

# WALTON COUNTY FLORIDA



## *The Historic Wesley House*

The historic Wesley House is the focal point of Eden Gardens State Park. Once inside the home, guests are guided on a walk through the history of Point Washington, the Wesley family and the park's benefactress, Lois Maxon. Guests will have the opportunity to view her extensive collection of antique furniture dating from as early as 1790 through the late 1800s American and European Empire period. The Wesley House itself has been lovingly preserved, maintaining the original yellow heart pine siding, floors and interior molding, as well as 95 percent of its original glass pocket windows.

When Lois Maxon purchased the home in 1963 along with 10.5 acres for \$12,500, she stated that she "found her Eden" and proceeded to devote a million dollars to an extensive renovation of the home. The Wesley House, which had been built in the Victorian style received a more antebellum update, with renovations continuing for most of the five years she owned the home.

She donated the property to the Florida Park Service on Christmas Eve 1968.

[www.floridastateparks.org/learn/historic-wesley-house](http://www.floridastateparks.org/learn/historic-wesley-house)



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2021

# **Walton County, Florida**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended September 30, 2021**

**Walton County, Florida**  
**Comprehensive Annual Financial Report**  
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# ALEX ALFORD



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

March 4, 2022

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 of Walton County, Florida for the fiscal year ended September 30, 2021. This report was prepared in accordance with generally accepted accounting principles by the Clerk of Courts & County Comptroller. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of Courts & County Comptroller as Chief Financial Officer of Walton County.

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

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

Chapter 218.39 of the Florida Statutes requires a financial audit of all counties in the state be performed by independent certified public accountants. This requirement has been met for the fiscal year ended September 30, 2021 and the independent auditors' report has been included in the financial section of this report. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements ("Uniform Guidance"). The standards governing single audit engagements require the independent auditor to report on the government's internal controls and compliance with legal requirements with special emphasis on the

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

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

**County Organization.** Walton County encompasses 1,066 square miles with an estimated population of 77,941. There are three incorporated cities within Walton County: DeFuniak Springs, Freeport, and Paxton.

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

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

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

While the economy continues to grow at a modest rate, there were some bright spots from our local economy. The September 2021 unemployment rate for Walton County was 3.40%, which is 41% below the state unemployment rate of 4.80% and 38% below the federal unemployment rate of 4.7%.

The beaches of South Walton are an integral part of the local economy with an annual economic impact of approximately \$6 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 2021 topped the \$58 million mark for the first time. The 84.71% 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 2022 to be slightly higher as the economy continues to improve and fuel prices remain relatively low.

In the last decade, the real estate market has been our hardest hit sector. However, the real estate market has stabilized and grown significantly. Real property values increased 10.03% in 2018, increased 9.63% in 2019, increased 8.86% in 2020 and increased 15.94% in 2021. Overall, real property values have increased 140.86% in the last ten years. We expect an increase in 2022 as the economy continues to improve 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 12.96% 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 2022 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 2021, 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 2012 general county millage rate.

The Board moved quickly to control spending during the 2021 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. The 2022 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 2021, Walton County's investment portfolio had a rate of return of 0.54%.

**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:

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

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

If funding is approved, the project is expected to be completed in 2024.

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

The Triumph grant has two performance requirements. They are:

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

The creation of the 100 jobs must be accomplished within four years of the completion of the water and sewer project. Failure to achieve those numbers could result in the forfeiture of some or all 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, 2020. This was the twentieth 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 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**

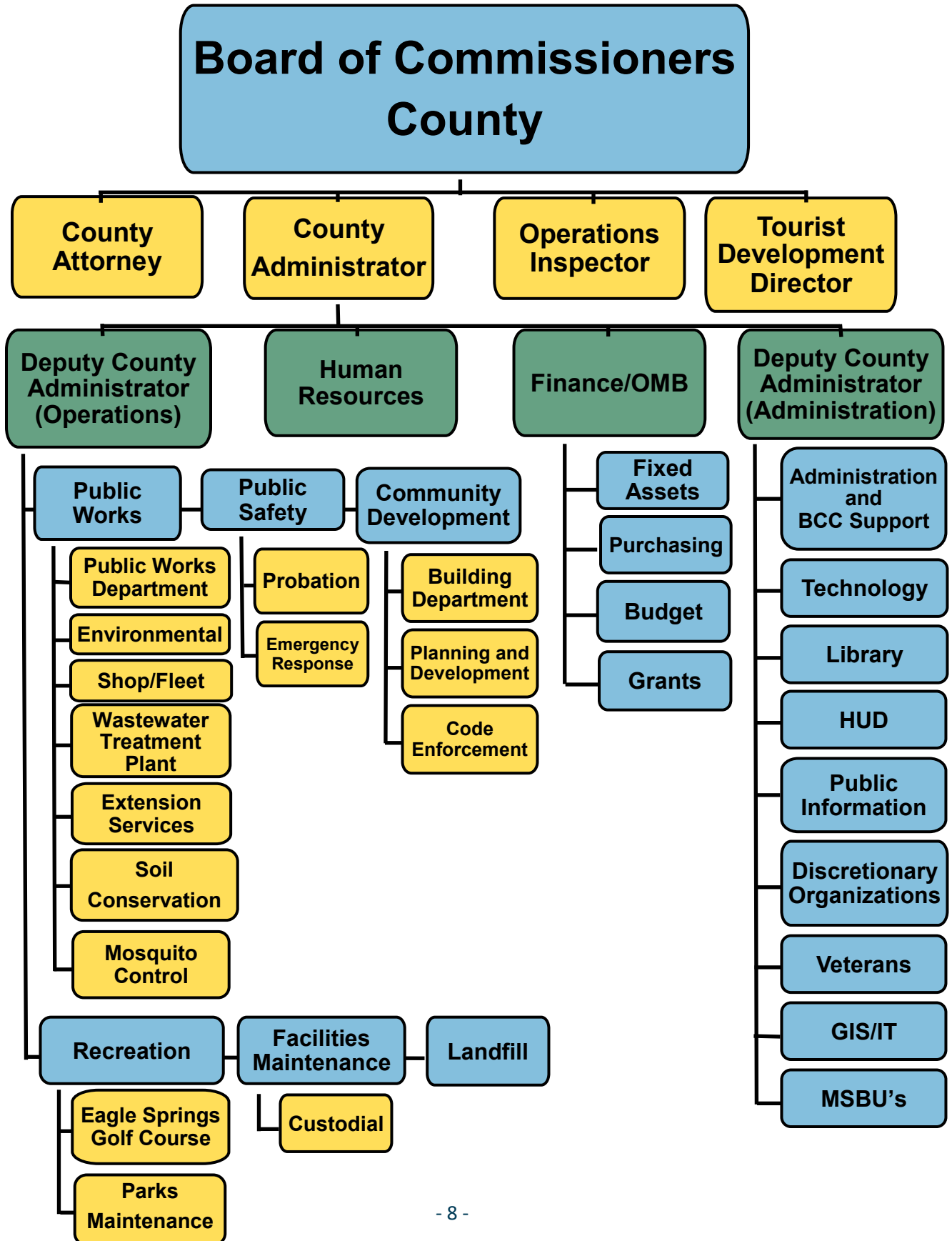
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director CEO

# Walton County, Florida Organizational Chart







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## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Walton County, Florida (the "County"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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, and the aggregate remaining fund information of the County, as of September 30, 2021 and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and major governmental special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Notes 1 and 9 to the financial statements, the County adopted provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 84, Fiduciary Activities, which required a restatement of the 2020 financial statements. Our opinion is not modified with respect to these matters

## ***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 23, 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 96 through 101, 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 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 4, 2022 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 4, 2022

## **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, 2021. 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 \$425,612,160 for fiscal year 2021 as compared to \$330,103,471, as restated, for fiscal year 2020. Unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors. Unrestricted net position at September 30, 2021, was \$59,470,514, an increase of \$45,057,838 from the previous year.
- The County's total primary government net position for fiscal year 2021 increased \$95,508,689 over fiscal year 2020.
- At September 30, 2021, the County's governmental funds reported a combined ending fund balance of \$209,508,427, an increase of \$53,416,929 over the prior year.
- The General Fund reported an unassigned fund balance of \$26,537,327 at September 30, 2021.
- The County reported total outstanding notes payable and capital lease debt of \$19,561,962 at September 30, 2021, a decrease of \$2,654,643 from the prior year.
- The primary government's net pension and post-employment benefit liabilities decreased \$69,329,868 in fiscal year 2021 to a total obligation of \$74,411,777.

### ***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 24 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, 2021. 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 28.

### ***Proprietary Funds***

Walton County maintains and presents one type of proprietary fund, an internal service fund, starting on page 39.

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 44.

### ***Other Information***

This report presents certain required supplementary information on pages 96 to 101 concerning Walton County’s progress in funding its obligation to provide pensions and other post-employment benefits to its employees.

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

Comparative data for fiscal years ending September 30, 2020 and 2021 are shown below:

## Net Position-Governmental Activities

<i>For the fiscal year ended September 30,</i>	2020	2021
<b>Assets</b>		
Current and other assets	\$ 179,397,141	\$ 243,826,219
Capital assets	308,296,142	344,411,825
<b>Total assets</b>	<b>487,693,283</b>	<b>588,238,044</b>
<b>Deferred Outflows of Resources</b>		
	49,388,363	40,731,032
<b>Liabilities</b>		
Current liabilities*	25,802,082	36,856,012
Noncurrent liabilities	172,624,570	100,874,460
<b>Total liabilities</b>	<b>198,426,652</b>	<b>137,730,472</b>
<b>Deferred Inflows of Resources</b>		
	8,551,523	65,626,444
<b>Net Position</b>		
Net investment in capital assets	286,079,537	327,264,863
Restricted*	29,611,258	38,876,783
Unrestricted	14,412,676	59,470,514
<b>Total Net Position</b>	<b>\$ 330,103,471</b>	<b>\$ 425,612,160</b>

\*For comparative purposes, 2020 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 \$64,429,078, with the primary increase of \$64,474,979 in cash and cash equivalents. The increase in cash and cash equivalents can be attributed to the receipt of the first half of the American Recovery Plan Act funding in fiscal year 21 and increases in tourist development and sales tax collections related to an increase in tourist occupancy rates through the ongoing COVID-19 pandemic, continuing increases in housing construction from the influx of new residents to the County, and the overall robust growth of Walton County's economy.

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>	2020	2021
Current unrestricted assets	\$ 177,645,560	\$ <b>234,531,297</b>
Current unrestricted liabilities	25,802,082	<b>30,637,440</b>
Ratio of current assets to current liabilities	6.88	<b>7.65</b>

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The overall financial position of the County continued to improve in both fiscal years 2020 and 2021. The net position for fiscal years ending September 30, 2020, and 2021, increased \$18,152,340 and \$95,508,689, respectively.

A portion of Walton County's net position (14.0%) represents unrestricted net position of \$59,470,514, which may be used to meet the County's ongoing obligations to citizens and creditors.

A portion of the County's net position (9.0% at September 30, 2020 and 9.1% at September 30, 2021) 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 \$9,265,525 for fiscal year 2021. The increase in restricted net position is principally due to increases in net position restricted for transportation, capital projects, and public safety.

The County's investment in capital assets such as land, buildings, and equipment, as a percentage of net position, amounts to 86.7% and 76.9% at September 30, 2020 and 2021, respectively, and accounts for the largest portion of the County's net position. The increase of \$41,185,326 in 2021 is due to several items, including the Foreman Property purchase on Chat Holley Road to be used as a venue for tourism and a stormwater management facility, the purchase of property on Highway 98 to be used for public parking, the purchase of property in Grayton Beach to be utilized for beach access parking, the purchase of the Mojo facility adjacent to the Walton County Public Works Division in DeFuniak Springs to be renovated to house the County Fleet Management department, 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>	2020	2021
<b>Revenues</b>		
Program revenue:		
Charges for services	\$ 17,488,699	\$ 27,306,218
Operating grants and contributions	15,286,013	15,987,554
Capital grants and contributions	6,010,558	16,484,425
General revenues:		
Property taxes	74,111,096	80,493,769
Other taxes	75,231,900	120,509,615
Other	9,990,612	11,283,161
<b>Total revenues</b>	<b>198,118,878</b>	<b>272,064,742</b>
<b>Expenses</b>		
General government	37,739,314	37,575,037
Public safety	73,065,481	62,961,724
Physical environment	12,100,205	13,302,258
Transportation	24,711,934	23,684,089
Economic environment	24,450,201	24,607,743
Human services	2,631,843	9,272,806
Culture/recreation	4,350,766	4,358,450
Interest on long-term debt	941,384	793,946
<b>Total expenses</b>	<b>179,991,128</b>	<b>176,556,053</b>
Increase in net position	18,127,750	95,508,689
<b>Net Position – Beginning, as restated</b>	<b>311,975,721</b>	<b>330,103,471</b>
<b>Net Position - Ending</b>	<b>\$ 330,103,471</b>	<b>\$ 425,612,160</b>

### **Governmental Activities**

Governmental activities net position increased \$95,508,689 in 2021. Key elements of this increase are as follows:

Charges for services increased \$9,817,519, primarily due to a \$6,675,803 non-ad valorem assessment levied on the hospitals in Walton County for the Low-Income Pool through the State of Florida Agency for Health Care Administration. This levy was passed through to the State of Florida and allowed the hospitals to better recoup their cost of indigent care. The remaining increase can be attributed to higher building permit fee collections, and as well as increased revenues from beach permitting fees. The increase of \$10,473,867 in capital grants and contributions can be attributed to several grant-funded road construction projects, including construction of County Road 280B connecting US Highway 331 and County Road 280A, the County Road 183B resurfacing

and widening project, the County Road 0605 resurfacing and widening project, the County Road 185 milling and resurfacing project that extends approximately 6.9 miles from State Road 83 to the Holmes County line, and a resurfacing and widening project that extends approximately 7.3 miles along Douglass Crossroads/Knox Hill Road. Property tax revenues increased \$6,382,673 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, other taxes decreased \$636,605 from 2019 to 2020. 2021 showed a strong increase in tourism that was reflected in both Tourist Development Tax collections and in sales taxes from tourism-related spending that was reflected in the \$45,277,715 increase in other taxes. Tourist Development Tax collections increased \$26,747,589 from fiscal year 2020 to fiscal year 2021. Sales taxes, which include the one cent Small County Surtax levied primarily for solid waste collection throughout the County, increased \$17,334,553 in FY 21.

The \$164,277 decrease in General Government expenditures can be attributed to the spending of Coronavirus Relief Funds during 2020, partially offset by overall higher operating expenditures. The decrease in public safety expenditures of \$10,103,757 represented a decrease in the County's allocable portion of pension expense from the Florida Retirement System Pension Plan of approximately \$14 million, partially offset by budgeted operational expense increases. Human Services spending increased \$6.6 million, primarily due to the \$6,675,803 non-ad valorem assessment levied on the hospitals in Walton County that allowed these hospitals to recoup a greater portion of the costs of indigent care.

### ***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 \$156,091,498, as restated, at the end of fiscal year 2020 and \$209,508,427 at the end of fiscal year 2021. This was an increase of \$53,416,929 over the prior year. The unassigned General Fund balances of \$26,870,472 at September 30, 2020, and \$26,537,327 at September 30, 2021, were available for spending at the County's discretion. Governmental funds held restricted, committed, or assigned amounts totaling \$180,851,335 in 2021 to reflect the various constraints placed on those resources for future use, as well as \$2,119,765 for non-spendable amounts, reflecting items such as inventory and prepaid items.

**Major Fund Information**

	General Fund	County Transportation	Fine and Forfeiture
<b>Fiscal Year 2021</b>			
Revenues and other sources	\$ 75,370,055	\$ 41,004,405	\$ 63,397,326
Expenditures and other uses	71,186,480	34,463,127	62,155,400
Increase in fund balance	\$ 4,183,575	\$ 6,541,278	\$ 1,241,926
<b>Fiscal Year 2020</b>			
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
	Tourist Development	Solid Waste Landfill	Building Department
<b>Fiscal Year 2021</b>			
Revenues and other sources	\$ 61,444,136	\$ 35,665,562	\$ 16,014,250
Expenditures and other uses	37,040,752	26,813,257	10,910,182
Increase in fund balance	\$ 24,403,384	\$ 8,852,305	\$ 5,104,068
<b>Fiscal Year 2020</b>			
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

**General Fund**

The General Fund is the chief operating fund of the County. At September 30, 2021, the total fund balance in the General Fund was \$35,427,507, of which \$26,537,327 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 56.2% of total 2021 expenditures, while total fund balance is 75.0% of the same amount. For fiscal year 2020, unassigned fund balance represented 65.0% of total expenditures, while total fund balance was 75.6% of the same amount.

Total revenues in the General Fund increased 52.1%. This can be attributed to the non-ad valorem tax assessment to the hospitals in Walton County to enable the hospitals within the County to recoup a larger portion of the cost of indigent care, as well as an increase in the allocation of property tax revenues to the General Fund due to funding a portion of Public Safety salaries in the Fine and Forfeiture fund from Coronavirus Relief Funding in fiscal year 2021. Total expenditures increased 14.2%, due primarily to the non-ad valorem tax assessment to the hospitals discussed previously.

Interfund transfers out of the General Fund increased \$20,493,808 from fiscal year 2020. This increase was due to the transfer of Coronavirus Relief Funding from the General Fund to the Fine and Forfeiture Fund for Public Safety personnel costs in fiscal year 2021, as well as an increase in funding for primarily stormwater related capital projects.

### ***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 2021 and 2020.

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 2021 showed an increase of \$12,709,789 in revenues from fiscal year 2020, and an increase in expenditures of \$8,962,326 for the same period. This was primarily due to an increase in revenues and expenditures from grant funding for several road construction projects, including the County Road 280B connector road, and resurfacing and widening projects for County Road 183B, County Road 0605, County Road 185, and the Douglass Crossroads/Knox Hill Road. Also attributing to the increased revenues were an increase in gas tax collections, an increase in the amount transferred in from the Solid Waste Fund to this fund in 2021, and higher than normal revenues from the sale of surplus equipment due to the COVID-related delay of the 2020 County that was held in early 2021, providing the fund with revenues from two surplus equipment auctions in one fiscal year.

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 decreased revenues of \$4,006,132 in fiscal 2021 can be attributed to a decrease in both property tax revenues allocated to this fund and revenues from the housing of federal and state prisoners. These decreases are offset by an \$8,000,000 transfer in from the General Fund for Coronavirus Relief Funds for Public Safety personnel costs. The slight increase in expenditures can be attributed to increases in normal budgeted operating expenses partially offset by a decrease in debt service payments.

The Tourist Development Council (TDC) Fund accounts for the local option tourist development tax arising from activities related to the tourist industry. Its use is governed by State statute for promotion of the tourism industry, as well as beach maintenance and renourishment. The increased revenues of \$25,861,562 in 2021 over 2020 can be attributed to the decrease in tourism dollars in fiscal year 2020 due to the COVID-19 pandemic and the related beach closures and suspension of short-term rentals in the Spring of 2020, as well as 2021 occupancy rates and average rental rates that are above pre-COVID levels. Overall expenditures were \$12,787,349 higher in fiscal year 2021 mostly due to higher capital spending in 2021 as previously discussed. TDC funds are not available for the County to use for general government operation.

The Solid Waste Landfill Fund utilizes a one-cent small county sales tax to pay for operation of a landfill and provide garbage and yard debris collection to County residences. Revenues from this sales tax increased \$11,631,205 for fiscal year 2021. This rebound from \$23,378,277 in 2020 to \$35,009,482 in 2021 is primarily the result of decreased tourism-related spending in 2020 due to 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, followed by the quick economic rebound of Walton County and continued growth. The increase in expenditures is due to normal budgetary increases in personnel costs and the increasing contractual costs of solid waste collection services throughout the County. The balance of the fund is restricted, committed, or assigned to fund remaining costs on capital projects, acquisition of land for landfill expansion, landfill closure costs, economic development, and road paving.

Within the Solid Waste Landfill Fund, deposits are made to the fund's other cash and cash equivalents account for the purpose of complying with federal and state laws and regulations related to funding the minimum estimated landfill closure and post-closure costs. This requires the County to annually deposit funds in an interest-bearing account for the purpose of funding these costs. This amount is shown as a restricted asset within the fund and was \$1,595,803 at September 30, 2020. This was increased to \$2,929,772 at September 30, 2021.

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

A comparison of original budget to final budget for General Fund revenues shows a \$6,718,803 budget adjustment in licenses and permits, primarily due to the \$6,675,803 non-ad valorem assessment to the hospitals in Walton County previously discussed. The budget for intergovernmental revenues was adjusted \$17,393,778 in Fiscal Year 2021. These adjustments included increases for Coronavirus Relief funding of \$8,557,971, TRIUMPH grant funding of \$1,742,407 for the Hwy 331 Water & Sewer project, and almost \$6 million in RESTORE Act grant funding agreements for projects including the Walton Works Training Center project with Northwest Florida State College, the Hwy 331 Water/Sewer expansion, the Old Town Santa Rosa Water and Sewer improvement project, Mack Bayou Road stormwater improvements, Western Lake drainage improvements, and a Muscogee Nation agritourism project.

General Fund expenditures were \$18,844,825 less than budgeted. The primary component of that difference consisted of \$11,883,087 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 \$994,340 in unexpended salary and benefit costs due to the delayed filling of vacancies, and \$2,821,163 budgeted but unspent by the Walton County Constitutional Offices.

