable expenses per contractual and budgetary agreements.

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.

Walton County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (continued)

Capital Assets

Capital assets are recorded as expenditures at the time acquired and if donated, acquisition value at the date of donation. Title in all capital assets owned by the County is retained by the Board and the 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. Two fire engines for fire and rescue (entered in to in fiscal year 2019)
2. Fire protection equipment for fire and rescue (entered in to in fiscal year 2020)
3. Two ambulances for fire and rescue (entered in to in fiscal year 2020)
4. Two fire engines for fire and rescue (entered in to in fiscal year 2020)

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 2 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 for non-Senior Executive Service employees (SES employees). SES employees are limited at 400 hours for annual leave payout 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (continued)

Compensated Absences (continued)

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 \$2,034,930.

Categories and Classification of Fund Equity

Fund balance flow assumptions – The Sheriff funds outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Sheriff's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Sheriff itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Sheriff's highest level of decision-making authority. The Sheriff is the highest level of decision-making authority. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken to remove or revise the limitation.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Categories and Classification of Fund Equity (continued)

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Sheriff for specific purposes but do not meet the criteria to be classified as committed. The Sheriff can authorize the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 8, 2021, and determined there were no events that occurred that required disclosure.

Impact of Recently Issued Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Sheriff's financial statements.

Pronouncements Issued But Not yet Effective

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

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

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

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Walton County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

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

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

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

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify

Walton County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

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

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or

Walton County, Florida
Sheriff
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Cash and Cash Equivalents (continued)

insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

Receivables

Accounts Receivable - Accounts receivable of \$139,935 for the Inmate Canteen fund consists of commissions due from vendors who provide concessions, phone, internet and tablet services to inmates.

Grant Receivable - Grant receivable of \$280,892 is due from Triumph Gulf Coast, Inc., a nonprofit corporation, for reimbursed construction cost of a driving pad in association with the vocational/technical training program run by the Walton County Sheriff's Office.

Interfund Balances

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

Interfund Receivables and Payables

	Due		
	To	From	Net
General Fund	\$ 257,660	\$ 135,616	\$ 122,044
Triumph Grant Fund	134,730	257,660	(122,930)
Agency Funds	886	73	813
Other governmental funds	73	-	73
Triumph Grant Fund	\$ 393,349	\$ 393,349	\$ -

The amounts due to the General Fund from Triumph grant fund are for reimbursements of expenditures on the Triumph Grant projects. Amounts due to Triumph Grant fund from the General Fund are for matching requirements. Amounts due to Other Governmental Funds from the Agency funds are for donation collections for the animal shelter.

Walton County, Florida
Sheriff
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Due from Other Governments

Due from other governments at September 30, 2020 consisted of the following, all of which are deemed collectible within 60 days of year-end:

	General Fund
Escambia County Corrections	\$ 479,128
Federal Inmate Housing	55,999
FEMA	337,199
Miscellaneous	150,541
Total	\$ 1,022,867

Capital Assets

Capital asset activity for the fiscal year is as follows:

	Balance 10/1/19	Additions	Deletions	Balance 9/30/20
<i>Governmental Activities</i>				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 506,392	\$ -	\$ 506,392
Capital assets being depreciated:				
Machinery and equipment	31,093,470	5,638,446	(18,900)	36,713,016
Buildings and improvements	927,322	667,447	-	1,594,769
Less accumulated depreciation:				
Machinery and equipment	(18,862,507)	(4,038,685)	18,900	(22,882,292)
Buildings and improvements	(264,930)	(90,427)	-	(355,357)
Total depreciable capital assets, net	12,893,355	2,176,781	-	15,070,136
Total governmental activities capital assets, net	\$ 12,893,355	\$ 2,683,173	\$ -	\$ 15,576,528

The above noted capital asset information and activity is reported on the county-wide financial statements.

Walton County, Florida
Sheriff
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

Depreciation expense to be reported by the Board was charged to the function of government as follows:

Public safety	\$ 4,129,112
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Long-Term Debt

The following is a summary of changes in long-term debt:

	Balance 10/1/19	Additions	Reductions	Balance 9/30/20	Due in One Year
Compensated absences	\$ 1,817,407	\$ 1,677,397	\$ 1,459,874	\$ 2,034,930	\$ 203,403
Capital leases	1,957,258	2,718,276	3,258,082	1,417,452	307,689
Total	\$ 3,774,665	\$ 4,395,673	\$ 4,717,956	\$ 3,452,382	\$ 511,092

Capital Leases

The Sheriff has entered into multiple lease agreements for vehicles and equipment reported as capital leases. At September 30, 2020, these assets had a capitalized cost of \$2,700,287 and accumulated depreciation of \$416,044.