Differences between the General Fund's fiscal year 2021 original budget and final amended budget were an increase of \$36,714,776 to Board of County Commissioner accounts. The primary General Fund budget changes can be summarized as follows:

- \$20,453,817 rolled forward from fiscal year 2020 for grants and projects not completed in FY 2020
- \$3,326,810 for new grants received in FY 2020
- \$6,675,803 for the Low-Income Pool non-ad valorem assessment to the hospitals within Walton County
- \$3,700,000 brought forward from General Fund reserves for the purchase of the Mojo facility on Hwy 90 to house the County's Fleet Maintenance department
- \$1,166,000 brought forward from General Fund reserves for construction of the Freeport Business Complex parking lot
- \$619,951 brought forward from General Fund reserves for the Douglass Crossroads/Knox Hill resurfacing and widening project

### **Capital Asset and Debt Administration**

The County's investment in capital assets for its governmental activities, net of accumulated depreciation, as of September 30, 2020, amounted to \$308,296,142, and at September 30, 2021, amounted to \$344,411,825. 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 11.7%.

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

- The purchase of the property on Chat Holley Road for use as a tourism venue by the TDC, as well as a stormwater management facility for \$9,903,944.
- The purchase of property in Grayton Beach for use as a public beach access for \$2,306,491.
- The purchase of property on US Hwy 98 to be used for a public parking facility for \$5,527,643.
- The purchase of the Mojo building adjacent to the Public Works Division to relocate the County's Fleet Maintenance Department totaling \$3,010,350.
- Construction in progress at September 30, 2020, consisted mostly of \$21,379,148 for transportation and stormwater infrastructure projects, and \$3,955,740 for construction of a Class III disposal cell at the Landfill.

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

<i>September 30,</i>	2020	2021
Land	\$ 101,342,581	\$ 119,582,265
Buildings	56,007,295	59,191,664
Infrastructure	66,411,897	77,484,956
Improvements other than buildings	31,466,147	31,962,591
Construction in progress	28,774,210	31,498,397
Equipment	24,294,012	24,691,952
<b>Total</b>	<b>\$ 308,296,142</b>	<b>\$ 344,411,825</b>

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

### **Long-Term Debt**

The County had \$18,771,258 in notes payable at September 30, 2021, of which \$1,928,341 is due for repayment during fiscal year 2022.

<i>September 30,</i>	2020	2021
Notes payable		
Capital Projects Loan	\$ 20,470,739	\$ <b>18,771,258</b>
<b>Total</b>	<b>\$ 20,470,739</b>	<b>\$ 18,771,258</b>

During the current fiscal year, the County's outstanding notes payable decreased by \$1,699,481, or 8.3%. This decrease during the current year can be attributed to normal debt service principal reductions.

The Constitution of the State of Florida, Florida Statute 200.181 and Walton County set no legal debt limit. Additional information on the County's long-term debt can be found in Note 2 of this report.

### **Economic Factors and Next Year's Budget and Rates**

The unemployment rate for the County at September 30, 2021, was 3.4%, down from 4.15% at September 30, 2020.

Overall building permit activity continued to improve overall for fiscal year 2021, with 3,847 total building permits issued, including 2,448 residential permits. 3,594 building permits, including 2,003 residential permits, were issued for fiscal year 2020. These figures reflect both new housing starts and commercial construction during the County's fiscal year.

Walton County's population increased 4.3% from the fiscal year ending September 30, 2020, to a total population of 77,941.

The general ad valorem tax rate for fiscal year 2021 and the upcoming 2022 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 Chief Financial Officer 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**

	<b>Primary Government</b>	
<i>September 30, 2021</i>	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 153,780,234	\$ 28,922,561
Cash - designated for construction	-	27,973,584
Investments	59,802,287	5,000,000
Accounts receivable, net	5,992,119	2,967,934
Accounts receivable-developer agreements, net	-	1,868,185
Due from other governments	12,847,589	-
Loans receivable	1,636,469	-
Inventory	472,599	4,257,268
Prepaid items	-	-
Restricted assets:		
Cash and cash equivalents	9,249,485	-
Investments	39,307	-
Assessments receivable	6,130	-
<b>Total current assets</b>	<b>243,826,219</b>	<b>70,989,532</b>
Noncurrent assets		
Restricted cash		
Debt service fund	-	4,164,707
Renewal and replacement fund	-	1,323,875
Customer's deposits	-	2,514,899
Accounts receivable-developer agreements, net	-	1,508,996
Accounts receivable	-	2,005,140
Land and other nondepreciable assets	151,080,662	26,822,019
Capital assets, net of depreciation	193,331,163	153,807,416
<b>Total noncurrent assets</b>	<b>344,411,825</b>	<b>192,147,052</b>
<b>Total assets</b>	<b>588,238,044</b>	<b>263,136,584</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pension	27,590,582	-
Deferred outflows related to post-employment benefits	13,140,450	-
Deferred losses on debt refundings	-	239,791
<b>Total deferred outflows of resources</b>	<b>40,731,032</b>	<b>239,791</b>

-Continued-

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

**Walton County, Florida**  
**Statement of Net Position (Continued)**

<i>September 30, 2021</i>	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 8,447,491	\$ 872,213
Accrued liabilities	5,727,168	233,360
Accrued interest payable	151,150	-
Due to other governments	3,685,866	-
Due to individuals	172,146	-
Deposits	6,940,238	-
Unearned revenue	8,316,310	-
Landfill closure costs	11,500	-
Compensated absences	1,185,859	-
Payable from restricted assets:		
Accrued interest payable	-	313,307
Bonds payable	-	340,000
Notes payable	-	1,355,000
Capital lease obligations	289,943	-
Notes payable	1,928,341	-
<b>Total current liabilities</b>	<b>36,856,012</b>	<b>3,113,880</b>
Noncurrent liabilities		
Customer deposits	-	2,514,898
Notes payable	16,842,917	15,594,000
Capital lease obligations	500,761	-
Bonds payable	-	4,319,935
Deposits	-	-
Obligation for deferred compensation	-	-
Net pension liability	34,919,777	-
Other post-employment benefit obligation	39,492,000	-
Landfill closure cost	4,930,609	-
Compensated absences	4,188,396	301,849
<b>Total noncurrent liabilities</b>	<b>100,874,460</b>	<b>22,730,682</b>
<b>Total liabilities</b>	<b>137,730,472</b>	<b>25,844,562</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pension	63,818,444	-
Deferred inflows related to post-employment benefits	1,808,000	-
<b>Total deferred inflows of resources</b>	<b>65,626,444</b>	<b>-</b>

-Continued-

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

**Walton County, Florida**  
**Statement of Net Position (Continued)**

<i>September 30, 2021</i>	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>Net Position</b>		
Net investment in capital assets	327,264,863	159,260,291
Restricted for:		
Debt service	140,448	5,488,582
Capital projects	4,372,572	-
General government	1,150,209	-
Public safety	7,735,415	-
Transportation	24,810,014	-
Economic environment	203,374	-
Human services	464,751	-
Unrestricted	59,470,514	72,782,940
<b>Total net position</b>	<b>\$ 425,612,160</b>	<b>\$ 237,531,813</b>

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



**Walton County, Florida**  
**Statement of Activities**

*For the year ended September 30, 2021*

	<b>Program</b>	
<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>
<b>Primary Government</b>		
<b>Governmental Activities:</b>		
General government	\$ 37,575,037	\$ 8,863,418
Public safety	62,961,724	9,440,026
Physical environment	13,302,258	491,011
Transportation	23,684,089	-
Economic environment	24,607,743	1,265,415
Human services	9,272,806	6,744,258
Culture/recreation	4,358,450	502,090
Interest on long-term debt	793,946	-
<b>Total primary government</b>	<b>\$ 176,556,053</b>	<b>\$ 27,306,218</b>
<b>Component Unit</b>		
Florida Community Services Corporation	\$ 27,436,725	\$ 26,419,470

**General Revenues**

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

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Total general revenues

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Change in net position

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Total net position - beginning

Prior period adjustment

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Net position - beginning, as restated

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Total net position - ending

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

Revenues		Net (Expense) Revenues and Changes in Net Position	
Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
		Governmental Activities	
\$ 8,229,521	\$ 1,083,500	\$ (19,398,598)	\$ -
4,636,729	385,018	(48,499,951)	-
98,496	-	(12,712,751)	-
-	690,052	(22,994,037)	-
2,941,686	14,003,691	(6,396,951)	-
4,230	-	(2,524,318)	-
76,892	322,164	(3,457,304)	-
-	-	(793,946)	-
<u>\$ 15,987,554</u>	<u>\$ 16,484,425</u>	<u>(116,777,856)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 1,719,285</u>	<u>-</u>	<u>702,030</u>
		80,493,769	-
		6,961,117	-
		52,334,769	-
		58,073,370	-
		3,140,359	-
		461,736	109,894
		9,857,677	11,822,147
		963,748	216,714
		<u>212,286,545</u>	<u>12,148,755</u>
		<u>95,508,689</u>	<u>12,850,785</u>
		330,078,881	224,681,028
		24,590	-
		<u>330,103,471</u>	<u>224,681,028</u>
		<u>\$ 425,612,160</u>	<u>\$ 237,531,813</u>

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

<i>September 30, 2021</i>	<b>General</b>	<b>County Transportation</b>	<b>Fine and Forfeiture</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 33,590,129	\$ 15,515,529	\$ 7,744,827
Investments	14,780,954	7,645,685	1,394,311
Accounts receivable, net	215,304	526,996	333,092
Due from other governments	3,619,212	3,498,574	486,199
Due from other funds	250,238	1,927	466,787
Inventory	113,490	359,109	-
Restricted assets:			
Cash and cash equivalents	2,061,128	4,157,444	-
Investments	-	-	-
Assessments receivable	-	-	-
Loans receivable	1,636,469	-	-
<b>Total assets</b>	<b>\$ 56,266,924</b>	<b>\$ 31,705,264</b>	<b>\$ 10,425,216</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,195,059	\$ 1,608,154	\$ 1,370,825
Accrued liabilities	2,131,072	677,409	2,411,990
Due to other governments	242,048	87,101	-
Due to individuals	-	-	-
Deposits	2,225,388	4,157,444	-
Due to other funds	7,658,364	-	-
Unearned revenue	7,387,486	6,033	24,884
<b>Total liabilities</b>	<b>20,839,417</b>	<b>6,536,141</b>	<b>3,807,699</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue on special assessments	-	-	-
<b>Fund Balance</b>			
Nonspendable	1,758,356	359,109	-
Restricted	843,613	24,810,014	6,617,517
Committed	-	-	-
Assigned	6,288,211	-	-
Unassigned	26,537,327	-	-
<b>Total fund balance</b>	<b>35,427,507</b>	<b>25,169,123</b>	<b>6,617,517</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 56,266,924</b>	<b>\$ 31,705,264</b>	<b>\$ 10,425,216</b>

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



<b>Tourist Development</b>	<b>Solid Waste Landfill</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 54,433,411	\$ 11,486,483	\$ 16,383,366	\$ 13,604,046	\$ 152,757,791
21,154,832	4,463,629	6,367,216	3,995,660	59,802,287
4,823,494	10,172	-	83,061	5,992,119
44,138	4,647,704	-	551,762	12,847,589
7,388,690	-	-	150	8,107,792
-	-	-	-	472,599
-	2,929,772	-	101,141	9,249,485
-	-	-	39,307	39,307
-	-	-	6,130	6,130
-	-	-	-	1,636,469
<b>\$ 87,844,565</b>	<b>\$ 23,537,760</b>	<b>\$ 22,750,582</b>	<b>\$ 18,381,257</b>	<b>\$ 250,911,568</b>
\$ 2,422,408	\$ 1,505,851	\$ 201,263	\$ 143,931	\$ 8,447,491
206,986	51,979	-	247,732	5,727,168
-	3,122,514	-	234,203	3,685,866
-	-	-	172,146	172,146
-	-	-	-	6,382,832
251,975	-	-	197,453	8,107,792
-	-	-	1,455,313	8,873,716
<b>2,881,369</b>	<b>4,680,344</b>	<b>201,263</b>	<b>2,450,778</b>	<b>41,397,011</b>
-	-	-	6,130	6,130
300	1,200	-	800	2,119,765
-	2,929,772	-	3,675,867	38,876,783
58,892,003	-	-	10,376,024	69,268,027
26,070,893	15,926,444	22,549,319	1,871,658	72,706,525
-	-	-	-	26,537,327
<b>84,963,196</b>	<b>18,857,416</b>	<b>22,549,319</b>	<b>15,924,349</b>	<b>209,508,427</b>
<b>\$ 87,844,565</b>	<b>\$ 23,537,760</b>	<b>\$ 22,750,582</b>	<b>\$ 18,381,257</b>	<b>\$ 250,911,568</b>



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

*September 30, 2021*

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

Fund balances - Total governmental funds		\$ 209,508,427
Assessments receivable are not available to pay current period expenditures and therefore are deferred in the governmental funds.		6,130
Capital assets used in government activities are not current financial resources and therefore are not reported at the fund level.		344,411,825
Pension related deferred outflows, deferred inflows and net pension liability represent an acquisition or consumption of net assets that applies to a future period and, therefore, are not reported as liabilities or assets in the governmental funds.		(71,147,639)
Other post-employment benefit ("OPEB") related deferred outflows, deferred inflows and net OPEB obligation represent an acquisition or consumption of net assets that applies to a future period and, therefore, are not reported as liabilities or assets in the governmental funds.		(28,159,550)
Other liabilities not due and payable in the current period and therefore not reported in the funds are as follows:		
Notes payable	(18,771,258)	
Capital lease obligations	(790,704)	
Accrued interest payable	(151,150)	
Landfill closure costs	(4,942,109)	
Compensated absences, net of Internal Service	(4,351,812)	
Fund, \$1,022,443	(4,351,812)	(29,007,033)
Net position of governmental activities		\$ 425,612,160

*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, 2021</i>	<b>General</b>	<b>County Transportation</b>	<b>Fine and Forfeiture</b>
<b>Revenues</b>			
Taxes	\$ 24,729,474	\$ 12,745,485	\$ 47,043,901
Licenses and permits	8,050,982	8,842	-
Intergovernmental	29,034,094	18,279,436	3,007,434
Charges for services	6,538,517	62,656	4,643,618
Fines and forfeitures	102,794	-	56,002
Investment earnings	290,940	53,306	22,287
Miscellaneous	4,097,028	167,834	575,990
<b>Total revenue</b>	<b>72,843,829</b>	<b>31,317,559</b>	<b>55,349,232</b>
<b>Expenditures</b>			
Current			
General government	29,747,909	2,942,082	-
Public safety	3,453,362	-	54,233,015
Physical environment	467,834	229,116	-
Transportation	-	13,079,940	-
Economic environment	371,576	-	-
Human services	8,634,804	-	-
Culture/recreation	2,514,328	1,070,554	-
Capital outlay	2,018,942	17,141,435	5,923,286
Debt service			
Principal	10,889	-	944,361
Interest	603	-	54,738
<b>Total expenditures</b>	<b>47,220,247</b>	<b>34,463,127</b>	<b>61,155,400</b>
<b>Excess revenue over (under) expenditures</b>	<b>25,623,582</b>	<b>(3,145,568)</b>	<b>(5,806,168)</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	31,170	865,547	48,094
Transfers in	2,495,056	8,821,299	8,000,000
Transfers out	(23,966,233)	-	(1,000,000)
Issuance of debt	-	-	-
<b>Total other financing sources (uses)</b>	<b>(21,440,007)</b>	<b>9,686,846</b>	<b>7,048,094</b>
<b>Net change in fund balance</b>	<b>4,183,575</b>	<b>6,541,278</b>	<b>1,241,926</b>
Fund balance - beginning	31,243,932	18,627,845	5,375,591
Prior period adjustment	-	-	-
Fund balance - beginning, as restated	31,243,932	18,627,845	5,375,591
<b>Fund balance - ending</b>	<b>\$ 35,427,507</b>	<b>\$ 25,169,123</b>	<b>\$ 6,617,517</b>

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

<b>Tourist Development</b>	<b>Solid Waste Landfill</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 58,073,370	\$ 35,009,482	\$ 11	\$ 585,560	\$ 178,187,283
-	-	-	4,400,147	12,459,971
-	98,496	-	5,042,169	55,461,629
130,063	398,205	-	2,118,699	13,891,758
-	-	-	638,584	797,380
146,097	20,151	47,333	51,566	631,680
2,500,590	134,563	-	2,201,764	9,677,769
60,850,120	35,660,897	47,344	15,038,489	271,107,470
-	-	-	2,385,722	35,075,713
-	-	-	3,004,092	60,690,469
-	12,037,257	-	13,469	12,747,676
-	-	331,372	3,118	13,414,430
20,729,009	-	-	2,714,501	23,815,086
-	-	-	547,418	9,182,222
-	-	-	53,299	3,638,181
16,311,743	4,079,596	8,118,501	3,262,793	56,856,296
-	-	1,699,481	-	2,654,731
-	-	760,828	-	816,169
37,040,752	16,116,853	10,910,182	11,984,412	218,890,973
23,809,368	19,544,044	(10,862,838)	3,054,077	52,216,497
36,045	4,665	178,595	36,316	1,200,432
557,971	-	15,788,311	-	35,662,637
-	(10,696,404)	-	-	(35,662,637)
-	-	-	-	-
594,016	(10,691,739)	15,966,906	36,316	1,200,432
24,403,384	8,852,305	5,104,068	3,090,393	53,416,929
60,559,812	10,005,111	17,445,251	12,809,366	156,066,908
-	-	-	24,590	24,590
60,559,812	10,005,111	17,445,251	12,833,956	156,091,498
\$ 84,963,196	\$ 18,857,416	\$ 22,549,319	\$ 15,924,349	\$ 209,508,427

**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, 2021*

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

Net change in fund balances - total governmental funds	\$	53,416,929
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.		56,650,225
Depreciation expense on governmental capital assets is included in the governmental activities in the Statement of Activities.		(20,297,858)
In the statement of activities, the gain or loss on the disposal of capital assets is reported. Where as in the governmental funds, total proceeds from disposals are reported. Thus, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets		(236,684)
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.		2,654,643
Assessment revenue is not collected for several months after year-end and is deferred in the governmental funds.		(6,472)
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.		22,310
Accrued landfill closure/post closure costs do no require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(129,173)
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.		6,659,591
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.		(3,061,975)
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.		(162,847)
Change in net position of governmental activities	\$	95,508,689

*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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 24,300,893	\$ 24,300,893	\$ 24,729,474	\$ 428,581
Licenses and permits	523,000	7,241,803	8,050,982	809,179
Intergovernmental	16,570,128	33,963,906	29,034,094	(4,929,812)
Charges for services	4,248,137	4,360,390	6,538,517	2,178,127
Fines and forfeitures	21,976	21,976	102,794	80,818
Investment earnings	196,250	196,250	290,940	94,690
Miscellaneous	2,861,089	3,767,679	4,097,028	329,349
<b>Total revenues</b>	<b>48,721,473</b>	<b>73,852,897</b>	<b>72,843,829</b>	<b>(1,009,068)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General Government</b>				
Board of County Commissioners	10,457,829	18,536,136	10,982,233	7,553,903
Comptroller	4,862,443	4,959,896	4,041,306	918,590
Clerk of Court - circuit court	214,697	214,697	197,351	17,346
Clerk of Court - county court	69,956	69,956	67,002	2,954
Court technology	136,695	136,695	155,934	(19,239)
GIS - information services	566,613	566,613	544,876	21,737
Property Appraiser	2,663,452	2,627,756	2,283,660	344,096
Tax Collector	5,290,556	5,302,876	3,707,501	1,595,375
Supervisor of Elections	951,777	1,007,825	974,341	33,484
Legal services	957,179	957,179	690,560	266,619
State Attorney/Public Defender	82,500	82,500	92,446	(9,946)
Growth management and comprehensive planning	3,387,607	4,212,430	3,135,014	1,077,416
County administrator	1,362,408	1,351,808	1,333,656	18,152
Financial and administrative services	1,747,704	1,730,804	1,542,029	188,775
<b>Total general government</b>	<b>32,751,416</b>	<b>41,757,171</b>	<b>29,747,909</b>	<b>12,009,262</b>

-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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Public Safety</b>				
Code enforcement	1,643,105	1,662,257	1,550,664	111,593
Fire coordination	32,791	32,791	32,791	-
Parole and probation	355,346	355,346	299,239	56,107
Emergency operations center	357,051	642,170	480,070	162,100
Emergency medical services	791,182	791,414	791,181	233
Medical examiner	233,981	299,209	299,417	(208)
<b>Total public safety</b>	<b>3,413,456</b>	<b>3,783,187</b>	<b>3,453,362</b>	<b>329,825</b>
<b>Physical Environment</b>				
Extension service	394,381	402,519	364,352	38,167
Natural resource conservation service	114,628	114,628	103,482	11,146
<b>Total physical environment</b>	<b>509,009</b>	<b>517,147</b>	<b>467,834</b>	<b>49,313</b>
<b>Economic Environment</b>				
Economic development	211,756	211,756	211,756	-
Veteran services	166,939	166,939	159,820	7,119
<b>Total economic environment</b>	<b>378,695</b>	<b>378,695</b>	<b>371,576</b>	<b>7,119</b>
<b>Human Services</b>				
Health department	1,941,263	8,617,066	8,476,353	140,713
Community service	139,139	139,139	52,226	86,913
Mental health	75,000	75,000	75,000	-
Welfare	53,700	53,700	31,225	22,475
<b>Total human services</b>	<b>2,209,102</b>	<b>8,884,905</b>	<b>8,634,804</b>	<b>250,101</b>
<b>Cultural and Recreation</b>				
Library	1,063,803	1,080,695	992,042	88,653
Parks and recreation	1,416,210	1,547,616	1,522,286	25,330
<b>Total cultural and recreation</b>	<b>2,480,013</b>	<b>2,628,311</b>	<b>2,514,328</b>	<b>113,983</b>
<b>Capital Outlay</b>	<b>768,290</b>	<b>8,104,164</b>	<b>2,018,942</b>	<b>6,085,222</b>

-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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Debt Service</b>				
Principal	10,889	10,889	10,889	-
Interest	603	603	603	-
<b>Total debt service</b>	<b>11,492</b>	<b>11,492</b>	<b>11,492</b>	<b>-</b>
<b>Total expenditures</b>	<b>42,521,473</b>	<b>66,065,072</b>	<b>47,220,247</b>	<b>18,844,825</b>
Excess revenues over (under) expenditures	6,200,000	7,787,825	25,623,582	17,835,757
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	31,170	31,170
Transfers in	4,295,056	4,295,056	2,495,056	(1,800,000)
Transfers out	(10,795,056)	(23,966,233)	(23,966,233)	-
Issuance of debt	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(6,500,000)</b>	<b>(19,671,177)</b>	<b>(21,440,007)</b>	<b>(1,768,830)</b>
<b>Net change in fund balance</b>	<b>(300,000)</b>	<b>(11,883,352)</b>	<b>4,183,575</b>	<b>16,066,927</b>
<b>Fund balance - beginning</b>	<b>31,243,932</b>	<b>31,243,932</b>	<b>31,243,932</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 30,943,932</b>	<b>\$ 19,360,580</b>	<b>\$ 35,427,507</b>	<b>\$ 16,066,927</b>

*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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 12,372,807	\$ 12,372,807	\$ 12,745,485	\$ 372,678
Licenses and permits	7,000	7,000	8,842	1,842
Intergovernmental	2,879,579	31,582,149	18,279,436	(13,302,713)
Charges for services	44,000	44,000	62,656	18,656
Investment earnings	75,000	75,000	53,306	(21,694)
Miscellaneous	-	55,593	167,834	112,241
<b>Total revenues</b>	<b>15,378,386</b>	<b>44,136,549</b>	<b>31,317,559</b>	<b>(12,818,990)</b>
<b>Expenditures</b>				
General government	3,434,603	3,434,603	2,942,082	492,521
Physical environment	-	419,775	229,116	190,659
Transportation	15,993,442	16,298,635	13,079,940	3,218,695
Culture/recreation	1,152,474	1,153,100	1,070,554	82,546
Capital outlay	3,574,000	38,404,230	17,141,435	21,262,795
<b>Total expenditures</b>	<b>24,154,519</b>	<b>59,710,343</b>	<b>34,463,127</b>	<b>25,247,216</b>
Excess revenues over (under) expenditures	(8,776,133)	(15,573,794)	(3,145,568)	12,428,226
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	232,000	232,000	865,547	633,547
Transfers in	8,201,348	8,821,299	8,821,299	-
<b>Total other financing sources (uses)</b>	<b>8,433,348</b>	<b>9,053,299</b>	<b>9,686,846</b>	<b>633,547</b>
Net change in fund balance	(342,785)	(6,520,495)	6,541,278	13,061,773
Fund balance - beginning	18,627,845	18,627,845	18,627,845	-
Fund balance - ending	\$ 18,285,060	\$ 12,107,350	\$ 25,169,123	\$ 13,061,773

*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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 45,280,096	\$ 45,280,096	\$ 47,043,901	\$ 1,763,805
Intergovernmental	8,873,975	934,615	3,007,434	2,072,819
Charges for services	7,384,000	7,384,000	4,643,618	(2,740,382)
Fine and forfeitures	57,000	57,000	56,002	(998)
Investment earnings	74,000	74,000	22,287	(51,713)
Miscellaneous	100,000	100,000	575,990	475,990
<b>Total revenues</b>	<b>61,769,071</b>	<b>53,829,711</b>	<b>55,349,232</b>	<b>1,519,521</b>
<b>Expenditures</b>				
Current				
Public safety	58,271,364	54,924,690	54,233,015	691,675
Capital outlay	3,615,500	7,022,814	5,923,286	1,099,528
Debt service				
Principal	944,361	944,361	944,361	-
Interest	54,738	54,738	54,738	-
<b>Total expenditures</b>	<b>62,885,963</b>	<b>62,946,603</b>	<b>61,155,400</b>	<b>1,791,203</b>
Excess revenues over (under) expenditures	(1,116,892)	(9,116,892)	(5,806,168)	3,310,724
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	48,094	48,094
Transfers in	-	8,000,000	8,000,000	-
Transfers out	-	(1,000,000)	(1,000,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>7,000,000</b>	<b>7,048,094</b>	<b>48,094</b>
<b>Net change in fund balance</b>	<b>(1,116,892)</b>	<b>(2,116,892)</b>	<b>1,241,926</b>	<b>3,358,818</b>
<b>Fund balance - beginning</b>	<b>5,375,591</b>	<b>5,375,591</b>	<b>5,375,591</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 4,258,699</b>	<b>\$ 3,258,699</b>	<b>\$ 6,617,517</b>	<b>\$ 3,358,818</b>
<b>Reconciliation of GAAP to Budgetary Basis</b>				
GAAP basis revenues	\$ 61,769,071	\$ 53,829,711	\$ 55,349,232	\$ 1,519,521
Non-budgeted revenues				
Intergovernmental	-	-	(2,471,234)	(2,471,234)
<b>Budgetary basis revenues</b>	<b>\$ 61,769,071</b>	<b>\$ 53,829,711</b>	<b>\$ 52,877,998</b>	<b>\$ (951,713)</b>
GAAP basis expenditures	\$ 62,885,963	\$ 62,946,603	\$ 61,155,400	\$ 1,791,203
Non-budgeted expenditures				
Public safety	-	-	(2,447,946)	2,447,946
Capital outlay	-	-	(23,288)	23,288
<b>Budgetary basis expenditures</b>	<b>\$ 62,885,963</b>	<b>\$ 62,946,603</b>	<b>\$ 58,684,166</b>	<b>\$ 4,262,437</b>

*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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 15,517,230	\$ 15,517,230	\$ 58,073,370	\$ 42,556,140
Intergovernmental	-	-	-	-
Charges for services	80,000	80,000	130,063	50,063
Investment earnings	300,000	300,000	146,097	(153,903)
Miscellaneous	3,289,342	3,289,342	2,500,590	(788,752)
<b>Total revenues</b>	<b>19,186,572</b>	<b>19,186,572</b>	<b>60,850,120</b>	<b>41,663,548</b>
<b>Expenditures</b>				
Current				
Economic environment	24,721,927	27,503,820	20,729,009	6,774,811
Capital outlay	11,638,600	34,083,018	16,311,743	17,771,275
<b>Total expenditures</b>	<b>36,360,527</b>	<b>61,586,838</b>	<b>37,040,752</b>	<b>24,546,086</b>
Excess revenues over (under) expenditures	(17,173,955)	(42,400,266)	23,809,368	66,209,634
Other Financing Sources				
Proceeds from sale of equipment	-	-	36,045	36,045
Transfers in	-	557,971	557,971	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>557,971</b>	<b>594,016</b>	<b>36,045</b>
<b>Net change in fund balance</b>	<b>(17,173,955)</b>	<b>(41,842,295)</b>	<b>24,403,384</b>	<b>66,245,679</b>
Fund balance - beginning	60,559,812	60,559,812	60,559,812	-
<b>Fund balance - ending</b>	<b>\$ 43,385,857</b>	<b>\$ 18,717,517</b>	<b>\$ 84,963,196</b>	<b>\$ 66,245,679</b>

*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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 24,250,000	\$ 24,353,000	\$ 35,009,482	\$ 10,656,482
Intergovernmental	-	98,882	98,496	(386)
Charges for services	600,000	600,000	398,205	(201,795)
Investment earnings	20,000	20,000	20,151	151
Miscellaneous	30,000	30,000	134,563	104,563
<b>Total revenues</b>	<b>24,900,000</b>	<b>25,101,882</b>	<b>35,660,897</b>	<b>10,559,015</b>
<b>Expenditures</b>				
Current				
Physical environment	11,692,896	11,692,896	12,037,257	(344,361)
Capital outlay	2,510,700	5,070,886	4,079,596	991,290
<b>Total expenditures</b>	<b>14,203,596</b>	<b>16,763,782</b>	<b>16,116,853</b>	<b>646,929</b>
<b>Excess revenues over expenditures</b>	<b>10,696,404</b>	<b>8,338,100</b>	<b>19,544,044</b>	<b>11,205,944</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	4,665	4,665
Transfers out	(10,696,404)	(10,696,404)	(10,696,404)	-
<b>Total other financing sources (uses)</b>	<b>(10,696,404)</b>	<b>(10,696,404)</b>	<b>(10,691,739)</b>	<b>4,665</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>(2,358,304)</b>	<b>8,852,305</b>	<b>11,210,609</b>
<b>Fund balance - beginning</b>	<b>10,005,111</b>	<b>10,005,111</b>	<b>10,005,111</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 10,005,111</b>	<b>\$ 7,646,807</b>	<b>\$ 18,857,416</b>	<b>\$ 11,210,609</b>

*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, 2021</i>	
<hr/>	
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 1,022,443
<hr/>	
<b>Liabilities</b>	
Current liabilities	
Accrued compensated absences	155,642
Non-current liabilities	
Accrued compensated absences	866,801
<hr/>	
Total liabilities	1,022,443
<hr/>	
Net position	\$ -
<hr/>	

*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
<i>For the year ended September 30, 2021</i>	Internal Service Fund
<b>Operating Revenues</b>	
Charges for services	\$ 221,316
<b>Expenses</b>	
Personal services	221,316
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**

	<b>Governmental Activities</b>
<i>For the year ended September 30, 2021</i>	<b>Internal Service Fund</b>
<b>Cash Provided by (Used in) Operating Activities</b>	
Funding of compensated absences liability	\$ 221,316
Payments on compensated absences liability	(234,778)
Net increase in cash and cash equivalents	(13,462)
Cash and cash equivalents at the beginning of the year	1,035,905
Cash and cash equivalents at the end of the year	\$ 1,022,443
<b>Reconciliation of Change in Net Position to Cash Provided by Operating Activities</b>	
Change in net position	\$ -
Increase in liabilities:	
Compensated absences payable	(13,462)
Cash provided by operating activities	\$ (13,462)

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



**Walton County, Florida**  
**Statement of Fiduciary Net Position**

<i>September 30, 2021</i>	<b>Custodial Funds</b>
<hr/>	
<b>Assets</b>	
Cash	\$ 8,132,655
Receivables, net	1,830
<hr/>	
Total assets	\$ 8,134,485
<hr/>	
<b>Liabilities</b>	
Due to other governments	\$ 2,914,118
Deposits	4,056,326
Due to individuals	1,162,195
<hr/>	
Total liabilities	8,132,639
<b>Net Position</b>	
Restricted	1,846
<hr/>	
Total liabilities and net position	\$ 8,134,485
<hr/>	

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

**Walton County, Florida**  
**Statement of Changes in Fiduciary Net Position**

<i>For the year ended September 30, 2021</i>	<b>Custodial Funds</b>
<hr/>	
<b>Additions</b>	
Funds held for others	\$ 349,631,530
Donations	950
<hr/>	
Total additions	349,632,480
<hr/>	
<b>Deductions</b>	
Current	
Funds held for others	349,631,530
Public Safety	1,740
<hr/>	
Total deductions	349,633,270
<hr/>	
Changes in net position	(790)
Net position - beginning of year, as originally stated	-
Restatement	2,636
<hr/>	
Net position - beginning of year, as restated	2,636
<hr/>	
Net position - end of year	\$ 1,846
<hr/> <hr/>	

*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.

**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. 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 custodial 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.

**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. 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.

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 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.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Financial Statements (continued)***

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.

*Fiduciary 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. 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, and for compliance with court orders; unclaimed tax deed sales, and Sheriff's posse activities.

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, Suspense, Aviation and Traffic & Parking Enforcement. These funds do not have appropriated budgets since other means control the use of these resources.

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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgetary Information (continued)***

*Budgetary Basis of Accounting (continued)*

*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.

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.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgetary Information (continued)***

*Budgetary Basis of Accounting (continued)*

*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 Management Information Systems that deal primarily or exclusively with the County are budgeted with appropriations from the Board. The fees generated by the various non-court departments of the Clerk of Circuit Court are used to pay operating expenditures of that department. All excess fees are remitted to the Board at year-end.

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

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

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

## 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*

##### *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%

Investments are stated at fair value, NAV, or amortized cost. 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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Investments (continued)*

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, 2021, Florida PRIME's investments dollar weighted average days to maturity (WAM) was 49 days. Next interest rate reset dates for floating rate securities are used in the calculation of WAM and weighted average life (WAL) is 64 days. Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2020 through September 30, 2021. As of September 30, 2021, 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, 2021, 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.

*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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Allowance for Doubtful Accounts (continued)*

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 \$5,000 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:

<u>Asset</u>	<u>Years</u>
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 assets that applies to future periods 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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County 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 28, 2021:

Unamortized loss on Series 2001 refunding	\$	126,579
Unamortized loss on Series 2003 refunding		44,266
Unamortized loss on Series 2006 refunding		68,946
<hr/>		
<u>Total deferred losses on debt refunding</u>	<u>\$</u>	<u>239,791</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, 2021, 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.

## 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)*

##### *Unearned revenues*

Unearned revenues are a liability that represents amounts received, but not yet earned. \$7,153,274 of funding from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program was unearned as of September 30, 2021.

##### *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.

**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)*

*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.

*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.

*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)*

2021 property tax calendar:

Lien date	- January 1, 2020
Levy date	- November 1, 2020
Tax bills mailed	- November 1, 2020
Collection dates	- November 30, 2020: 4% discount
	- Through January 2, 2021: 3% discount
	- Through January 31, 2021: 2% discount
	- Through February 28, 2021: 1% discount
Delinquent date	- April 1, 2021
Tax sale - 2020 delinquent property taxes	- on or before June 1, 2021

*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 Annual Comprehensive 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 generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for doubtful accounts, pension liability, and OPEB liability.

**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 4, 2022 and determined there were no events that occurred that required disclosure.

***Recently Issued and Implemented Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. Additional information on changes to the financial statements related to the implementation of this statement can be found in Note 9. The implementation of this statement resulted in a restatement to beginning fund balance and net position for two non-major funds, a reclassification from fiduciary to special revenue funds for three non-major funds, and an additional Statement on Changes in Fiduciary Net Position.

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement 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 this Statement 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. The implementation of this statement had no impact on the financial statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (continued)***

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor 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 this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement 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 this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement 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 this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance 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. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (continued)***

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by 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 and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (continued)***

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 this Statement 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.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement 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. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement 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 plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial

## Walton County, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Recently Issued and Implemented Accounting Pronouncements (continued)*

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 (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

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

### Note 2: DETAILED NOTES ON ALL FUNDS

#### *Budgetary Information*

During the fiscal year 2021, there were supplemental appropriations of \$128,396,201 or 59 percent of the original budget. The following items represent the major additional appropriations:

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Budgetary Information (continued)***

<i>General Fund</i>	
Various projects in work and capital projects	\$ 6,026,541
Various operating costs	16,552,869
Various federal and state grants	14,135,366
<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	35,555,824
<i>Fine and Forfeiture</i>	
Various projects in work and capital projects	1,000,000
Various federal and state grants	60,640
<i>Tourist Development</i>	
Various projects in work and capital projects	25,226,311
<i>Solid Waste Landfill</i>	
Various capital improvements, facility repairs and upgrades	2,461,304
Various federal and state grants	98,882
<i>Capital Projects</i>	
Various projects in work and capital projects	20,698,561
<i>Nonmajor Funds</i>	
Various capital improvements, facility repairs and upgrades	3,429,417
Various federal and state grants	2,863,687
Various personnel services and operating costs	286,799
<b>Total</b>	<b>\$ 128,396,201</b>

***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 2021 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.

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Investments (continued)***

*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.

<b>Investment Type</b>	<b>Total Fair Value</b>	<b>0-1 Year</b>	<b>1-5 Year</b>	<b>5-10 Year</b>	<b>More Than 10 Year</b>
Certificate of deposit	\$ 241,259	\$ 241,259	\$ -	\$ -	\$ -
Corporate bonds	31,846,128	4,756,336	27,089,792	-	-
Municipal bonds	6,883,709	978,328	5,905,381	-	-
U.S. Government and agency securities	7,952,882	-	5,709,454	643,947	1,599,481
	46,923,978	<u>\$ 5,975,923</u>	<u>\$ 38,704,627</u>	<u>\$ 643,947</u>	<u>\$ 1,599,481</u>
Money market	766,677				
Equity securities	1,207,116				
	<u>\$ 48,897,771</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.



**Walton County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Investments (continued)***

*Concentration of Credit Risk (continued)*

Investment Type	Credit Rating	Concentration Risk at Fair Value	Percentage of Total Investments
Florida Local Government Investment Trust (FLGIT)	AAAf	\$ 10,813,253	18.07%

*Fair Value Measurement*

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

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

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

At September 30, 2021, the County’s pooled investments are valued as follows:

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Investments (continued)***

*Fair Value Measurement (continued)*

Investment Type	9/30/2021 Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Certificates of deposit	\$ 241,259	\$ 241,259	\$ -
Money market funds	766,677	766,677	-
U.S. government and agency securities	7,952,882	3,069,258	4,883,624
Municipal bonds	6,883,709	-	6,883,709
Corporate bonds	31,846,128	-	31,846,128
Equity securities	1,207,116	1,207,116	-
<b>Total investments at fair value</b>	<b>48,897,771</b>	<b>\$ 5,284,310</b>	<b>\$ 43,613,461</b>
<i>Investments Measured at Net Asset Value (NAV)</i>			
Florida Local Government Investment Trust (FLGIT)	10,813,253		
<i>Investments Measured at Amortized Cost</i>			
Florida PRIME (SBA)	130,570		
<b>Total investments valued at NAV and amortized cost</b>	<b>10,943,823</b>		
<b>Total investments</b>	<b>\$ 59,841,594</b>		

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

*Florida Community Services Corporation (FCSC)*

For the year ended February 28, 2021, 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 44 days; therefore, the Corporation considers these cash equivalents. Blackrock T-Fund has a Standard & Poor's credit rating of AAAM and a Moody's credit rating of Aaa-mf. At February 28, 2021, total invested in the fund with The Bank of New York Mellon totaled \$16,312,607.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Investments (continued)***

*Florida Community Services Corporation (FCSC) (continued)*

For the year ended February 28, 2021, 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 58 days; therefore, the Corporation considers these cash equivalents. Goldman has a Standard & Poor's credit rating of AAAM and a Moody's credit rating of Aaa-mf. At February 28, 2021, total invested in the fund with The Bank of New York Mellon totaled \$2,470,012 (FYAXX) and \$1,694,900 (FTOXX). The Corporation held investments in certificates of deposit of \$5,000,000 at February 28, 2021. The certificates of deposit bear interest at 0.01% and mature in May 2021.

***Receivables***

*Accounts Receivables* consists primarily of franchise fee and ambulance billings in the General Fund, Tourist Development Council tax in the Special Revenue Fund and fraud recoveries in the Housing and Urban Development ("HUD") non-major special revenue fund. All accounts receivables are considered collectible and no allowance for uncollectibles is deemed necessary, except for ambulance billings which had a balance of \$544,856 and an allowance of \$282,181 and HUD which had a balance of \$207,028 and an allowance of \$207,028.

*Florida Community Services Corporation (FCSC)* charges accounts to bad debt expense as they are billed and deemed uncollectible. At February 28, 2021, the allowance for uncollectible accounts was \$35,001.

*Due From Other Governments* is comprised of grants reimbursements of \$5,443,541 and revenue sharing and taxes due to the County of \$7,404,048.

*Assessment Receivable* is the amount due from property owners in various MSBUs. At September 30, 2021, assessments receivable is related to the Leisure Lake MSBU. Receivables are collected annually to the extent of the debt service on bonds issued to pay for the cost of infrastructure.

*Loans Receivable* consists of a loan agreement with the 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, 2021 is \$1,636,469 and will be repaid by the EDA with proceeds of each sale of real property.

***FCSC - Developers Agreements Receivable***

As of February 28, 2021, FCSC had gross balances for accounts receivable related to developers' agreements of \$4,934,802. These receivables represent amounts owed by developers for water and/or sewer connection fees under the terms of contracts between the parties and FCSC.

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***FCSC - Developers Agreements Receivable (continued)***

As of February 28, 2021, FCSC had taken legal action related to the collection of the past due amounts by filing liens. However, management believes there is uncertainty regarding the collectability of the past due amounts. Therefore, at February 28, 2021, FCSC had established an allowance for doubtful accounts of \$1,557,621. 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	\$	250,238
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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	\$	190
Tourist development council		1,737
	\$	1,927

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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	\$	269,674
Other governmental funds		197,113
	\$	466,787

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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.

*Tourist Development Council*

General fund	\$	7,388,690
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Amounts due are from Clerk of the Courts for Tourist Development Tax. All amounts due will be paid within one year of the financial statement date.

*Other Governmental Funds*

Other governmental funds	\$	150
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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 statement date.