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, 2020.

	Long-term Debt
2021	\$ 348,262
2022	302,939
2023	302,939
2024	302,939
2025	161,659
2026	91,019
2027	45,509
Total minimum payments	1,555,266
Less: amount representing interest	(137,814)
Present value of net minimum lease payment	\$ 1,417,452

Walton County, Florida
Sheriff
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Operating Leases

The Sheriff has various operating lease agreements for equipment used by the Inmate Canteen fund. Total expense under these leases totaled \$54,835 for the year ended September 30, 2020.

Future minimum rental commitments under operating leases are as follows:

<i>September 30,</i>	Amount
2021	\$ 54,835
2022	54,835
2023	24,144
	\$ 133,814

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). \$3,929 of excess revenues over expenditures was returned to the Board by October 31, 2020 as required by Florida Statutes. All special revenue funds in excess of revenue remains with the Sheriff.

Fund Balance

At September 30, 2020, fund balance is comprised of the following:

<i>Restricted Fund Balance</i>	
Inmate Canteen	\$ 511,183
Triumph Grant Fund	521
Law Enforcement education and automation	257,296
Crime Prevention	77,238
Traffic and Parking	50,913
Abandoned Property	26,053
Aviation	53,823
Total restricted fund balance	\$ 977,027

Note 3: RETIREMENT PLAN

The Sheriff and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Sheriff's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability re-emerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least 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 – 10.00%, DROP Program – 16.98%, senior management – 27.29%, special risk – 24.45% and elected official – 49.18%. 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 \$27,399,448, for the year ended September 30, 2020. The Sheriff's total payroll was \$27,615,365 for the same period. The Sheriff's contributions to the plan, net of accrued contributions, for the years ended September 30, 2020, 2019, and 2018 were \$5,763,289, \$5,373,269, and \$4,662,440, 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

Note 3: RETIREMENT PLAN (Continued)

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.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in 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 5: CONTINGENT LIABILITIES

At September 30, 2020, the Sheriff was involved in several litigations and claims arising in the normal course of operations. It is the opinion of management that coverage provided by the Self-Insurance Fund is more than adequate to eliminate any material exposure resulting from those claims. The Sheriff receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Sheriff with the terms of the grants/contracts. In the opinion of the Sheriff's management, such allowances, if any, would not be significant in relation to the financial statements of the Sheriff. No accruals for loss contingencies have been made in these financial statements.

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.

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

<i>September 30, 2020</i>	Law Enforcement Education and Automation	Federal Forfeiture Sharing
Assets		
Cash and cash equivalents	\$ 257,296	\$ -
Interfund receivable	-	-
Total assets	\$ 257,296	\$ -
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ -
Due to individuals	-	-
Total liabilities	-	-
Fund balances		
Restricted for:		
Public Safety - Law Enforcement	257,296	-
Total liabilities and fund balances	\$ 257,296	\$ -

Law Enforcement Trust	Crime Prevention	Traffic and Parking Enforcement	Abandoned Property	Aviation	Total
\$ -	\$ 80,412 73	\$ 50,913	\$ 62,107	\$ 53,823	\$ 504,551 73
\$ -	\$ 80,485	\$ 50,913	\$ 62,107	\$ 53,823	\$ 504,624
\$ -	\$ 3,247	\$ -	\$ -	\$ -	\$ 3,247
-	-	-	36,054	-	36,054
-	3,247	-	36,054	-	39,301
-	77,238	50,913	26,053	53,823	465,323
\$ -	\$ 80,485	\$ 50,913	\$ 62,107	\$ 53,823	\$ 504,624

**Walton County, Florida
Sheriff**

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

	Law Enforcement Education and Automation	Federal Forfeiture Sharing
<i>For the year ended September 30, 2020</i>		
Revenues		
Fines and foreitures	\$ 15,000	\$ 5,928
Miscellaneous	6,463	11
<hr/>		
Total revenues	21,463	5,939
Expenditures		
Public safety		
Operating	31,033	8,992
<hr/>		
Excess revenues over (under) expenditures	(9,570)	(3,053)
<hr/>		
Other Financing Sources (Uses)		
Appropriations from Board of County Commissioners	-	-
Reversion to Board of County Commissioners	-	(8,037)
<hr/>		
Total other financing sources (uses)	-	(8,037)
<hr/>		
Net change in fund balance	(9,570)	(11,090)
<hr/>		
Fund balance - beginning	266,866	11,090
<hr/>		
Fund balance - ending	\$ 257,296	\$ -
<hr/> <hr/>		