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Interfund Activity (continued)***

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	\$	2,495,056
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*Transfers to County Transportation Fund from :*

Solid waste landfill	8,201,348
General fund	619,951

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Total		8,821,299
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*Transfers to Tourist Development Council from:*

General fund		557,971
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*Transfers to Capital Projects Fund from:*

Fine and forfeiture	1,000,000
General fund	14,788,311

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Total		15,788,311
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*Transfers to Fine and Forfeiture Fund from:*

General fund		8,000,000
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Total interfund transfers	\$	35,662,637
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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	\$ 101,141	\$ 39,307	\$ -	\$ 140,448
Infrastructure improvements	6,218,572	-	6,130	6,224,702
Landfill closure costs	2,929,772	-	-	2,929,772
	<u>\$ 9,249,485</u>	<u>\$ 39,307</u>	<u>\$ 6,130</u>	<u>\$ 9,294,922</u>
<i>Florida Community Service Corporation</i>				
Debt service funds	\$ 4,164,707	\$ -	\$ -	\$ 4,164,707
Renewal and replacement funds	1,323,875	-	-	1,323,875
Customer deposits	2,514,899	-	-	2,514,899
	<u>\$ 8,003,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,003,481</u>

***Capital Assets***

Capital assets activity for the fiscal year is as follows:

	October 1, 2020	Additions	Deductions	September 30, 2021
Capital assets not being depreciated				
Land	\$ 101,342,581	\$ 18,253,239	\$ 13,555	\$ 119,582,265
Construction in progress	28,774,210	23,333,896	20,609,709	31,498,397
Total non-depreciable assets	<u>\$ 130,116,791</u>	<u>\$ 41,587,135</u>	<u>\$ 20,623,264</u>	<u>\$ 151,080,662</u>
Capital assets being depreciated:				
Buildings	\$ 84,241,470	\$ 5,552,036	\$ 122,482	\$ 89,671,024
Improvements other than buildings	50,915,796	2,762,806	-	53,678,602
Infrastructure	171,938,195	18,022,954	-	189,961,149
Machinery and equipment	82,508,555	9,335,003	5,124,985	86,718,573
Total depreciable assets	<u>389,604,016</u>	<u>35,672,799</u>	<u>5,247,467</u>	<u>420,029,348</u>

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**Capital Assets (continued)**

	October 1, 2020	Additions	Deductions	September 30, 2021
Less accumulated depreciation:				
Buildings	28,234,175	2,319,431	74,246	30,479,360
Improvements other than buildings	19,449,649	2,266,362	-	21,716,011
Infrastructure	105,526,298	6,949,895	-	112,476,193
Machinery and equipment	58,214,543	8,762,170	4,950,092	62,026,621
<b>Total accumulated depreciation</b>	<b>211,424,665</b>	<b>20,297,858</b>	<b>5,024,338</b>	<b>226,698,185</b>
<b>Total depreciable capital assets, net</b>	<b>178,179,351</b>	<b>15,374,941</b>	<b>223,129</b>	<b>193,331,163</b>
<b>Total governmental activities capital assets, net</b>	<b>\$ 308,296,142</b>	<b>\$ 56,962,076</b>	<b>\$ 20,846,393</b>	<b>\$ 344,411,825</b>

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

<i>Governmental Activities</i>		
General government		\$ 3,114,914
Public safety		5,059,242
Physical environment		650,989
Transportation		10,075,569
Economic environment		567,194
Human services		84,214
Culture and recreation		745,736
<b>Total</b>		<b>\$ 20,297,858</b>

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

	March 1, 2020	Additions	Transfer/ Deductions	February 28, 2021
Capital assets not being depreciated				
Land	\$ 13,227,825	\$ -	\$ -	\$ 13,227,825
Construction in progress	9,937,452	7,041,638	(3,384,896)	13,594,194
<b>Total non-depreciable assets</b>	<b>\$ 23,165,277</b>	<b>\$ 7,041,638</b>	<b>\$ (3,384,896)</b>	<b>\$ 26,822,019</b>

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**Capital Assets (continued)**

	March 1, 2020	Additions	Transfer/ Deductions	February 28, 2021
Capital assets being depreciated:				
Buildings	\$ 11,285,028	\$ -	\$ -	\$ 11,285,028
Utility system	322,624,633	6,573,906	3,384,896	332,583,435
Automobiles and trucks	6,602,934	908,396	(252,852)	7,258,478
Furniture and fixtures	868,528	80,572	-	949,100
Machinery and equipment	19,529,599	1,211,413	(369,084)	20,371,928
Total depreciable assets	360,910,722	8,774,287	2,762,960	372,447,969
Less accumulated depreciation	202,339,483	16,830,220	(529,150)	218,640,553
Total depreciable capital assets, net	158,571,239	(8,055,933)	3,292,110	153,807,416
Total governmental activities capital assets, net	\$ 181,736,516	\$ (1,014,295)	\$ (92,786)	\$ 180,629,435

**Long-term Debt and Liabilities**

The following is a summary of changes in long-term debt for the year ended September 30, 2021:

	Balance 10/01/20	Additions	Reductions	Balance 09/30/21	Due Within One Year
Capital leases from direct borrowings	\$ 1,745,866	\$ -	\$ 955,162	\$ 790,704	\$ 289,943
Notes from direct borrowings	20,470,739	-	1,699,481	18,771,258	1,928,341
Compensated absences	5,224,870	4,312,503	4,163,118	5,374,255	1,185,859
Net pension liability	113,424,645	(78,504,868)	-	34,919,777	-
Net OPEB liability	30,317,000	9,175,000	-	39,492,000	-
Landfill closure costs	4,812,936	129,173	-	4,942,109	11,500
	\$ 175,996,056	\$ (64,888,192)	\$ 6,817,761	\$ 104,290,103	\$ 3,415,643

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:

	<b>Tax Collector</b>	<b>Sheriff</b>	<b>Board</b>	<b>Total</b>
2021	\$ 11,068	\$ 211,925	\$ 82,847	\$ 305,840
2022	10,619	211,925	37,989	260,533
2023	6,200	211,925	-	218,125
2024	1,663	52,981	-	54,644
Total minimum payments	29,550	688,756	120,836	839,142
Less: amount representing interest	(657)	(47,781)	-	(48,438)
Present value of minimum capital lease payments	\$ 28,893	\$ 640,975	\$ 120,836	\$ 790,704
Gross capital asset value	\$ 50,234	\$ 986,497	\$ 549,997	\$ 1,586,728
Accumulated depreciation	(23,074)	(575,457)	(540,330)	(1,138,861)
Net capital asset value	\$ 27,160	\$ 411,040	\$ 9,667	\$ 447,867

*Notes From Direct Borrowings*

*September 30, 2021*

*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. \$ 16,356,258

*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. 2,415,000

**\$ 18,771,258**

**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
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	2,182,320	332,383	2,514,703
2027-2030	8,525,356	643,757	9,169,113
	<b>\$ 18,771,258</b>	<b>\$ 2,980,935</b>	<b>\$ 21,752,193</b>

*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 \$2,460,309 and \$16,998,673, 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 28, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds, and notes					
Series 2011	\$ 4,940,000	\$ -	\$ 325,000	\$ 4,615,000	\$ 340,000
Series 2013	4,905,000	-	355,000	4,550,000	365,000
Series 2015	13,368,000	-	969,000	12,399,000	990,000
Revenue bonds and notes payable	23,213,000	-	1,649,000	21,564,000	1,695,000
Plus unamortized bond premium	49,249	-	4,314	44,935	-
Total revenue bonds and notes payable	<b>\$ 23,262,249</b>	<b>\$ -</b>	<b>\$ 1,653,314</b>	<b>\$ 21,608,935</b>	<b>\$ 1,695,000</b>

**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 28, 2021</i>	<b>Current</b>	<b>Long-term</b>	<b>Total</b>
\$8,685,000 Revenue Bonds, Series 2011, serial bonds for the purpose of refunding the outstanding Water and Sewer Revenue Refunding Bonds, Series 2001, principal and interest payments are due semi-annually with principal due in increasing amounts and interest rates from 2.0% to 4.75%. The bonds are secured by the assets of the Corporation and by future revenues.	\$ 340,000	\$ 4,275,000	\$ 4,615,000
\$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.	365,000	4,185,000	4,550,000
\$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.	990,000	11,409,000	12,399,000
Total revenue bonds and notes outstanding	1,695,000	19,869,000	21,564,000
Unamortized premium	-	44,935	44,935
Total revenue bonds and notes, net	\$ 1,695,000	\$ 19,913,935	\$ 21,608,935

FCSC's annual requirements to amortize all debts outstanding as of February 28, 2021 on the bonds and notes are as follows:

<b>Year Ending February 28,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	1,895,000	408,001	2,303,001
2027-2031	10,342,000	1,175,361	11,517,361
2032	2,251,000	46,348	2,297,348
	\$ 21,564,000	\$ 3,772,928	\$ 25,336,928

**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 28, 2021, FCSC was in compliance with all of its debt covenants.

*Indenture Provisions*

FCSC's outstanding bond and note issues require the establishment of certain debt service reserve accounts to be maintained. At February 28, 2021, 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 2021. 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, 2021, deposits totaled \$6,940,238. Of this total, \$2,061,128 was for bid bond deposits and cash sureties for infrastructure paid by developers and \$4,157,444 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. The remaining balance was related to law enforcement activities.

***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 \$38,876,783 of restricted net position, of which \$37,485,461 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, 2021, fund balance is comprised of the following:

<i>Nonspendable</i>		
General fund		
Inventory	\$ 113,490	
Prepays	730	
Loan receivable	1,644,136	
		\$ 1,758,356
County transportation		
Inventory		359,109
Tourist development		
Prepays		300
Solid waste landfill		
Prepays		1,200
Nonmajor funds		
Prepays		800
<b>Total nonspendable fund balance</b>		<b>\$ 2,119,765</b>
<i>Restricted</i>		
General fund		
Court technology	\$ 754,429	
Court innovations	89,184	
		\$ 843,613
County transportation		
Road and bridge		24,810,014
Fine and forfeiture		
Public safety		6,617,517
Solid waste landfill		
Closure costs		2,929,772
Nonmajor governmental funds		
Debt service	140,448	
Housing and Urban Development (HUD)	203,374	
Mosquito control	464,751	
Court technology	1,008,460	
Public Records Modernization	434,340	
Child support enforcement	306,596	
Law enforcement	1,117,898	
		3,675,867
<b>Total restricted fund balance</b>		<b>\$ 38,876,783</b>

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Fund Balance (continued)***

*Committed*

Tourist development			
Beach renourishment	\$	33,550,153	
New product development		11,674,476	
North Walton		211,626	
High impact		13,455,748	
			\$ 58,892,003

*Nonmajor governmental funds*

Code enforcement	7,806,283	
Preservation	2,111,604	
Sidewalk	458,137	
Total nonmajor governmental funds		10,376,024
		\$ 69,268,027

*Assigned*

General fund			
Capital projects	\$	2,410,811	
2022 budget appropriations		3,877,400	
			\$ 6,288,211

*Tourist development*

Capital projects	14,714,745	
2022 budget appropriations	3,192,155	
Administration	8,163,993	
		26,070,893

*Solid waste landfill*

Landfill operations and capital projects	15,926,444	
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*Capital projects*

Capital projects and improvements	22,549,319	
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*Nonmajor governmental funds*

Capital projects and improvements	446,307	
Public safety	302,662	
Culture and recreation	1,122,689	
		1,871,658

Total assigned fund balance		\$ 72,706,525
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**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 96% 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 \$5,156,362 represents closure costs of \$3,056,786 and post-closure cost of \$2,099,576. 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 \$4,942,109 for this used capacity is reflected as a liability at September 30, 2021. Closure and post-closure costs of \$214,253 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 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-10.82% DROP Program-18.34%, special risk employees-25.89%, senior management-29.01% and elected officials-51.42%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications with the exception of DROP program participants who do not make contributions.

The County's contributions to the System pension plan for the years ended September 30, 2021 and 2020 were \$8,166,884, and \$7,351,234, 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, 2021 and 2020 were \$934,780 and \$887,743, 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 \$57,270,813 the year ended September 30, 2021. The County's total payroll was \$58,259,463 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, 2021, the Board reported a liability of \$15,666,059 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, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2021, the System's proportion of the Pension Plan was 0.207404%, which was a decrease of 0.011058% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the Board recognized pension benefit of \$7,582,104 for the Pension Plan. At September 30, 2021, 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)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 2,685,351	\$ -
Changes of assumptions	10,720,152	-
Net difference between projected and actual earnings on pension plan investments	-	54,658,294
Changes in proportion and difference between employer contributions and proportionate Employer contributions subsequent to the measurement date	7,268,062	7,607,806
	2,214,818	-
<b>Total</b>	<b>\$ 22,888,383</b>	<b>\$ 62,266,100</b>

\$2,214,818 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, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<b>Year Ended September 30,</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Pension Expense, Net</b>
2022	\$ 3,626,938	\$ 12,266,362	\$ (8,639,424)
2023	3,626,938	12,266,362	(8,639,424)
2024	3,626,938	12,266,362	(8,639,424)
2025	3,626,938	12,266,362	(8,639,424)
2026	3,626,938	12,266,361	(8,639,423)
Thereafter	2,538,875	934,291	1,604,584
	<b>\$ 20,673,565</b>	<b>\$ 62,266,100</b>	<b>\$ (41,592,535)</b>

*Actuarial assumptions.* The total pension liability for the Pension Plan was determined by an actuarial valuation as of July 1, 2021 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, 2021 for the Pension Plan were based on the results of an investigation of the economic and demographic experience for the System based upon participant data as of June 30, 2018.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

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

<b>Asset Class</b>	<b>Target Allocation(1)</b>	<b>Annual Arithmetic Return*</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate (property)	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
<b>Total</b>	<b>100%</b>			

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	\$ 70,063,954	\$ 15,666,059	\$ (29,802,721)

*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, 2021. The supporting actuarial information is included in the GASB Statement No. 68 Report for the FRS prepared as of June 30, 2021. The auditor's report dated January 19, 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, 2021 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

[http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](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, 2021, the Board reported a liability of \$19,253,718 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, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2021, the Board's proportion of the HIS Plan was 0.156962%, which was an increase of 0.003497% from its proportion measured as of June 30, 2020.

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 4: EMPLOYEE RETIREMENT SYSTEM (Continued)**

***Health Insurance Subsidy Program (continued)***

For the year ended September 30, 2021, the Board recognized pension expense of \$922,513 for the HIS Plan. At September 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 644,278	\$ 8,063
Changes of assumptions	1,512,911	793,301
Net difference between projected and actual earnings on pension plan investments	20,072	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	2,288,487	750,980
Employer contributions subsequent to the measurement date	236,451	-
<b>Total</b>	<b>\$ 4,702,199</b>	<b>\$ 1,552,344</b>

\$236,451 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, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in the pension's expense as follows:

<b>Year Ended September 30,</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Pension Expense, Net</b>
2022	\$ 698,650	\$ 242,554	\$ 456,096
2023	698,650	242,554	456,096
2024	698,650	242,554	456,096
2025	698,650	242,554	456,096
2026	698,650	242,554	456,096
Thereafter	972,498	339,574	632,924
	<b>\$ 4,465,748</b>	<b>\$ 1,552,344</b>	<b>\$ 2,913,404</b>

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

*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 2.16% 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 (1.16%) or 1-percentage point higher (3.16%) than the current rate:

	<b>1% Decrease 1.16%</b>	<b>Current Discount Rate 2.16%</b>	<b>1% Increase 3.16%</b>
Board's proportionate share of collective pension liability	\$ 22,259,163	\$ 19,253,718	\$ 16,791,428

*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, 2021. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the FRS* prepared as of June 30, 2021. The auditor’s report dated January 19, 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, 2021 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

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

The following schedule represents the County's proportionate share of the System and HIS' fiduciary net position and net pension expense as of and for the year ended June 30, 2021.

	System	HIS	Total
Assets	\$ 435,681,967	\$ 694,615	\$ 436,376,582
Deferred outflows	22,888,383	4,702,199	27,590,582
Plan Liabilities	(16,505,101)	(113)	(16,505,215)
Deferred inflows	(62,266,100)	(1,552,344)	(63,818,444)
Total pension liability	(395,465,208)	(23,098,075)	(418,563,282)
<b>Net pension liability</b>	<b>(15,666,059)</b>	<b>(19,253,718)</b>	<b>(34,919,777)</b>
Net pension expense	(7,582,104)	922,513	(6,659,591)

**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.

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

*Plan Description (continued)*

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.

*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, 2020, 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	999
Inactive (employees or beneficiaries currently receiving benefits)	75
<u>Inactive (employees entitled but not yet receiving benefits)</u>	<u>-</u>
<u>Total membership</u>	<u>1,074</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.

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

*Net OPEB Liability*

The County's net OPEB liability is reported herein as of September 30, 2021 for the County's fiscal year and reporting period of October 1, 2020 to September 30, 2021. The values shown for this fiscal year and reporting period are based on a measurement date of October 1, 2020 and the corresponding measurement period of October 1, 2019 to September 30, 2020. The measurement of the total OPEB liability is based on a valuation date of October 1, 2020. The following shows the changes in the County's net OPEB liability:

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Pension (b)	Net OPEB Liability (a)+(b)
Balance at October 1, 2019	\$ 30,317,000	\$ -	\$ 30,317,000
Service cost	853,000	-	853,000
Interest cost	1,061,000	-	1,061,000
Difference between expected and actual	5,152,000	-	5,152,000
Employer contributions	-	709,000	709,000
Benefit payments	(709,000)	(709,000)	(1,418,000)
Assumption changes	2,818,000	-	2,818,000
<b>Net changes</b>	<b>9,175,000</b>	<b>-</b>	<b>9,175,000</b>
<b>Balance at September 30, 2020</b>	<b>\$ 39,492,000</b>	<b>\$ -</b>	<b>\$ 39,492,000</b>

*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 (1.41%) or 1- percentage-point higher (3.41%) than the current discount rate:

	1% Decrease 1.41%	Current Discount Rate 2.41%	1% Increase 3.41%
Net OPEB liability	\$ 49,647,000	\$ 39,492,000	\$ 31,937,000

*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%) or 1-percentage-point higher (6%) than the current healthcare trend rates:



**Walton County, Florida**  
**Notes to Financial Statements**

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

*Net OPEB Liability (continued)*

	<b>1% Decrease 4.00%</b>	<b>Current Trend Rate 5.00%</b>	<b>1% Increase 6.00%</b>
Net OPEB liability	\$ 32,019,000	\$ 39,492,000	\$ 49,618,000

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 5,769,000	\$ 900,000
Changes of assumptions	6,627,000	908,000
Net difference between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	744,450	-
<b>Total</b>	<b>\$ 13,140,450</b>	<b>\$ 1,808,000</b>

\$744,500 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, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in OPEB expense as follows:

<b>Year Ended September 30,</b>	<b>OPEB Expense, Net</b>
2022	\$ 1,826,000
2023	1,826,000
2024	1,826,000
2025	1,787,000
2026	1,443,000
2027 - 2028	1,880,000
	<b>\$ 10,588,000</b>

*Actuarial Methods and Assumptions* – The actuarial report dated February 17, 2022 for the fiscal year end date of September 30, 2021 was prepared using GAAP and practices, and relied on 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

**Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

*Net OPEB Liability (continued)*

historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2020 actuarial valuation, the entry age actuarial cost method was used to determine the Plan's funding liabilities and assets. The actuarial assumption included a 2.41% discount rate, general wage increases of 2.6% and a medical trend rate for fiscal year 2021 of 5.0 per year. The discount rate represents the Municipal GO AA 20-year yield curve rates as of September 30, 2020. The following mortality rates were used:

Post Employment:

- Females: RP-2000 Fully Generational with Scale BB, 100% White Collar
- Males: RP-2000 White Collar Generational with Scale BB, 50% Blue Collar and 50% White Collar

During Employment

- Females: RP-2000 Generational, 100% Combined Healthy White Collar with Scale BB
- Males: RP-2000 Generational with Scale BB, 50% Blue Collar and 50% White Collar

**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.

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 6: COMMITMENTS AND CONTINGENCIES (Continued)**

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.

The County has active construction projects as of September 30, 2021. At year-end, the County's commitments with contractors are as follows:

Project	Contract Amount	Expended to Date	Remaining Commitment
Various infrastructure projects	\$ 37,033,835	\$ 10,677,932	\$ 26,355,903
Landfill Class III Cell 2A	4,307,819	3,686,750	621,069
<b>Total contract commitments</b>	<b>\$ 41,341,654</b>	<b>\$ 14,364,682</b>	<b>\$ 26,976,972</b>

**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 2017-10 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

**Note 7: LITIGATION (Continued)**

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.

*Developer Agreements Litigation (FCSC)*

As of February 28, 2021, FCSC had taken legal action related to the collection of the past due amounts by filing liens. However, management believes there is uncertainty regarding the collectability of the past due amounts. Therefore, at February 28, 2021 and February 29, 2020, the Corporation had established an allowance for doubtful accounts of \$1,557,621, and \$1,542,060, respectively. Revenues related to developer agreements are reported as non-operating revenues.

**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, 2021, the County abated property taxes totaling \$12,912 under this program. The Board has elected to disclose all tax abatement agreements without consideration of materiality.

**Walton County, Florida**  
**Notes to Financial Statements**

**Note 8: TAX ABATEMENT (Continued)**

Name of Business	Purpose	Percent Abated	Amount Abated
Professional Products	To make improvements to real property and purchase tangible personal property to facilitate expansion.	14%	\$ 2,618
Sector Management, LLC	To make improvements to real property and purchase tangible personal property to facilitate expansion.	38%	\$ 2,479
R&G Lathinghouse Partnership	To make improvements to real property and purchase tangible personal property to facilitate expansion.	60%	\$ 6,364
Triangle Chevrolet-Buick, Co. Inc.	Construction of a new dealership, building and related improvements.	35%	\$ 1,451

**Note 9: RESTATEMENT OF BEGINNING BALANCES**

As discussed in Note 1, the implementation of GASB Statement No. 84 required the County to reclassify three non-major funds from fiduciary to special revenue funds. In addition, the beginning fund balance was restated for one non-major special revenue fund and one fiduciary fund. A reconciliation of the prior period ending fund balance to the current year beginning fund balance is as follows:

**Fiduciary funds**

Beginning fund balance	\$ -
Adjustment to move unspent portion of restricted revenue from liability to restricted fund balance	2,636
<b>Beginning fund balance, as restated</b>	<b>\$ 2,636</b>

**Nonmajor governmental funds**

Beginning fund balance	\$ 12,809,366
Adjustment to move unspent portion of restricted revenue from liability to restricted fund balance	24,590
<b>Beginning fund balance, as restated</b>	<b>\$ 12,833,956</b>

**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:

<b>Governmental activities</b>	
Beginning net position	\$ 330,078,881
Adjustment to move unspent portion of restricted revenue from liability to restricted net position	24,590
<hr/>	
Beginning net position, as restated	<u>\$ 330,103,471</u>

**Note 10: 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, 2021.



**Walton County, Florida**

**Required Other Postemployment Benefits Supplementary Information**

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

<i>As of and for the year ended September 30,</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>				
Service cost	\$ 1,061,000	\$ 765,000	\$ 738,000	\$ 719,000
Interest	853,000	959,000	822,000	792,000
Differences between expected and actual experience	5,152,000	(1,292,000)	2,332,000	-
Changes of assumptions	2,818,000	5,980,000	(1,664,000)	-
Benefit payments	(709,000)	(735,000)	(693,000)	(651,000)
Net change in total OPEB liability	9,175,000	5,677,000	1,535,000	860,000
Total OPEB liability - beginning, as restated	30,317,000	24,640,000	23,105,000	22,245,000
Total OPEB liability - ending (a)	\$ 39,492,000	\$ 30,317,000	\$ 24,640,000	\$ 23,105,000
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	709,000	735,000	693,000	651,000
Benefit payments	(709,000)	(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)	\$ 39,492,000	\$ 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%	0.00%
Covered-employee payroll	\$ 48,742,000	\$ 47,319,000	\$ 47,319,000	\$ 36,941,000
Net OPEB liability as a percentage of covered-employee payroll	81.02%	64.07%	52.07%	62.55%
Contributions as a percentage of covered-employee payroll	1.45%	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 Seven Fiscal Years (1)**

<i>As of and for the year ended June 30,</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Employer's proportion of the net pension liability	0.207404%	0.218462%	0.214527%	0.201152%
Employer's proportionate share of the net pension	\$ 15,666,059	\$ 94,686,768	\$ 73,879,975	\$ 60,588,162
Employer's covered payroll*	\$ 56,971,800	\$ 54,271,774	\$ 51,069,047	\$ 48,245,952
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	27.50%	174.47%	144.67%	125.58%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%

(1) 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**

2017	2016	2015
0.201467%	0.192488%	0.177419%
\$ 59,592,706	\$ 48,603,420	\$ 22,916,098
\$ 44,398,430	\$ 40,627,415	\$ 39,986,370
134.22%	119.63%	57.31%
83.89%	84.88%	92.00%

**Walton County, Florida**  
**Required Pension Supplementary Information**

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

<i>As of and for the year ended September 30,</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Contractually required contribution**	\$ 8,166,884	\$ 7,351,234	\$ 6,842,066
Contributions in relation to the actuarially determined contribution	8,166,884	7,351,234	6,842,066
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 57,270,813	\$ 54,445,154	\$ 51,393,221
Contributions as a percentage of covered payroll	14.26%	13.50%	13.31%

(1) 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.*

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 6,734,188	\$ 5,742,586	\$ 5,183,622	\$ 4,710,495
6,734,188	5,742,586	5,183,622	4,710,495
\$ -	\$ -	\$ -	\$ -
\$ 46,957,748	\$ 44,194,033	\$ 41,440,841	\$ 39,760,306
14.34%	12.99%	12.51%	11.85%

**Walton County, Florida**  
**Required Pension Supplementary Information**

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

<i>As of and for the year ended June 30,</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Employer's proportion of the net pension liability	0.156962%	0.153465%	0.150351%
Employer's proportionate share of the net pension liability	\$ 19,253,718	\$ 18,737,877	\$ 16,822,769
Employer's covered payroll*	\$ 56,971,800	\$ 54,271,774	\$ 51,069,047
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	33.80%	34.53%	32.94%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%

\* 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.*

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
0.140474%	0.138520%	0.131258%	0.127901%
\$ 14,867,914	\$ 14,811,187	\$ 15,297,561	\$ 13,043,922
\$ 48,245,952	\$ 44,398,430	\$ 40,627,415	\$ 39,986,370
30.82%	33.36%	37.65%	32.62%
2.15%	1.64%	0.97%	0.50%

**Walton County, Florida**  
**Required Pension Supplementary Information**

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

<i>As of and for the year ended September 30,</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Contractually required contribution**	\$ 934,780	\$ 887,743	\$ 852,608
Contributions in relation to the actuarially determined contribution	934,780	887,743	852,608
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 57,270,813	\$ 54,445,154	\$ 51,393,221
Contributions as a percentage of covered payroll	1.63%	1.63%	1.66%

\* 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.*

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 779,499	\$ 733,621	\$ 687,918	\$ 660,558
779,499	733,621	687,918	660,558
\$ -	\$ -	\$ -	\$ -
\$ 46,957,748	\$ 44,194,033	\$ 41,440,841	\$ 39,760,306
1.66%	1.66%	1.66%	1.66%



**Walton County, Florida**  
**Required Pension and OPEB Supplementary Information**  
**September 30, 2021**

**NOTES TO REQUIRED PENSION AND OPEB SUPPLEMENTAL INFORMATION**

**Note 1: OTHER POSTEMPLOYMENT BENEFITS PLAN**

The defined benefit OPEB plan does not have any assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension OPEB Plan.

The following actuarial assumptions changed in 2021:

- The discount rate of return was decreased from 2.75% to 2.41%.

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

The following actuarial assumptions changed in 2021:

- Actuarial valuation date updated from June 30, 2020 to June 30, 2021.

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

The following actuarial assumptions changed in 2021:

- The municipal rate used to determine total pension liability was decreased from 2.21% to 2.16%



## 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 levied 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.

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

*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, 2021</i>	<b>Mosquito Control Grant</b>	<b>Housing and Urban Development</b>	<b>SHIP Grant</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 41,093	\$ 227,226	\$ 535,929
Investments	15,970	88,309	208,283
Accounts receivable, net	-	-	-
Due from other governments	-	9,521	-
Due from other funds	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Assessments receivable	-	-	-
<b>Total assets</b>	<b>\$ 57,063</b>	<b>\$ 325,056</b>	<b>\$ 744,212</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 2,567	\$ 8,000
Accrued liabilities	-	81,358	-
Due to other governments	-	-	-
Due to individuals	-	37,567	-
Due to other funds	-	190	-
Unearned revenue	57,063	-	736,212
<b>Total liabilities</b>	<b>57,063</b>	<b>121,682</b>	<b>744,212</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue on special assessments	-	-	-
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted	-	203,374	-
Committed	-	-	-
Assigned	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>203,374</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 57,063</b>	<b>\$ 325,056</b>	<b>\$ 744,212</b>

**Revenue Funds**

<b>Revenue Funds</b>					
<b>N. Walton Mosquito Control District</b>	<b>Building Department</b>	<b>Recreation Plat</b>	<b>Inmate Canteen (Sheriff)</b>	<b>Court Technology</b>	
\$ 348,844	\$ 5,708,978	\$ 1,130,088	\$ 724,761	\$ 1,024,200	
135,575	2,218,421	439,196	-	-	
-	-	-	83,061	-	
1,147	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
<b>\$ 485,566</b>	<b>\$ 7,927,399</b>	<b>\$ 1,569,284</b>	<b>\$ 807,822</b>	<b>\$ 1,024,200</b>	
\$ 684	\$ 6,302	\$ 288	\$ 64,176	\$ 52	
20,131	76,626	-	-	15,688	
-	37,388	-	-	-	
-	-	-	134,579	-	
-	-	-	11,898	-	
-	-	-	-	-	
<b>20,815</b>	<b>120,316</b>	<b>288</b>	<b>210,653</b>	<b>15,740</b>	
-	-	-	-	-	
-	800	-	-	-	
464,751	-	-	597,169	1,008,460	
-	7,806,283	-	-	-	
-	-	1,568,996	-	-	
<b>464,751</b>	<b>7,807,083</b>	<b>1,568,996</b>	<b>597,169</b>	<b>1,008,460</b>	
<b>\$ 485,566</b>	<b>\$ 7,927,399</b>	<b>\$ 1,569,284</b>	<b>\$ 807,822</b>	<b>\$ 1,024,200</b>	

-Continued-

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

<i>September 30, 2021</i>	<b>Special</b>		
	<b>Record Modern- ization</b>	<b>Special Law Enforcement</b>	<b>Preservation</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 434,340	\$ 784,111	\$ 1,428,691
Investments	-	154,293	555,245
Accounts receivable, net	-	-	-
Due from other governments	-	6,105	127,668
Due from other funds	-	150	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Assessments receivable	-	-	-
<b>Total assets</b>	<b>\$ 434,340</b>	<b>\$ 944,659</b>	<b>\$ 2,111,604</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 10,259	\$ -
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Due to individuals	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	557,406	-
<b>Total liabilities</b>	<b>-</b>	<b>567,665</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue on special assessments	-	-	-
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted	434,340	376,994	-
Committed	-	-	2,111,604
Assigned	-	-	-
<b>Total fund balance</b>	<b>434,340</b>	<b>376,994</b>	<b>2,111,604</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 434,340</b>	<b>\$ 944,659</b>	<b>\$ 2,111,604</b>

**Revenue Funds**

Sidewalk		E-911		Abandoned Property		Triumph Grant		Suspense	
\$	329,918	\$	59,108	\$	7,899	\$	95,965	\$	24,633
	128,219		22,971		-		-		-
	-		-		-		-		-
	-		331,067		-		30,000		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
<b>\$</b>	<b>458,137</b>	<b>\$</b>	<b>413,146</b>	<b>\$</b>	<b>7,899</b>	<b>\$</b>	<b>125,965</b>	<b>\$</b>	<b>24,633</b>
\$	-	\$	-	\$	-	\$	50,481	\$	553
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		110,484		-		74,881		-
	-		-		-		-		-
	-		110,484		-		125,362		553
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	458,137		-		7,899		603		24,080
	-		-		-		-		-
	-		302,662		-		-		-
	458,137		302,662		7,899		603		24,080
<b>\$</b>	<b>458,137</b>	<b>\$</b>	<b>413,146</b>	<b>\$</b>	<b>7,899</b>	<b>\$</b>	<b>125,965</b>	<b>\$</b>	<b>24,633</b>

-Continued-



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

<i>September 30, 2021</i>	<b>Aviation</b>	<b>Traffic and Parking Enforcement</b>	<b>Title IV-D</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 53,576	\$ 57,577	\$ 284,599
Investments	-	-	-
Accounts receivable, net	-	-	-
Due from other governments	-	-	26,199
Due from other funds	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Assessments receivable	-	-	-
<b>Total assets</b>	<b>\$ 53,576</b>	<b>\$ 57,577</b>	<b>\$ 310,798</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	4,202
Due to other governments	-	-	-
Due to individuals	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>4,202</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue on special assessments	-	-	-
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted	53,576	57,577	306,596
Committed	-	-	-
Assigned	-	-	-
<b>Total fund balance</b>	<b>53,576</b>	<b>57,577</b>	<b>306,596</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 53,576</b>	<b>\$ 57,577</b>	<b>\$ 310,798</b>

Clerk's Fine & Forfeiture	MSBU Various	Highway 331 Bridge	Nonmajor Governmental Funds
\$ 227,433	\$ 75,077	\$ -	\$ 13,604,046
-	29,178	-	3,995,660
-	-	-	83,061
19,678	377	-	551,762
-	-	-	150
-	-	101,141	101,141
-	-	39,307	39,307
-	6,130	-	6,130
<u>\$ 247,111</u>	<u>\$ 110,762</u>	<u>\$ 140,448</u>	<u>\$ 18,381,257</u>
\$ 569	\$ -	\$ -	\$ 143,931
49,727	-	-	247,732
196,815	-	-	234,203
-	-	-	172,146
-	-	-	197,453
-	104,632	-	1,455,313
<u>247,111</u>	<u>104,632</u>	<u>-</u>	<u>2,450,778</u>
-	6,130	-	6,130
-	-	-	800
-	-	140,448	3,675,867
-	-	-	10,376,024
-	-	-	1,871,658
-	-	140,448	15,924,349
<u>\$ 247,111</u>	<u>\$ 110,762</u>	<u>\$ 140,448</u>	<u>\$ 18,381,257</u>

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

	<b>Special</b>		
<i>For the year ended September 30, 2021</i>	<b>Mosquito Control Grant</b>	<b>Housing and Urban Development</b>	<b>SHIP Grant</b>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	2,323,693	445,855
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	3	21	61
Miscellaneous	-	-	-
<b>Total revenue</b>	<b>3</b>	<b>2,323,714</b>	<b>445,916</b>
<b>Expenditures</b>			
Current			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	2,268,585	445,916
Human services	31,194	-	-
Culture/recreation	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>31,194</b>	<b>2,268,585</b>	<b>445,916</b>
Excess revenue over (under) expenditures	(31,191)	55,129	-
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	31,191	-	-
<b>Net change in fund balance</b>	<b>-</b>	<b>55,129</b>	<b>-</b>
Fund balance - beginning	-	148,245	-
Prior period adjustment	-	-	-
<b>Fund balance - beginning, as restated</b>	<b>-</b>	<b>148,245</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ -</b>	<b>\$ 203,374</b>	<b>\$ -</b>

**Revenue Funds**

<b>N. Walton Mosquito Control District</b>	<b>Building Department</b>	<b>Recreation Plat</b>	<b>Inmate Canteen (Sheriff)</b>	<b>Court Technology</b>
\$ 585,560	\$ -	\$ -	\$ -	\$ -
-	4,400,147	-	-	-
673	-	-	-	-
10,800	394,023	-	-	487,062
-	-	-	-	-
1,464	14,169	2,235	-	-
-	61,330	900,086	597,860	-
598,497	4,869,669	902,321	597,860	487,062
-	-	-	-	271,381
-	1,735,306	-	511,874	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
516,224	-	-	-	-
-	-	53,299	-	-
55,579	-	144,647	-	-
571,803	1,735,306	197,946	511,874	271,381
26,694	3,134,363	704,375	85,986	215,681
-	5,125	-	-	-
26,694	3,139,488	704,375	85,986	215,681
438,057	4,667,595	864,621	511,183	792,779
-	-	-	-	-
438,057	4,667,595	864,621	511,183	792,779
\$ 464,751	\$ 7,807,083	\$ 1,568,996	\$ 597,169	\$ 1,008,460

-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, 2021</i>	<b>Record Modernization</b>	<b>Special Law Enforcement</b>	<b>Preservation</b>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	55,830
Charges for services	156,036	-	-
Fines and forfeitures	-	50,000	-
Investment earnings	-	-	8,391
Miscellaneous	-	73,687	366,671
<b>Total revenue</b>	<b>156,036</b>	<b>123,687</b>	<b>430,892</b>
<b>Expenditures</b>			
Current			
General government	45,954	-	-
Public safety	-	81,227	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Capital outlay	-	-	2,067,367
<b>Total expenditures</b>	<b>45,954</b>	<b>81,227</b>	<b>2,067,367</b>
Excess revenue over (under) expenditures	110,082	42,460	(1,636,475)
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	-	-	-
<b>Net change in fund balance</b>	<b>110,082</b>	<b>42,460</b>	<b>(1,636,475)</b>
Fund balance - beginning	324,258	334,534	3,748,079
Prior period adjustment	-	-	-
Fund balance - beginning, as restated	324,258	334,534	3,748,079
<b>Fund balance - ending</b>	<b>\$ 434,340</b>	<b>\$ 376,994</b>	<b>\$ 2,111,604</b>

**Revenue Funds**

Sidewalk		E-911		Abandoned Property		Triumph Grant		Suspense	
\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-
	-		778,814		-		1,031,981		-
	-		-		-		-		-
	-		-		-		-		-
	1,054		23,692		-		-		-
	167,689		-		30,280		81		3,974
	168,743		802,506		30,280		1,032,062		3,974
	-		-		-		-		-
	-		585,687		48,434		36,780		4,484
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		995,200		-
	-		585,687		48,434		1,031,980		4,484
	168,743		216,819		(18,154)		82		(510)
	-		-		-		-		-
	168,743		216,819		(18,154)		82		(510)
	289,394		85,843		26,053		521		-
	-		-		-		-		24,590
	289,394		85,843		26,053		521		24,590
\$	458,137	\$	302,662	\$	7,899	\$	603	\$	24,080

-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, 2021</i>	<b>Aviation</b>	<b>Traffic and Parking Enforcement</b>	<b>Title IV-D</b>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	164,295
Charges for services	-	-	-
Fines and forfeitures	-	6,611	-
Investment earnings	-	-	-
Miscellaneous	53	53	-
<b>Total revenue</b>	<b>53</b>	<b>6,664</b>	<b>164,295</b>
<b>Expenditures</b>			
Current			
General government	-	-	187,991
Public safety	300	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>300</b>	<b>-</b>	<b>187,991</b>
Excess revenue over (under) expenditures	(247)	6,664	(23,696)
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of equipment	-	-	-
<b>Net change in fund balance</b>	<b>(247)</b>	<b>6,664</b>	<b>(23,696)</b>
Fund balance - beginning	53,823	50,913	330,292
Prior period adjustment	-	-	-
Fund balance - beginning, as restated	53,823	50,913	330,292
<b>Fund balance - ending</b>	<b>\$ 53,576</b>	<b>\$ 57,577</b>	<b>\$ 306,596</b>

<u>Revenue Funds</u>		<u>Debt Service Fund</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Clerk's Fine &amp; Forfeiture</u>	<u>MSBU Various</u>	<u>Highway 331 Bridge</u>		
\$ -	\$ -	\$ -	\$ -	\$ 585,560
-	-	-	-	4,400,147
241,028	-	-	-	5,042,169
1,057,309	13,469	-	-	2,118,699
581,973	-	-	-	638,584
86	-	390	-	51,566
-	-	-	-	2,201,764
<u>1,880,396</u>	<u>13,469</u>	<u>390</u>		<u>15,038,489</u>
1,880,396	-	-	-	2,385,722
-	-	-	-	3,004,092
-	13,469	-	-	13,469
-	-	3,118	-	3,118
-	-	-	-	2,714,501
-	-	-	-	547,418
-	-	-	-	53,299
-	-	-	-	3,262,793
<u>1,880,396</u>	<u>13,469</u>	<u>3,118</u>		<u>11,984,412</u>
-	-	(2,728)	-	3,054,077
-	-	-	-	36,316
-	-	(2,728)	-	3,090,393
-	-	143,176	-	12,809,366
-	-	-	-	24,590
-	-	143,176	-	12,833,956
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,448</u>	<u>\$ -</u>	<u>\$ 15,924,349</u>



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

<i>For the year ended September 30, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 11	\$ 11
Intergovernmental	-	1,000,000	-	(1,000,000)
Miscellaneous	-	-	47,333	47,333
<b>Total revenues</b>	<b>-</b>	<b>1,000,000</b>	<b>47,344</b>	<b>(952,656)</b>
<b>Expenditures</b>				
Transportation	-	9,606	331,372	(321,766)
Capital outlay	8,300,000	28,988,955	8,118,501	20,870,454
Debt service:				
Principal	1,774,500	1,774,500	1,699,481	75,019
Interest	720,556	720,556	760,828	(40,272)
<b>Total expenditures</b>	<b>10,795,056</b>	<b>31,493,617</b>	<b>10,910,182</b>	<b>20,583,435</b>
Excess revenues over (under) expenditures	(10,795,056)	(30,493,617)	(10,862,838)	19,630,779
<b>Other Financing Sources (Uses)</b>				
Transfers in	10,795,056	15,788,311	15,788,311	-
Proceeds from sale of equipment	-	-	178,595	(178,595)
<b>Total financing sources (uses)</b>	<b>10,795,056</b>	<b>15,788,311</b>	<b>15,966,906</b>	<b>(178,595)</b>
Net change in fund balance	-	(14,705,306)	5,104,068	19,452,184
Fund balance - beginning	17,445,251	17,445,251	17,445,251	-
<b>Fund balance - ending</b>	<b>\$ 17,445,251</b>	<b>\$ 2,739,945</b>	<b>\$ 22,549,319</b>	<b>\$ 19,452,184</b>

**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 34,500	\$ 34,500	\$ -	\$ (34,500)
Investment earnings	-	-	3	3
<b>Total revenues</b>	<b>34,500</b>	<b>34,500</b>	<b>3</b>	<b>(34,497)</b>
<b>Expenditures</b>				
Current				
Human services	34,500	34,500	31,194	3,306
Excess revenues under expenditures	-	-	(31,191)	(31,191)
<b>Other Financing Sources</b>				
Proceeds from sale of equipment	-	-	31,191	31,191
Net change in fund balance	-	-	-	-
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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 2,669,901	\$ 2,798,145	\$ 2,323,693	\$ (474,452)
Investment earnings	-	-	21	21
<b>Total revenues</b>	<b>2,669,901</b>	<b>2,798,145</b>	<b>2,323,714</b>	<b>(474,431)</b>
<b>Expenditures</b>				
Current				
Economic environment				
Housing Assistance	2,669,901	2,798,145	2,268,585	529,560
Excess revenues under expenditures	-	-	55,129	55,129
Fund balance - beginning	148,245	148,245	148,245	-
Fund balance - ending	\$ 148,245	\$ 148,245	\$ 203,374	\$ 55,129

**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 640,871	\$ 445,855	\$ (195,016)
Investment earnings	-	-	61	61
<b>Total revenues</b>	<b>-</b>	<b>640,871</b>	<b>445,916</b>	<b>(194,955)</b>
<b>Expenditures</b>				
Current				
Economic environment				
SHIP Program	-	640,871	445,916	194,955
Excess revenues over (under) expenditures	-	-	-	-
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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 567,603	\$ 567,603	\$ 585,560	\$ 17,957
Intergovernmental	-	-	673	673
Charges for services	10,800	23,184	10,800	(12,384)
Investment earnings	5,000	5,000	1,464	(3,536)
<b>Total revenues</b>	<b>583,403</b>	<b>595,787</b>	<b>598,497</b>	<b>2,710</b>
<b>Expenditures</b>				
Current				
Human services	669,503	823,864	516,224	307,640
Capital outlay	60,000	64,079	55,579	8,500
<b>Total expenditures</b>	<b>729,503</b>	<b>887,943</b>	<b>571,803</b>	<b>316,140</b>
Excess revenues over (under) expenditures	(146,100)	(292,156)	26,694	318,850
Fund balance - beginning	438,057	438,057	438,057	-
<b>Fund balance - ending</b>	<b>\$ 291,957</b>	<b>\$ 145,901</b>	<b>\$ 464,751</b>	<b>\$ 318,850</b>