Law Enforcement Trust	Crime Prevention	Traffic and Parking Enforcement	Abandoned Property	Aviation	Total
\$ -	\$ -	\$ 3,033	\$ -	\$ -	\$ 23,961
7	42,485	60	19,695	68	68,789
7	42,485	3,093	19,695	68	92,750
11,295	52,018	-	14,008	2,422	119,768
(11,288)	(9,533)	3,093	5,687	(2,354)	(27,018)
-	25,000	-	-	-	25,000
(1,237)	-	-	-	-	(9,274)
(1,237)	25,000	-	-	-	15,726
(12,525)	15,467	3,093	5,687	(2,354)	(11,292)
12,525	61,771	47,820	20,366	56,177	476,615
\$ -	\$ 77,238	\$ 50,913	\$ 26,053	\$ 53,823	\$ 465,323

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

<i>September 30, 2020</i>	Suspense	Individual Depositors	Animal Control	Total
Assets				
Cash	\$ 27,123	\$ 140,648	\$ 5,129	\$ 172,900
Interfund receivable	-	886	-	886
Total assets	\$ 27,123	\$ 141,534	\$ 5,129	\$ 173,786
Liabilities				
Due to individuals	\$ 27,123	\$ 170	\$ -	\$ 27,293
Interfund payable	-	-	75	75
Due to BCC	-	141,364	5,056	146,420
Total liabilities	\$ 27,123	\$ 141,534	\$ 5,131	\$ 173,788

Walton County, Florida
Sheriff

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds

<i>For the year ended</i> <i>September 30, 2020</i>	Balance 10/01/19	Additions	Deductions	Balance 9/30/20
Suspense				
Assets				
Cash	\$ 25,008	\$ 4,230	\$ 2,115	\$ 27,123
Liabilities				
Accounts payable	\$ 362	\$ 1,506	\$ 1,868	\$ -
Due to individuals	24,646	4,230	1,753	27,123
Total liabilities	\$ 25,008	\$ 5,736	\$ 3,621	\$ 27,123
Individual Depositors				
Assets				
Cash	\$ 171,356	\$ 1,834,700	\$ 1,865,408	\$ 140,648
Interfund receivable	-	1,094	208	886
Total assets	\$ 171,356	\$ 1,835,794	\$ 1,865,616	\$ 141,534
Liabilities				
Due to individuals	\$ 44	\$ 1,113	\$ 987	\$ 170
Interfund payable	-	51,132	51,132	-
Due to BCC	171,312	1,783,474	1,813,422	141,364
Total liabilities	\$ 171,356	\$ 1,835,719	\$ 1,865,541	\$ 141,534
Animal Control				
Assets				
Cash	\$ 5,281	\$ 73,816	\$ 73,968	\$ 5,129
Interfund receivable	-	269	269	-
Total assets	\$ 5,281	\$ 74,085	\$ 74,237	\$ 5,129
Liabilities				
Due to individuals	\$ -	\$ 269	\$ 269	\$ -
Interfund payable	166	7,820	7,911	75
Due to BCC	5,115	73,487	73,546	5,056
Total liabilities	\$ 5,281	\$ 81,576	\$ 81,726	\$ 5,131

-Continued-

Combining Statement of Changes in Fiduciary Assets and Liabilities (Continued)
Agency Funds

<i>For the year ended</i> <i>September 30, 2020</i>	Balance 10/01/19	Additions	Deductions	Balance 9/30/20
Total Agency Funds				
Assets				
Cash	\$ 201,645	\$ 1,912,746	\$ 1,941,491	\$ 172,900
Interfund receivable	-	1,363	477	886
Total assets	\$ 201,645	\$ 1,914,109	\$ 1,941,968	\$ 173,786
Liabilities				
Accounts payable	\$ 362	\$ 1,506	\$ 1,868	\$ -
Due to individuals	24,690	5,612	3,009	27,293
Interfund payable	166	58,952	59,041	75
Due to BCC	176,427	1,856,961	1,886,968	146,420
Total liabilities	\$ 201,645	\$ 1,923,031	\$ 1,950,886	\$ 173,788

**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, 2020, and the related notes to the financial statements, and have issued our report thereon dated March 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

Enterprise, Alabama

March 8, 2021

**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, 2020. 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 requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020.

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 8, 2021

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, 2020, and have issued our report thereon dated March 8, 2021.

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 March 8, 2021, 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
March 8, 2021