**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Licenses and permits	\$ 2,731,638	\$ 2,731,638	\$ 4,400,147	\$ 1,668,509
Charges for services	45,000	45,000	394,023	349,023
Investment earnings	-	-	14,169	14,169
Miscellaneous	-	-	61,330	61,330
<b>Total revenues</b>	<b>2,776,638</b>	<b>2,776,638</b>	<b>4,869,669</b>	<b>2,093,031</b>
<b>Expenditures</b>				
Public safety	2,444,638	2,590,044	1,735,306	854,738
Capital outlay	332,000	332,000	-	332,000
<b>Total expenditures</b>	<b>2,776,638</b>	<b>2,922,044</b>	<b>1,735,306</b>	<b>1,186,738</b>
Excess revenues over (under) expenditures	-	(145,406)	3,134,363	3,279,769
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	-	-	5,125	5,125
<b>Net change in fund balance</b>	<b>-</b>	<b>(145,406)</b>	<b>3,139,488</b>	<b>3,284,894</b>
<b>Fund balance - beginning</b>	<b>4,667,595</b>	<b>4,667,595</b>	<b>4,667,595</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 4,667,595</b>	<b>\$ 4,522,189</b>	<b>\$ 7,807,083</b>	<b>\$ 3,284,894</b>

**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 2,235	\$ 2,235
Miscellaneous	300,000	300,000	900,086	600,086
<b>Total revenues</b>	<b>300,000</b>	<b>300,000</b>	<b>902,321</b>	<b>602,321</b>
<b>Expenditures</b>				
Current				
Cultural/recreation	300,000	301,450	53,299	248,151
Capital outlay	-	347,003	144,647	202,356
<b>Total expenditures</b>	<b>300,000</b>	<b>648,453</b>	<b>197,946</b>	<b>450,507</b>
Excess revenues over (under) expenditures	-	(348,453)	704,375	1,052,828
Fund balance - beginning	864,621	864,621	864,621	-
<b>Fund balance - ending</b>	<b>\$ 864,621</b>	<b>\$ 516,168</b>	<b>\$ 1,568,996</b>	<b>\$ 1,052,828</b>

**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 335,000	\$ 335,000	\$ 487,062	\$ 152,062
<b>Expenditures</b>				
Current				
General government				
Court Technology	503,586	503,586	271,381	232,205
Excess revenues over (under) expenditures	(168,586)	(168,586)	215,681	384,267
Fund balance - beginning	792,779	792,779	792,779	-
Fund balance - ending	\$ 624,193	\$ 624,193	\$ 1,008,460	\$ 384,267



**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 100,000	\$ 100,000	\$ 156,036	\$ 56,036
<b>Expenditures</b>				
Current				
General government				
Court Technology	100,000	100,000	45,954	54,046
Excess revenues over (under) expenditures	-	-	110,082	110,082
Fund balance - beginning	324,258	324,258	324,258	-
Fund balance - ending	\$ 324,258	\$ 324,258	\$ 434,340	\$ 110,082

**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Fines and forfeitures	\$ -	\$ 50,000	\$ 50,000	\$ -
Miscellaneous	-	-	73,687	73,687
Total revenues	-	50,000	123,687	73,687
<b>Expenditures</b>				
Current				
Public safety	-	50,000	81,227	(31,227)
Excess revenues over (under) expenditures	-	-	42,460	42,460
Fund balance - beginning	334,534	334,534	334,534	-
Prior period adjustment	-	-	-	-
Fund balance - beginning, as restated	334,534	334,534	334,534	-
Fund balance - ending	\$ 334,534	\$ 334,534	\$ 376,994	\$ 42,460

**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 280,168	\$ 55,830	\$ (224,338)
Investment earnings	-	-	8,391	8,391
Miscellaneous	-	-	366,671	366,671
<b>Total revenues</b>	<b>-</b>	<b>280,168</b>	<b>430,892</b>	<b>150,724</b>
<b>Expenditures</b>				
Current				
Capital outlay	-	2,996,907	2,067,367	929,540
<b>Excess revenues over (under) expenditures</b>	<b>-</b>	<b>(2,716,739)</b>	<b>(1,636,475)</b>	<b>1,080,264</b>
<b>Fund balance - beginning</b>	<b>3,748,079</b>	<b>3,748,079</b>	<b>3,748,079</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 3,748,079</b>	<b>\$ 1,031,340</b>	<b>\$ 2,111,604</b>	<b>\$ 1,080,264</b>

**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 1,054	\$ 1,054
Miscellaneous	75,000	75,000	167,689	92,689
<b>Total revenues</b>	<b>75,000</b>	<b>75,000</b>	<b>168,743</b>	<b>93,743</b>
<b>Expenditures</b>				
Current				
General government				
Sidewalk	75,000	75,000	-	75,000
<b>Excess revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>168,743</b>	<b>168,743</b>
<b>Fund balance - beginning</b>	<b>289,394</b>	<b>289,394</b>	<b>289,394</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 289,394</b>	<b>\$ 289,394</b>	<b>\$ 458,137</b>	<b>\$ 168,743</b>

**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 370,000	\$ 2,322,052	\$ 778,814	\$ (1,543,238)
Investment earnings	30,000	30,000	23,692	(6,308)
<b>Total revenues</b>	<b>400,000</b>	<b>2,352,052</b>	<b>802,506</b>	<b>(1,549,546)</b>
<b>Expenditures</b>				
Current				
Public safety				
E-911 Services	400,000	2,352,052	585,687	1,766,365
Excess revenue over (under) expenditures	-	-	216,819	216,819
Fund balance - beginning	85,843	85,843	85,843	-
Fund balance - ending	\$ 85,843	\$ 85,843	\$ 302,662	\$ 216,819

**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 123,076	\$ 188,144	\$ 164,295	\$ (23,849)
<b>Expenditures</b>				
Current				
General government				
Child Support	123,076	188,144	187,991	153
Excess revenues over (under) expenditures	-	-	(23,696)	(23,696)
Fund Balance - beginning	330,292	330,292	330,292	-
Fund Balance - ending	\$ 330,292	\$ 330,292	\$ 306,596	\$ (23,696)

**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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 877,600	\$ 877,600	\$ 241,028	\$ (636,572)
Charges for services	443,500	443,500	1,057,309	613,809
Fines and forfeitures	230,627	241,032	581,973	340,941
Investment earnings	2,500	2,500	86	(2,414)
<b>Total revenues</b>	<b>1,554,227</b>	<b>1,564,632</b>	<b>1,880,396</b>	<b>315,764</b>
<b>Expenditures</b>				
Current				
General government	1,554,227	1,564,632	1,880,396	(315,764)
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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 52,265	\$ 52,265	\$ 13,469	\$ (38,796)
<b>Expenditures</b>				
Current				
Physical environment				
MSBU various	52,265	52,265	13,469	38,796
Excess revenues over (under) expenditures	-	-	-	-
Fund balance - beginning	-	-	-	-
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, 2021</i>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 390	\$ 390
<b>Expenditures</b>				
Transportation	-	-	3,118	(3,118)
Capital outlay	-	98,057	-	98,057
Total expenditures	-	98,057	3,118	94,939
Excess revenues over (under) expenditures	-	(98,057)	(2,728)	95,329
Fund balance - beginning	-	143,176	143,176	-
Fund balance - ending	\$ -	\$ 45,119	\$ 140,448	\$ 95,329

## **FIDUCIARY FUNDS**

### **ALL CUSTODIAL 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**

*Posse* – To account for the collection and disbursement of posse funds.

**Walton County, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**

	<b>Tax Collector</b>		
<i>September 30, 2021</i>	<b>Licenses</b>	<b>Tags</b>	<b>Property Tax</b>
<b>Assets</b>			
Cash	\$ 3,754	\$ 522,232	\$ 1,248,162
Receivables, net	-	-	-
<b>Total assets</b>	<b>\$ 3,754</b>	<b>\$ 522,232</b>	<b>\$ 1,248,162</b>
<b>Liabilities</b>			
Due to other governments	\$ 3,754	\$ 522,232	\$ 137,359
Deposits	-	-	1,110,803
Due to individuals	-	-	-
<b>Total liabilities</b>	<b>3,754</b>	<b>522,232</b>	<b>1,248,162</b>
<b>Net Position</b>			
Restricted	-	-	-
<b>Total liabilities and net position</b>	<b>\$ 3,754</b>	<b>\$ 522,232</b>	<b>\$ 1,248,162</b>

**Clerk of the Circuit Court**

<b>General Agency</b>	<b>Witness</b>	<b>Registry of the Court</b>	<b>Child Support</b>	<b>Appearance Bonds</b>	<b>Tax Redemption</b>
\$ 4,838,368	\$ 18,443	\$ 324,104	\$ 229	\$ 433,496	\$ 742,021
1,830	-	-	-	-	-
<b>\$ 4,840,198</b>	<b>\$ 18,443</b>	<b>\$ 324,104</b>	<b>\$ 229</b>	<b>\$ 433,496</b>	<b>\$ 742,021</b>
\$ 2,205,534	\$ 18,443	\$ 8,124	\$ 229	\$ 17,963	\$ 480
2,629,543	-	315,980	-	-	-
5,121	-	-	-	415,533	741,541
4,840,198	18,443	324,104	229	433,496	742,021
-	-	-	-	-	-
<b>\$ 4,840,198</b>	<b>\$ 18,443</b>	<b>\$ 324,104</b>	<b>\$ 229</b>	<b>\$ 433,496</b>	<b>\$ 742,021</b>

-Continued-

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

Sheriff

<i>September 30, 2021</i>	<b>Posse</b>	<b>Total</b>
<b>Assets</b>		
Cash	\$ 1,846	\$ 8,132,655
Receivables, net	-	1,830
<hr/>		
Total assets	\$ 1,846	\$ 8,134,485
<hr/>		
<b>Liabilities</b>		
Due to other governments	\$ -	\$ 2,914,118
Deposits	-	4,056,326
Due to individuals	-	1,162,195
<hr/>		
Total liabilities	-	8,132,639
<b>Net Position</b>		
Restricted	1,846	1,846
<hr/>		
Total liabilities and net position	\$ 1,846	\$ 8,134,485
<hr/>		

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

	<b>Tax Collector</b>		
<i>For the year ended September 30, 2021</i>	<b>Licenses</b>	<b>Tags</b>	<b>Property Tax</b>
<b>Additions</b>			
Funds held for others	\$ 232,155	\$ 17,094,949	\$ 233,479,063
Donations	-	-	-
Total additions	232,155	17,094,949	233,479,063
<b>Deductions</b>			
Current			
Funds held for others	232,155	17,094,949	233,479,063
Public Safety	-	-	-
Total deductions	232,155	17,094,949	233,479,063
Changes in Net Position	-	-	-
Net position - beginning of year, as originally stated	-	-	-
Restatement	-	-	-
Net position - beginning of year, as restated	-	-	-
Net position - end of year	\$ -	\$ -	\$ -

**Walton County, Florida**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds (Continued)**

**Clerk of the Circuit Court**

<b>General Agency</b>	<b>Witness</b>	<b>Registry of the Court</b>	<b>Child Support</b>	<b>Appearance Bonds</b>	<b>Tax Redemption</b>
\$ 94,840,266	\$ 1,000	\$ 2,644,400	\$ 117,771	\$ 594,416	\$ 627,510
-	-	-	-	-	-
94,840,266	1,000	2,644,400	117,771	594,416	627,510
94,840,266	1,000	2,644,400	117,771	594,416	627,510
-	-	-	-	-	-
94,840,266	1,000	2,644,400	117,771	594,416	627,510
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Walton County, Florida**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds (Continued)**

	<b>Sheriff</b>	
<i>For the year ended September 30, 2021</i>	<b>Posse</b>	<b>Total</b>
<b>Additions</b>		
Funds held for others	\$ -	\$ 349,631,530
Donations	950	950
Total additions	950	349,632,480
<b>Deductions</b>		
Current		
Funds held for others	-	349,631,530
Public Safety	1,740	1,740
Total deductions	1,740	349,633,270
Changes in Net Position	(790)	(790)
Net position - beginning of year, as originally stated	-	-
Restatement	2,636	2,636
Net position - beginning of year, as restated	2,636	2,636
Net position - end of year	\$ 1,846	\$ 1,846



**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, 2021*

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**Governmental Funds Capital Assets:**

Land	\$ 119,582,265
Buildings	89,671,024
Improvements other than buildings	53,678,602
Machinery and equipment	86,718,573
Infrastructure	189,961,149
Construction in progress	31,498,397

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Total governmental funds capital assets	\$ 571,110,010
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**Investment in Governmental Funds Capital Assets by Source:**

General Fund	\$ 63,375,719
Special Revenue Fund	380,356,084
Capital Projects Fund	82,730,418
Grants	44,647,789

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Total governmental funds capital assets	\$ 571,110,010
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**Walton County, Florida**  
**Capital Assets Used in the Operations of Governmental Funds**  
**Schedule by Function and Activity**

*September 30, 2021*

<b>Function and Activity</b>	<b>Land</b>	<b>Buildings</b>	<b>Improvements Other Than Buildings</b>
<b>General Government:</b>			
Finance and administration	\$ 463,071	\$ 7,856,338	\$ -
Comprehensive planning	-	-	-
Judicial	166,696	25,823,450	82,804
Other general government	14,399,011	4,443,851	4,490,367
<b>Total general government</b>	<b>15,028,778</b>	<b>38,123,639</b>	<b>4,573,171</b>
<b>Public Safety:</b>			
Law enforcement	1,163,746	30,098,121	6,497,866
Ambulance service	-	-	-
Civil defense	-	1,618,425	183,750
Building inspection	-	432,280	-
Emergency 911	-	130,194	-
Animal control	-	2,092,770	-
Fire	1,278,750	1,792,639	42,316
<b>Total public safety</b>	<b>2,442,496</b>	<b>36,164,429</b>	<b>6,723,932</b>
<b>Physical Environment</b>	<b>1,044,101</b>	<b>5,908,061</b>	<b>160,333</b>
<b>Transportation</b>	<b>3,847,122</b>	<b>3,936,717</b>	<b>6,278,894</b>
<b>Economic Environment:</b>			
Housing authority	-	-	-
Tourist development	25,228,138	2,066,419	9,802,168
Farmers market	71,693	-	-
<b>Total economic environment</b>	<b>25,299,831</b>	<b>2,066,419</b>	<b>9,802,168</b>
<b>Human Services:</b>			
Health	-	1,406,280	214,748
Veterans	-	-	-
<b>Total human services</b>	<b>-</b>	<b>1,406,280</b>	<b>214,748</b>
<b>Culture and Recreation:</b>			
Beach access	44,782,633	-	3,891,974
Parks and recreation	26,869,100	409,700	22,033,382
Library	268,204	1,655,779	-
<b>Total culture and recreation</b>	<b>71,919,937</b>	<b>2,065,479</b>	<b>25,925,356</b>
<b>Total governmental funds capital assets</b>	<b>\$ 119,582,265</b>	<b>\$ 89,671,024</b>	<b>\$ 53,678,602</b>

<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Construction In Progress</b>	<b>Total</b>
\$ 314,861	\$ -	\$ -	\$ 8,634,270
769,351	-	-	769,351
2,384,026	-	-	28,456,976
2,916,326	535,225	1,813,467	28,598,247
6,384,564	535,225	1,813,467	66,458,844
29,004,564	-	-	66,764,297
12,256,760	-	-	12,256,760
339,703	170,298	-	2,312,176
240,147	-	-	672,427
73,448	-	-	203,642
89,146	-	-	2,181,916
259,999	-	-	3,373,704
42,263,767	170,298	-	87,764,922
5,579,022	697,094	4,308,376	17,696,987
28,206,063	185,579,530	20,473,367	248,321,693
19,464	-	-	19,464
2,297,176	2,955,002	3,664,511	46,013,414
-	-	-	71,693
2,316,640	2,955,002	3,664,511	46,104,571
383,074	-	-	2,004,102
6,995	-	-	6,995
390,069	-	-	2,011,097
454,169	-	872,173	50,000,949
919,662	24,000	366,503	50,622,347
204,617	-	-	2,128,600
1,578,448	24,000	1,238,676	102,751,896
\$ 86,718,573	\$ 189,961,149	\$ 31,498,397	\$ 571,110,010

**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, 2021*

<b>Function and Activity</b>	<b>Capital Assets 10/01/20</b>	<b>Additions</b>
<b>General Government:</b>		
Finance and administration	\$ 8,657,164	\$ -
Comprehensive planning	769,351	-
Judicial	28,248,356	230,420
Other general government	22,632,561	7,723,007
<b>Total general government</b>	<b>60,307,432</b>	<b>7,953,427</b>
<b>Public Safety:</b>		
Law enforcement	61,629,501	7,309,980
Ambulance service	12,230,682	220,211
Civil defense	2,137,966	379,212
Building inspection	672,427	-
Emergency 911	203,642	-
Animal control	2,181,916	-
Fire	3,373,704	-
<b>Total public safety</b>	<b>82,429,838</b>	<b>7,909,403</b>
<b>Physical Environment</b>	<b>14,039,217</b>	<b>4,078,460</b>
<b>Transportation</b>	<b>228,784,580</b>	<b>39,738,197</b>
<b>Economic Environment:</b>		
Housing authority	19,464	-
Tourist development	39,103,729	6,956,745
Farmers market	108,889	-
<b>Total economic environment</b>	<b>39,232,082</b>	<b>6,956,745</b>
<b>Human Services:</b>		
Health	2,038,735	39,032
Veterans	6,995	-
<b>Total human services</b>	<b>2,045,730</b>	<b>39,032</b>
<b>Culture and Recreation:</b>		
Beach access	40,876,080	9,130,969
Parks and recreation	49,877,248	1,453,701
Library	2,128,600	-
<b>Total culture and recreation</b>	<b>92,881,928</b>	<b>10,584,670</b>
<b>Total governmental funds capital assets</b>	<b>\$ 519,720,807</b>	<b>\$ 77,259,934</b>

<u>Deductions</u>	<u>Capital Assets 9/30/21</u>
\$ 22,894	\$ 8,634,270
-	769,351
21,800	28,456,976
1,757,321	28,598,247
<hr/>	<hr/>
1,802,015	66,458,844
<hr/>	<hr/>
2,175,184	66,764,297
194,133	12,256,760
205,002	2,312,176
-	672,427
-	203,642
-	2,181,916
-	3,373,704
<hr/>	<hr/>
2,574,319	87,764,922
<hr/>	<hr/>
420,690	17,696,987
<hr/>	<hr/>
20,201,084	248,321,693
<hr/>	<hr/>
-	19,464
47,060	46,013,414
37,196	71,693
<hr/>	<hr/>
84,256	46,104,571
<hr/>	<hr/>
73,665	2,004,102
-	6,995
<hr/>	<hr/>
73,665	2,011,097
<hr/>	<hr/>
6,100	50,000,949
708,602	50,622,347
-	2,128,600
<hr/>	<hr/>
714,702	102,751,896
<hr/>	<hr/>
\$ 25,870,731	\$ 571,110,010



## 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>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Government-Wide Expenses by Function</b>				
General government	\$37,575,037	\$ 37,739,314	\$ 29,618,838	\$ 27,081,341
Public safety	62,961,724	73,065,481	67,532,988	55,294,616
Physical environment	13,302,258	12,100,205	12,783,855	11,458,965
Transportation	23,684,089	24,711,934	27,376,243	26,914,820
Economic environment	24,607,743	24,450,201	21,108,011	17,862,455
Human services	9,272,806	2,631,843	2,508,656	2,408,915
Culture/recreation	4,358,450	4,350,766	3,000,774	2,107,503
Debt services	793,946	941,384	873,700	825,119
<b>Total government-wide expense by function</b>	<b>\$ 176,556,053</b>	<b>\$ 179,991,128</b>	<b>\$ 164,803,065</b>	<b>\$ 143,953,734</b>
<b>Government-Wide Revenues</b>				
Program revenues				
Charges for services	\$ 27,306,218	\$ 17,488,699	\$ 18,131,725	\$ 16,359,145
Operating grants and contributions	15,987,554	15,286,013	6,985,897	4,501,975
Capital grants and contributions	16,484,425	6,010,558	3,853,435	6,111,741
General revenues				
Taxes				
Property taxes	80,493,769	74,111,096	66,731,083	60,600,283
Gasoline taxes	6,961,117	6,307,431	7,004,726	6,422,671
Sales taxes	52,334,769	35,000,216	37,158,087	33,670,146
Tourist development bed tax	58,073,370	31,325,781	27,701,336	25,726,361
Other taxes	258,726	253,482	276,964	289,635
State revenue sharing	2,881,633	2,344,990	2,454,182	2,281,910
Investment earnings	461,736	2,844,553	3,565,286	502,257
Miscellaneous	10,821,425	7,146,059	9,317,136	5,239,856
Special item	-	-	-	-
<b>Total government-wide revenues</b>	<b>\$ 272,064,742</b>	<b>\$ 198,118,878</b>	<b>\$ 183,179,857</b>	<b>\$ 161,705,980</b>

	2017	2016	2015	2014	2013	2012
\$	33,365,289	\$ 25,692,294	\$ 25,430,143	\$ 21,492,257	\$ 19,616,228	\$ 20,059,277
	53,085,811	46,892,084	39,889,287	37,774,222	38,408,334	35,075,260
	12,379,377	9,916,761	11,190,946	9,566,044	8,415,882	8,531,130
	21,438,931	21,217,707	15,552,252	27,124,508	24,136,571	23,897,299
	12,781,381	17,123,638	15,889,294	14,789,508	13,556,398	14,852,494
	2,088,995	2,283,853	1,874,924	2,226,393	2,129,798	2,002,946
	4,034,242	1,504,076	4,029,171	1,378,960	1,250,844	2,418,242
	774,434	869,730	1,071,059	1,136,315	2,929,167	1,262,630
	<u>\$ 139,948,460</u>	<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>
\$	13,734,896	\$ 12,818,417	\$ 10,471,312	\$ 8,092,365	\$ 5,407,633	\$ 5,378,020
	4,905,961	4,958,896	4,349,574	3,877,757	6,205,459	13,611,753
	9,125,493	4,576,423	14,218,252	8,043,617	5,664,441	5,864,008
	55,078,685	49,609,053	44,521,882	39,934,572	38,065,283	40,140,763
	6,145,598	5,918,651	5,167,916	4,511,542	4,258,291	4,186,892
	31,403,705	32,072,589	36,548,311	33,394,983	29,072,535	19,338,378
	23,524,494	21,758,228	20,146,264	19,987,554	18,582,874	13,859,997
	286,193	288,454	289,111	297,650	330,000	499,095
	2,119,357	1,984,974	2,037,312	1,683,966	1,496,532	1,373,364
	593,657	1,129,859	595,163	1,256,265	(752,996)	1,505,357
	7,794,156	8,470,082	8,292,648	6,530,799	5,708,946	5,458,304
	-	-	7,227,657	10,370,000	50,000,000	-
	<u>\$ 154,712,195</u>	<u>\$ 143,585,626</u>	<u>\$ 153,865,402</u>	<u>\$ 137,981,070</u>	<u>\$ 164,038,998</u>	<u>\$ 111,215,931</u>

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

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Physical Environment</b>	<b>Transportation</b>	<b>Economic Environment</b>
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
2021	35,075,713	60,690,469	12,747,676	13,414,430	23,815,086

\* Includes all Governmental Fund Types

	<b>Human Services</b>	<b>Culture/ Recreation</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Total (*)</b>
\$	1,879,932	\$ 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
	9,182,222	3,638,181	56,856,296	3,470,900	218,890,973

**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
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
2021	178,187,283	12,459,971	55,461,629	13,891,758

\* Includes all Governmental Fund Types.

	<b>Fines and Forfeitures</b>	<b>Investment Earnings (Loss)</b>	<b>Miscellaneous</b>	<b>Total*</b>
\$	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
	797,380	631,680	9,677,769	271,107,470

**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>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Revenues</b>				
Program revenue				
Charges for services				
General government	\$8,863,418	\$ 7,117,915	\$ 6,482,620	\$ 6,093,711
Public safety	9,440,026	8,933,016	10,180,708	9,478,276
Physical environment	491,011	639,862	1,098,704	574,967
Economic environment	1,265,415	334,256	206,089	182,118
Human services	6,744,258	68,475	10,800	10,800
Culture/recreation	502,090	395,175	152,804	19,273
Operating grants and contributions	15,987,554	15,286,013	6,985,897	4,501,975
Capital grants and contributions	16,484,425	6,010,558	3,853,435	6,111,741
General revenues				
Property taxes	80,493,769	74,111,096	66,731,083	60,600,283
Other taxes	120,509,615	75,231,900	74,595,295	68,390,723
Other	11,283,161	9,990,612	12,882,422	5,742,113
<b>Total revenues</b>	<b>272,064,742</b>	<b>198,118,878</b>	<b>183,179,857</b>	<b>161,705,980</b>
<b>Expenses</b>				
General government	\$37,575,037	\$37,739,314	29,618,838	27,081,341
Public safety	62,961,724	73,065,481	67,532,988	55,294,616
Physical environment	13,302,258	12,100,205	12,783,855	11,458,965
Transportation	23,684,089	24,711,934	27,376,243	26,914,820
Economic environment	24,607,743	24,450,201	21,108,011	17,862,455
Human services	9,272,806	2,631,843	2,508,656	2,408,915
Culture and recreation	4,358,450	4,350,766	3,000,774	2,107,503
Interest on long-term debt	793,946	941,384	873,700	825,119
<b>Total expenses</b>	<b>176,556,053</b>	<b>179,991,128</b>	<b>164,803,065</b>	<b>143,953,734</b>
Special item	-	-	-	-
<b>Change in net position</b>	<b>\$ 95,508,689</b>	<b>\$ 18,127,750</b>	<b>\$ 18,376,792</b>	<b>\$ 17,752,246</b>
<b>Prior period adjustment</b>	<b>\$ 24,590</b>	<b>\$ (565,537)</b>	<b>\$ -</b>	<b>\$ (10,224,000)</b>
<b>Net investment in capital assets</b>	<b>\$ 327,264,863</b>	<b>\$ 286,079,537</b>	<b>\$ 273,325,808</b>	<b>\$ 247,481,794</b>
Restricted for:				
Debt service	140,448	143,176	97,248	1,450,217
Capital projects	4,372,572	2,712,840	3,768,720	3,256,071
General government	1,150,209	1,378,148	1,407,668	1,266,929
Public safety	7,735,415	6,352,618	5,948,658	5,412,019
Transportation	24,810,014	18,413,584	15,772,202	14,423,434
Economic environment	203,374	148,245	151,069	173,421
Human services	464,751	438,057	435,020	414,454
Unrestricted (deficit)	59,470,514	14,412,676	11,610,275	20,261,537
<b>Total primary government net position</b>	<b>\$ 425,612,160</b>	<b>\$ 330,078,881</b>	<b>\$ 312,516,668</b>	<b>\$ 294,139,876</b>

	2017	2016	2015	2014	2013	2012
\$	3,143,151	\$ 2,954,381	\$ 3,336,621	\$ 2,869,825	\$ 1,552,308	\$ 1,323,663
	9,041,994	8,498,997	6,030,010	4,156,691	3,449,112	2,783,665
	1,188,692	1,207,916	963,849	929,419	244,639	242,074
	307,277	115,187	111,103	105,248	164,553	133,895
	30,800	20,800	10,800	10,800	10,800	10,800
	22,982	21,136	18,929	20,382	16,221	16,219
	4,905,961	4,958,896	4,349,574	3,877,757	6,205,459	8,244,002
	9,125,493	4,576,423	14,218,252	8,043,617	5,664,441	5,172,864
	55,078,685	49,609,053	44,521,882	39,934,572	38,065,283	38,070,775
	63,479,346	62,022,896	64,188,914	59,875,695	53,740,233	43,515,247
	8,387,814	9,599,941	8,887,811	7,787,064	4,955,949	7,788,558
	154,712,195	143,585,626	146,637,745	127,611,070	114,068,998	107,301,762
	33,365,289	25,692,294	25,430,143	21,492,257	19,616,228	20,059,277
	53,085,811	46,892,084	39,889,287	37,774,222	38,408,334	35,075,260
	12,379,377	9,916,761	11,190,946	9,566,044	8,415,882	8,531,130
	21,438,931	21,217,707	15,552,252	27,124,508	24,136,571	23,897,299
	12,781,381	17,123,638	15,889,294	14,789,508	13,556,398	14,852,494
	2,088,995	2,283,853	1,874,924	2,226,393	2,129,798	2,002,946
	4,034,242	1,504,076	4,029,171	1,378,960	1,250,844	2,418,242
	774,434	869,730	1,071,059	1,136,315	2,929,167	1,262,630
	139,948,460	125,500,143	114,927,076	115,488,207	110,443,222	108,099,278
	-	-	7,227,657	10,370,000	50,000,000	(75,000,000)
\$	14,763,735	\$ 18,085,483	\$ 38,938,326	\$ 22,492,863	\$ 53,625,776	\$ (75,797,516)
\$	(800,864)	\$ (351,613)	\$ (37,086,830)	\$ -	\$ -	\$ (4,016)
\$	230,298,796	\$ 206,407,365	\$ 185,573,714	\$ 183,054,531	\$ 184,908,949	\$ 186,263,846
	1,601,150	6,177,040	3,531,053	7,957,589	3,912,013	86,274
	2,795,200	2,530,939	2,044,676	2,058,293	2,110,339	1,310,054
	1,379,718	1,733,494	1,664,480	3,974,323	3,782,011	3,528,147
	3,152,957	2,872,318	2,133,933	2,235,752	1,657,563	1,725,029
	12,361,190	8,817,128	8,646,500	8,594,891	8,256,492	8,153,724
	242,916	302,277	586,004	1,054,343	1,014,020	1,161,336
	408,674	396,423	382,269	947,709	883,914	903,173
	34,371,029	42,653,123	49,593,608	42,427,310	23,286,577	(26,915,481)
\$	286,611,630	\$ 271,890,107	\$ 254,156,237	\$ 252,304,741	\$ 229,811,878	\$ 176,216,102



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

<i>As of September 30,</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>General Fund</b>				
Nonspendable	\$ 1,758,356	\$ 2,045,126	\$ 561,725	\$ 517,245
Restricted	843,613	1,047,856	1,014,933	987,732
Assigned	6,360,939	1,280,478	6,504,592	4,172,170
Unassigned	26,464,599	26,870,472	16,404,867	17,691,674
<b>Total general fund</b>	<b>35,427,507</b>	<b>31,243,932</b>	<b>24,486,117</b>	<b>23,368,821</b>
<b>All Other Governmental Funds</b>				
Nonspendable	361,409	216,411	639,249	610,773
Restricted	38,033,170	28,538,812	26,565,652	25,408,813
Committed	69,268,027	50,357,563	41,131,149	44,588,810
Assigned	66,418,314	45,710,190	41,515,320	33,525,597
<b>Total other governmental funds</b>	<b>174,080,920</b>	<b>124,822,976</b>	<b>109,851,370</b>	<b>104,133,993</b>
<b>Total governmental funds</b>	<b>\$ 209,508,427</b>	<b>\$ 156,066,908</b>	<b>\$ 134,337,487</b>	<b>\$ 127,502,814</b>

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 1,010,518	\$ 711,723	\$ 816,015	\$ 2,982,067	\$ 2,599,162	\$ 2,691,134
1,029,015	1,174,581	1,173,500	1,128,160	1,046,541	976,192
4,963,789	4,854,242	4,290,458	3,933,644	2,939,435	5,263,998
15,671,532	16,610,115	15,603,519	12,559,627	11,177,642	11,252,947
22,674,854	23,350,661	21,883,492	20,603,498	17,762,780	20,184,271
593,107	546,936	493,143	468,455	466,080	477,074
21,052,929	21,963,698	17,986,301	23,729,155	18,653,573	14,500,603
38,612,893	42,978,200	35,824,170	30,002,035	21,340,544	12,889,101
36,992,622	32,892,709	43,844,489	31,371,414	24,502,866	28,387,751
97,251,551	98,381,543	98,148,103	85,571,059	64,963,063	56,254,529
<b>\$ 119,926,405</b>	<b>\$ 121,732,204</b>	<b>\$ 120,031,595</b>	<b>\$ 106,174,557</b>	<b>\$ 82,725,843</b>	<b>\$ 76,438,800</b>

**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>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Revenues</b>				
Taxes	\$ 178,187,283	\$ 132,891,357	\$ 123,768,397	\$ 112,732,328
Licenses and permits	12,459,971	3,898,144	3,812,551	3,219,599
Intergovernmental	55,461,629	37,829,260	28,507,600	26,994,452
Charges for services	13,891,758	12,941,500	13,599,020	12,399,911
Fines and forfeitures	797,380	582,762	627,491	633,030
Interest	631,680	2,844,554	3,565,307	502,255
Miscellaneous	9,677,769	7,137,299	10,633,906	6,024,140
<b>Total revenues</b>	<b>271,107,470</b>	<b>198,124,876</b>	<b>184,514,272</b>	<b>162,505,715</b>
<b>Expenditures</b>				
Current				
General government	35,075,713	31,921,713	34,973,284	29,087,292
Public safety	60,690,469	57,027,957	60,853,449	51,896,519
Physical environment	12,747,676	11,867,947	15,740,504	12,583,836
Transportation	13,414,430	13,782,711	23,998,736	25,419,451
Economic environment	23,815,086	22,385,714	29,573,103	25,696,123
Human services	9,182,222	2,506,961	2,694,640	2,409,611
Culture/recreation	3,638,181	3,103,874	5,503,881	3,240,258
Capital outlay	56,856,296	32,402,250	3,775,422	3,762,969
Debt service				
Principal	2,654,731	5,131,595	2,193,306	1,976,019
Interest	816,169	936,991	886,258	837,270
<b>Total expenditures</b>	<b>218,890,973</b>	<b>181,067,713</b>	<b>180,192,583</b>	<b>156,909,348</b>
<b>Excess Revenue Over (Under)</b>				
<b>Expenditures</b>	<b>52,216,497</b>	<b>17,057,163</b>	<b>4,321,689</b>	<b>5,596,367</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of equipment	1,200,432	-	820,037	752,949
Transfers in	35,662,637	15,345,076	27,620,221	18,663,752
Transfers out	(35,662,637)	(15,345,076)	(27,620,221)	(18,663,752)
Issuance of debt	-	5,237,795	1,692,947	469,246
<b>Total other financing sources</b>	<b>1,200,432</b>	<b>5,237,795</b>	<b>2,512,984</b>	<b>1,222,195</b>
<b>Special item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 53,416,929</b>	<b>\$ 22,294,958</b>	<b>\$ 6,834,673</b>	<b>\$ 6,818,562</b>
Debt service as a percentage of				
noncapital expenditures	2.14%	4.08%	2.25%	2.24%

2017	2016	2015	2014	2013	2012
\$ 103,247,809	\$ 97,267,784	\$ 95,226,101	\$ 87,629,743	\$ 80,465,499	\$ 70,988,064
2,892,531	2,886,510	2,530,020	2,316,764	2,171,620	1,515,539
29,405,601	25,099,737	35,584,050	24,183,633	23,268,876	24,101,048
10,113,664	9,267,053	7,136,458	4,837,396	2,958,491	2,771,045
645,055	641,313	653,554	944,323	324,413	237,659
593,657	1,129,858	595,162	1,256,265	(752,996)	2,540,456
9,171,722	9,604,217	9,350,836	7,402,882	6,549,334	5,248,103
156,070,039	145,896,472	151,076,181	128,571,006	114,985,237	107,401,914
27,191,825	22,483,326	28,051,626	20,816,662	19,400,946	18,645,847
50,526,999	44,314,780	38,739,905	35,959,383	35,063,268	31,434,246
10,986,632	12,275,325	10,666,566	9,451,630	8,911,217	8,056,333
27,842,250	23,878,064	29,429,954	22,730,338	19,423,503	23,359,653
32,645,259	34,281,506	16,484,966	15,479,069	14,068,424	14,204,426
1,998,608	2,234,033	2,784,291	2,224,329	2,018,499	1,879,932
2,906,679	1,182,302	3,541,894	889,381	1,432,502	1,945,696
1,905,430	1,234,476	2,280,287	361,879	2,896,357	3,699,244
2,145,875	1,951,754	38,396,195	7,559,324	52,804,659	5,656,634
806,980	853,778	1,082,618	1,024,758	3,050,331	1,100,197
158,956,537	144,689,344	171,458,302	116,496,753	159,069,706	109,982,208
(2,886,498)	1,207,128	(20,382,121)	12,074,253	(44,084,469)	(2,580,294)
-	-	-	-	-	-
19,527,339	17,898,837	16,935,224	16,537,000	11,601,547	13,873,137
(19,527,339)	(17,898,837)	(16,935,224)	(16,537,000)	(11,601,547)	(13,873,137)
1,096,233	845,091	27,018,625	997,460	371,512	75,199,009
1,096,233	845,091	27,018,625	997,460	371,512	75,199,009
-	-	7,227,657	10,370,000	50,000,000	(75,000,000)
\$ (1,790,265)	\$ 2,052,219	\$ 13,864,161	\$ 23,441,713	\$ 6,287,043	\$ (2,381,285)
2.44%	2.53%	27.38%	7.83%	37.17%	7.29%

**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)	Percentage of Levy		Amount (2)	Percentage of Levy
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%	53,988	72,540,652	96.44%
2021	92,529,955	76,877,121	83.08%	-	76,877,121	83.08%

(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
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
2021	24,886,141,636	24,886,141,636	557,359,668	557,359,668

(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		
\$ 5,911,639	\$ 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%
2,683,249	2,683,249	25,446,184,553	25,446,184,553	3.636	100%



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

	2021	2020	2019	2018
<b>Board of County Commissioners</b>				
General Fund	1.113	1.125	0.733	0.873
County Transportation Trust Fund	0.093	0.390	0.41	0.27
Fine and Forfeiture Fund	2.430	2.122	2.494	2.493
<hr/>				
Total general county	3.636	3.636	3.636	3.636
<b>District School System</b>				
	4.784	5.075	5.022	5.097
<hr/>				
Total County wide	8.420	8.711	8.658	8.733
<hr/>				
<b>Special Districts</b>				
South Walton Mosquito Control	0.230	0.240	0.240	0.163
Walton County Fire and Rescue	FLAT	FLAT	FLAT	FLAT
South Walton Fire District	1.000	1.000	1.000	0.980
North Walton Mosquito Control	0.491	0.491	0.491	0.491
Argyle Fire District	FLAT	FLAT	FLAT	FLAT
Liberty Fire District	FLAT	FLAT	FLAT	FLAT
<b>North West Florida Water District</b>	0.029	0.031	0.033	0.036
<b>Cities</b>				
DeFuniak Springs	5.500	5.000	4.500	4.500
Freeport	4.730	4.730	4.730	4.730

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

Note:

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

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
0.795	1.299	1.291	1.348	1.710	1.480
0.348	0.389	0.397	0.260	0.286	0.550
2.493	1.948	1.948	1.948	1.560	1.526
3.636	3.636	3.636	3.556	3.556	3.556
5.191	5.348	5.491	5.491	5.659	5.013
8.827	8.984	9.127	9.047	9.215	8.569
0.163	0.163	0.163	0.138	0.138	0.114
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
0.980	0.980	0.980	0.980	0.980	0.980
0.491	0.491	0.491	0.491	0.491	0.491
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
0.037	0.038	0.039	0.040	0.040	0.040
4.500	4.500	4.500	4.500	4.500	4.500
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
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
2021	-	-	18,771,258	790,704

- (1) See Demographic Statistics on page 151 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.

	<b>Total</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
\$	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
	19,561,962	0.37%	251

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Other Debt Service</b>	<b>Total Debt Service (1)</b>	<b>Total General Expenditures (2)</b>	<b>Ratio of Debt Service to Total General Expenditures</b>
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%
2021	-	-	-	-	218,890,973	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**

<b>Fiscal Year</b>	<b>Real Property Value (1)</b>	<b>Construction (2)</b>	<b>Bank Deposits (3)</b>
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
2021	25,446,184,553	1,239,005,587	2,301,035,000

(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
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%
2021	77,941	69,862	5,354,767	11,276	3.40%	4.80%	4.80%

(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**

<b>Function/Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>General Government</b>				
Single family dwelling permits	2,448	2,003	2,380	1,487
Total building and other permits issued	20,700	16,018	13,976	12,995
Building inspections conducted	26,462	26,268	24,455	22,643
<b>Public Safety</b>				
Number of E911 calls	57,321	49,407	68,796	82,101
Number of E911 Fire/EMS calls	11,397	8,030	6,978	7,506
Animal control responses	11,087	8,691	8,510	4,823
<b>Tourist Development Council</b>				
Bed tax receipts (gross dollars in thousands)	58,076	31,330	27,728	25,726
<b>Library</b>				
Number of registered borrowers	45,001	45,790	44,497	49,639
Number of visits	109,741	88,697	117,761	103,273
Number of items in collection	106,329	99,377	110,050	109,891
<b>Constitutional Officers:</b>				
<b>Clerk of Circuit Court</b>				
Marriage licenses issued	1,486	1,210	1,520	1,617
Instruments recorded	65,167	50,470	43,607	43,502
Passports	1,109	904	1,696	1,408
Tax deeds sold	163	109	184	232
Civil cases filed		2,832	3,656	3,326
Misdemeanor cases filed	1,032	1,083	1,071	960
Felony cases filed	946	845	754	940
Traffic infractions	4,079	4,142	4,274	4,270
<b>Supervisor of Elections</b>				
Number of registered voters	59,331	59,743	52,460	49,928
Number of polling places	21	21	21	21
<b>Property Appraiser</b>				
Parcels in county	86,546	85,636	84,518	81,981
<b>Tax Collector</b>				
Tax certificates sold	2,410	3,216	3,145	2,890
Tag and title transactions processed	136,199	93,700	125,284	124,754
Driver licenses issued/ renewed	25,160	23,413	25,520	19,714
Hunting/fishing licenses issued	3,086	786	1,232	896
Concealed weapons applications processed	1,680	1,832	777	870
Birth certificates reissued	567	856	561	708
<b>Sheriff</b>				
Law enforcement officers	258	267	269	251
Calls for service	221,101	243,193	257,646	133,368
Misdemeanor arrests	1,837	1,722	2,936	1,798

\* Information is not available for the year presented

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

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

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

<b>Employer</b>	<b>2021</b>		
	<b>Employees (1)</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Walton County School Board	1,397	1	5.1%
Sacred Heart Hospital of the Emerald Coast	1,120	2	4.1%
Walton County Government	1,112	3	4.1%
Watercolor Inn and Resort	687	4	2.5%
Publix Super Markets (multiple locations)	664	5	2.4%
Sandestin Golf and Beach Resort	660	6	2.4%
Hilton Sandestin Beach and Golf Resort	458	7	1.7%
Wal-Mart Super Center (multiple locations)	436	8	1.6%
Walton Correctional Institution	211	9	0.8%
Healthmark Regional Medical Center	135	10	0.5%
Wyndham Vacation Rentals (former ResortQuest)	-		
St. Joe Company			
<b>Total</b>	<b>6,880</b>		<b>25.2%</b>

Total number of individuals employed  
within Walton County (2) 27,198

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

2012

<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
1,135	1	3.4%
540	4	1.6%
820	2	2.5%
275	8	0.8%
425	6	1.3%
691	3	2.1%
400	7	1.2%
		0.0%
	-	0.0%
200	10	0.6%
500	5	1.5%
250	9	0.8%
5,236		15.8%

33,002

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

Taxpayer	2021		Percentage of Total Net Assessed Value
	Assessed Value (1)	Rank	
EBSCO Gulf Coast Development	\$116,011,358	1	0.52%
Choctawhatchee Electric Cooperative	105,344,892	2	0.47%
Gulf Power Company	76,782,133	3	0.34%
Sandestin Hilton, LTD	58,430,883	4	0.26%
MC Forest View LP	47,003,954	5	0.21%
Florida Gas Transmission Company	46,557,803	6	0.21%
Sandestin Investments LLC	44,715,943	7	0.20%
Rosestar LLC	34,102,587	8	0.15%
GB Retail LLC	32,858,885	9	0.15%
Powersouth	30,103,730	10	0.13%
Embarq-Florida Incorporated			-
Silver Sands Joint Venture			-
St. Joe Paper Company			-
Sanctuary By the Sea, LLC			-
<b>Total Principal Taxable Vaule</b>	<b>591,912,168</b>		<b>2.64%</b>
<b>Total Taxable Assessed Value</b>	<b>\$28,031,063,697</b>		<b>100.00%</b>

(1) Source: Walton County Property Appraiser

2012

	Assessed Value (1)	Rank	Percentage of Total Net Assessed Value
\$	101,095,106	1	0.92%
	70,166,035	2	0.64%
	32,616,414	6	0.30%
	46,215,245	4	0.42%
	37,146,336	3	0.34%
	53,438,776	5	0.49%
	-		-
	-	-	-
	-		-
-			-
	19,730,062	9	0.18%
	20,603,690	8	0.19%
	19,412,243	7	0.18%
	19,793,357	10	0.18%
	420,217,264		3.84%
\$	10,941,371,754		100.00%

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

	2021	2020	2019	2018
<b>General Government</b>				
Facilities owned/leased (sq. ft.)	771,943	701,415	684,448	648,639
Libraries available to the public(sq. ft.)	19,513	19,513	19,513	19,513
<b>Public Safety</b>				
Fire/Rescue vehicles (number)	86	85	61	66
EMS/Fire stations(number)*	15	15	15	15
<b>Tourist Development Council</b>				
Beaches (miles)	26	26	26	26
Beach access (number)	74	74	73	65
<b>Transportation</b>				
Paved miles	713	703	689	674
Unpaved miles	339	350	363	377
<b>Culture and Recreation</b>				
Parks (number)	17	17	17	23
Parks with boat ramps (number)	32	32	32	16
<b>Constitutional Officers:</b>				
<b>Clerk of Circuit Court</b>				
Facilities (sq. ft.)	45,650	45,650	42,990	42,990
Facilities (number)	2	2	2	2
<b>Supervisor of Elections</b>				
Facilities (sq. ft.)	3,900	3,900	3,900	3,900
Facilities (number)	2	2	2	2
<b>Property Appraiser</b>				
Facilities (sq. ft.)	8,100	8,100	8,100	8,100
Facilities (number)	2	2	2	2
<b>Tax Collector</b>				
Facilities (sq. ft.)	12,050	10,800	10,800	7,400
Facilities (number)	3	3	3	2
<b>Sheriff</b>				
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.

2017	2016	2015	2014	2013	2012
635,083	582,430	483,763	369,424	363,386	363,386
18,441	16,961	16,961	16,961	16,961	16,961
66	49	51	48	50	46
15	15	22	22	22	21
26	26	26	26	26	26
62	61	61	60	60	62
666	664	758	756	752	749
375	377	404	406	410	413
23	21	21	21	21	21
16	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
7	6	6	6	5	5
63,364	61,668	61,668	61,668	39,400	39,400



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

	2021	2020	2019	2018
General government	114	101	102	90
Public safety	49	43	27	25
Physical environment	30	29	28	27
Transportation	131	136	139	127
Economic environment	61	66	72	62
Human services	4	5	5	5
Culture and recreation	42	40	38	32
<b>Total County government</b>	<b>431</b>	<b>420</b>	<b>411</b>	<b>368</b>
Constitutional Officers:				
Clerk of the Circuit Court	66	67	69	68
Property Appraiser	30	26	27	28
Tax Collector	39	38	40	39
Sheriff	538	534	555	436
Supervisor of Elections	8	8	8	7
<b>Total Constitutional Officers</b>	<b>681</b>	<b>673</b>	<b>699</b>	<b>578</b>
<b>Total government-wide employees by function</b>	<b>1,112</b>	<b>1,093</b>	<b>1,110</b>	<b>946</b>

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

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

**Walton County, Florida  
Schedule of Insurance in Force  
September 30, 2021**

<b>Type of Coverage</b>	<b>Details of Coverage</b>	<b>Insurance Company</b>	<b>Policy Period</b>
Automobile	\$200,000 per person \$300,000 per occurrence	Florida Municipal Insurance Trust Administered by the Florida League of Cities	10/1/20-21
Property Coverage			
Real Property	\$125,783,206	Florida Municipal Insurance Trust Administered by the Florida League of Cities	10/1/20-21
Personal Property	\$12,961,449		
Inland Marine	\$24,946,114		
Worker's Compensation	\$1,000,000 statutory liability	Florida Municipal Insurance Trust Administered by the Florida League of Cities	10/1/20-21
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	10/1/20-21
Health Insurance	Contract specification	BC/BS of Florida BC/BS of Florida	10/1/20-21
Accidental Death and Dismemberment	\$50,000 to \$100,000 depending upon employee classification and nature of injury and/or cause of death	OCHS Insurance Co Minnesota National Life	10/1/20-21
Life Insurance	\$10,000 to \$50,000 depending upon employee classification	OCHS Insurance Co Minnesota National Life	10/1/20-21
Long-Term Disability Insurance	60% of income up to a maximum of \$7,000 per month	OCHS Insurance Co National Insurance System (NIS)	10/1/20-21
Accident Medical for Parks & Recreation	\$100,000 per injury	AIG Accident & Health	10/1/20-21

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



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

Honorable 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, 2021, 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 4, 2022.

**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 4, 2022



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**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, 2021. 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, 2021.

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

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 4, 2022



**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
<b>U.S Department of Housing and Urban Development</b>				
Direct Program				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	FL110	\$ -	\$ 2,066,023
COVID-19 Mainstream Vouchers	14.879	COVID-19 FL110	-	32,920
Mainstream Vouchers	14.879	FL110	-	129,811
Subtotal for CFDA 14.879				- 162,731
Housing Voucher Cluster total				- 2,228,754
Family Self-Sufficiency Program	14.877	FL110	-	46,586
Department total				- 2,275,340
<b>U.S. Department of Health and Human Services</b>				
Pass-through Florida Department of Revenue				
Child Support Enforcement	93.563	CST66	-	3,782
Child Support Enforcement - Title IV-D	93.563	COC66	-	164,295
Subtotal for CFDA 93.563				- 168,077
Pass-through Florida Department of Children and Families				
Temporary Assistance for Needy Families	93.558	AJ496	-	693,747
Social Services Block Grant	93.667	AJ496	-	144,074
Foster Care Title IV-E	93.658	AJ496	-	41,560
Medical Assistance Program *	93.778	AJ496	-	966
Department total				- 1,048,424
<b>U.S. Department of Justice</b>				
Pass-through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance				
Program	16.738	2020-JAGD-DJ-BX-0552	-	9,795

*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
<b>Direct Program</b>				
Joint Law Enforcement Operations	16.111	FC/FLN_0328	-	10,242
Assistance to Localities for Administration	16.999	N/A	-	4,845
Assistance to Localities for Administration	16.999	N/A	-	1,734
Public Safety Partnership and Community Policing Grants	16.710	2020UMWX0224, ORI FL06600	-	515,592
Bullet Proof Vest Partnership Program	16.607	2018BUBX18093632	-	24,378
Equitable Sharing Program	16.922	FL066000	-	3,639
<b>Total Direct Programs</b>			-	560,430
<b>Department total</b>			-	570,225
<b>Election Assistance Commission</b>				
Pass-through Florida Division of Elections COVID-19 HAVA Election Security Grants	90.404	COVID-19 2020-001-WAL	-	49,772
<b>U.S. Department of the Interior</b>				
Pass-through Florida Fish & Wildlife Conservation Commission Fish and Wildlife Cluster Sport Fish Restoration Program	15.605	20019	-	60,000
Pass-through Florida Department of Environmental Protection Outdoor Recreation Acquisition, Development, and Planning	15.916	LW682	-	55,830
<b>U.S. Department of the Treasury</b>				
Pass-through Florida Division of Emergency Management COVID-19 Coronavirus Relief Fund	21.019	COVID-19 Y2289	-	6,190,382
Pass-through Florida Housing Finance Corporation COVID-19 Coronavirus Relief Fund	21.019	COVID-19 100-2020	-	159,139
<b>Subtotal for CFDA 21.019</b>			-	6,349,521

*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	Assistance Listing CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
Direct Program				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19 SLT-1322	-	45,000
Direct Program				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR250060-01-00	-	18,470
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	8 RDCGR250065-01-02	-	207,737
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR250070-01-00	-	173,703
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR250089-01-00	-	662,453
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR250132-01-00	-	862,864
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR250116-01-00	-	210,040
Subtotal for CFDA 21.015			-	2,135,267
Department total			-	8,529,788
<b>National Endowment for the Humanities</b>				
Pass-through Florida Department of State				
Grants to States	45.310	20-LSTA-B-24	-	16,892
<b>U.S. Department of Commerce</b>				
Pass-through Florida Department of Environmental Protection				
Coastal Zone Management Administration				
Awards	11.419	CZ320	-	8,230
<b>U.S. Department of Agriculture</b>				
Pass-through Florida Department of Children and Families				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program**				
	10.561	AJ496	-	410

*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	Assistance Listing CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
<b>U.S. Department of Homeland Security</b>				
Pass-through Volunteer Florida				
Emergency Management Performance	97.042	CC 21-005	-	5,000
Emergency Management Performance	97.042	CERT 20-016	-	13,053
Pass-through Florida Division of Emergency Management				
Flood Mitigation Assistance	97.029	18FM-X8-01-76-01-225	-	116,308
Disaster Grants - Public Assistance	97.036	Z2593	-	30,698
Disaster Grants - Public Assistance	97.036	09-SS-E8-01-76-13-506	-	34,284
Disaster Grants - Public Assistance	97.036	14-FS-8Q-01-76-01-500	-	179,027
Subtotal for CFDA 97.036			-	244,009
COVID-19 Hazard Mitigation Grant Program	97.039	COVID-19 DR4486-Z1921	-	147,690
Emergency Management Performance	97.042	G0175	-	40,551
Emergency Management Performance	97.042	G0226	-	15,883
Emergency Management Performance	97.042	GS0147	-	8,495
Subtotal for CFDA 97.042			-	82,982
Direct Program				
Assistance to Firefighters Grants	97.044	FY20 EMPG-S	-	22,979
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2017-FH-00582	-	405,219
Department total			-	1,019,187
<b>Total Expenditures of Federal Awards</b>			\$ -	<b>\$ 13,634,098</b>
<b>Executive Office of Governor</b>				
Emergency Management Programs	31.063	A0170	\$ -	\$ 27,079
Emergency Management Programs	31.063	A0120	-	76,986
Subtotal for CSFA 31.063			-	104,065
Emergency Management Projects	31.067	T0022	-	4,312
Emergency Management Projects	31.067	19-CP-11-01-76-23-161	-	1,825
Subtotal for CSFA 31.063			-	6,137
Department total			-	110,202
<b>Florida Fish &amp; Wildlife Conservation Commission</b>				
Artificial Reef Grants Program	77.007	FWC 19021	-	115,714
<b>Florida Housing Finance Agency</b>				
SHIP Program	40.901	N/A	-	286,716

*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	Assistance Listing CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
<b>Florida Department of Environmental Protection</b>				
Florida Recreation Development Assistance Program	37.017	A1022	\$ -	\$ 9,396
Florida Recreation Development Assistance Program	37.017	A1025	-	117,269
Subtotal for CSFA 31.063			-	126,665
Small County Consolidated Grants	37.012	SC032	-	98,496
Statewide Water Quality Restoration Projects	37.039	NS056	-	65,195
Department total			-	290,356
<b>Florida Department of State</b>				
State Aid to Libraries	45.030	21-ST-89	-	14,589
<b>Florida Department of Health</b>				
Emergency Medical Services (EMS) Matching Awards	64.003	M8049	-	23,104
Emergency Medical Services (EMS) Matching Awards	64.003	M8020	-	552
Emergency Medical Services (EMS) Matching Awards	64.003	M9029	-	9,648
Emergency Medical Services (EMS) Matching Awards	64.003	M9028	-	13,493
Subtotal for CSFA 64.003			-	46,797
County Grant Awards	64.005	C9066	-	6,312
Department total			-	53,109
<b>Florida Department of Transportation</b>				
Local Arterial Highway Construction Initiatives	55.044	GOT42 441498-1-54-01 & 441498-2-54-01	-	1,012,526
County Incentive Grant Program	55.008	GOT42 441498-1-54-01 & 441498-2-54-01	-	1,112,559
Small County Outreach Program (SCOP)	55.009	G1B62 440645-1-34-01	-	13,499
Small County Outreach Program (SCOP)	55.009	G1P29 440645-1-54-01	-	823,595
Small County Outreach Program (SCOP)	55.009	G1P30 440627-14-34-01	-	668,183
Small County Outreach Program (SCOP)	55.009	GOT42 441498-1-54-01 & 441498-2-54-01	-	99,271
Small County Outreach Program (SCOP)	55.009	GOT63 436840-1-54-01	-	1,281,061
Small County Outreach Program (SCOP)	55.009	GOT80 436847-1-54-01	-	2,395,217
Subtotal for CSFA 55.009			-	5,280,826

*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	Assistance Listing CSFA Number	Grant I.D. Number	Passed Through to Subrecipients	Expenditures
Public Transit Service Development Program	55.012	G1B08 - 4203 14-3-84-01	-	307,127
Small County Road Assistance Program	55.016	G0T81 436696-1-54-01	-	1,824,645
Small County Road Assistance Program	55.016	G1B60 440890-1-54-01	-	2,294,364
Subtotal for CSFA 55.016			-	4,119,009
Local Transportation Projects	55.039	GOT42 441498-1-54-01 & 441498-2-54-01	-	2,000,000
Local Transportation Projects	55.039	G1I72 445810-1-54-01	-	10,813
Subtotal for CSFA 55.016			-	2,010,813
Department total			-	13,842,860
<b>Florida Department of Management Services</b>				
Wireless 911 Emergency System				
Telephone Grants:				
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	S13-19-06-16	-	20,000
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	20-04-32	-	110,408
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	21-04-28	-	199,332
Subtotal for CSFA 72.001			-	329,740
E911 State Grant Program	72.002	S18-21-05-16	-	6,747
E911 State Grant Program	72.002	S17-21-02-36	-	5,929
Subtotal for CSFA 72.001			-	12,676
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S16-20-09-07	-	28,790
Department total			-	371,206
<b>Total of Expenditures of State Financial Assistance</b>			\$ -	<b>\$ 15,084,752</b>

\* Medicaid 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, 2021**

**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 and state 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 and the Florida Single Audit Act. 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, 2021, 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, 2021.

**Note 4: SUBRECIPIENTS**

During the year ended September 30, 2021, 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, 2021.

**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, 2021**

**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 and expended \$14,589 in grant funding and interest from the Florida State Aid to Libraries grant for the fiscal year ended September 30, 2021.



**Walton County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2021**

**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  |            |

**Assistance Listing**

**Number**

**Federal Program**

Number	Federal Program
21.019	COVID-19 Coronavirus Relief Fund
	<b>Housing Vouchers Cluster</b>
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers

- |  |           |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$750,000 |
| 6. Auditee qualified as low-risk under 2CFR 200.520                        | No        |

**State Projects**

- |   |            |
|---|------------|
| 1. Type of auditors' report issued on compliance for major projects   | Unmodified |
| 2. Internal control over major projects:  |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                              | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with Florida Single Audit Act? | None noted |

**Walton County, Florida**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended September 30, 2021**

4. Identification of major projects

<u>CSFA Number</u>	<u>State Project</u>
55.009	Small County Outreach Program
55.039	Local Transportation Projects
55.044	Local Arterial Highway Construction Initiatives

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)(l)1.f, Rules of the Auditor General).

**Section V: Summary Schedule of Prior Audit Findings**

There were no federal or state audit findings from the prior year to report.

**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, 2021*

<b>Fiscal Year</b>	<b>Board of County Commissioners</b>	
	<b>Amount Received During the Fiscal Year</b>	<b>Amount Expended Within the Fiscal Year</b>
2014	\$ 4,500,000	\$ 1,909,860
2015	-	-
2016	-	-
2017	-	2,461,366
2018	-	125,096
2019	-	-
2020	-	3,678
2021	166,941	75,733

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

<b>Fiscal Year</b>	<b>Tourist Development Council</b>	
	<b>Amount Received During the Fiscal Year</b>	<b>Amount Expended Within the Fiscal Year</b>
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)(m). 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, 2021:

- 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, 2021.

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 4, 2022

## **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, 2021 and have issued our report thereon dated March 4, 2022.

### **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 Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 4, 2022 should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior audit findings 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 4, 2022





**Clerk of the Circuit Court  
Walton County, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2021**







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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, 2021, 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, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund, and Fine and Forfeiture Fund and, where applicable, cash flows 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, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

### ***Other Matters***

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk’s financial statements. The combining and individual fund statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022 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  
February 28, 2022

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

<i>September 30, 2021</i>	General	Fine and Forfeiture
<b>Assets</b>		
Cash and cash equivalents	\$ 9,052,861	\$ 227,433
Due from other governments	412	19,678
Total assets	\$ 9,053,273	\$ 247,111
<b>Liabilities and Fund Balances</b>		
Liabilities		
Accounts payable	\$ 1,269	\$ 569
Wages and benefits payable	172,801	49,727
Deposits	1,176	-
Due to Board of County Commissioners	8,878,027	-
Due to other governments	-	196,815
Total liabilities	9,053,273	247,111
Fund balances		
Restricted for	-	-
Count technology	-	-
Title IV-D	-	-
Record modernization	-	-
Total fund balances	-	-
Total liabilities and fund balances	\$ 9,053,273	\$ 247,111

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

	Nonmajor Funds	Total Governmental Funds
	\$ 1,743,139	\$ 11,023,433
	26,199	46,289
	<u>\$ 1,769,338</u>	<u>\$ 11,069,722</u>
	\$ 51	\$ 1,889
	19,890	242,418
	-	1,176
	-	8,878,027
	-	196,815
	<u>19,941</u>	<u>9,320,325</u>
	-	-
	1,008,461	1,008,461
	306,596	306,596
	434,340	434,340
	<u>1,749,397</u>	<u>1,749,397</u>
	<u>\$ 1,769,338</u>	<u>\$ 11,069,722</u>



**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, 2021</i>	General	Fine and Forfeiture
<b>Revenues</b>		
Charges for services	\$ 2,236,877	\$ 1,057,309
Fines and forfeitures	-	581,973
Intergovernmental	-	241,028
Investment earnings	1,261	86
<b>Total revenues</b>	<b>2,238,138</b>	<b>1,880,396</b>
<b>Expenditures</b>		
General government		
Personnel services	3,309,654	1,500,163
Operating	731,652	64,468
Capital outlay	230,420	-
<b>Total expenditures</b>	<b>4,271,726</b>	<b>1,564,631</b>
Excess of revenues over (under) expenditures	(2,033,588)	315,765
<b>Other Financing Sources (Uses)</b>		
Appropriations from Board of County Commissioners	3,520,826	-
Reversion		
Board of County Commissioners	(1,487,238)	-
Clerk of Courts Trust Fund	-	(315,765)
<b>Net other financing sources (uses)</b>	<b>2,033,588</b>	<b>(315,765)</b>
Net change in fund balance	-	-
Fund balances, beginning of year	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

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

	Nonmajor Funds		Total Governmental Funds
\$	643,099	\$	3,937,285
	-		581,973
	164,295		405,323
	-		1,347
	807,394		4,925,928
	417,813		5,227,630
	87,513		883,633
	-		230,420
	505,326		6,341,683
	302,068		(1,415,755)
	-		3,520,826
	-		(1,487,238)
	-		(315,765)
	-		1,717,823
	302,068		302,068
	1,447,329		1,447,329
\$	1,749,397	\$	1,749,397

**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, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 1,416,817	\$ 1,514,270	\$ 2,236,877	\$ 722,607
Investment earnings	20,250	20,250	1,261	(18,989)
Total revenues	1,437,067	1,534,520	2,238,138	703,618
<b>Expenditures</b>				
General government				
Administrative				
Personnel services	3,892,474	3,900,664	3,309,654	591,010
Operating	987,969	904,852	731,652	173,200
Capital outlay	77,450	249,830	230,420	19,410
Total expenditures	4,957,893	5,055,346	4,271,726	783,620
Excess revenues over (under) expenditures	(3,520,826)	(3,520,826)	(2,033,588)	1,487,238
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	3,520,826	3,520,826	3,520,826	-
Reversion to Board of County Commissioners	-	-	(1,487,238)	(1,487,238)
Net other financing sources (uses)	3,520,826	3,520,826	2,033,588	(1,487,238)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

*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, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 877,600	\$ 877,600	\$1,057,309	\$ 179,709
Fines and forfeitures	443,500	443,500	581,973	138,473
Intergovernmental	230,627	241,032	241,028	(4)
Investment earnings	2,500	2,500	86	(2,414)
<b>Total revenues</b>	<b>1,554,227</b>	<b>1,564,632</b>	<b>1,880,396</b>	<b>315,764</b>
<b>Expenditures</b>				
General government				
Personnel services	1,502,157	1,500,144	1,500,163	(19)
Operating	52,070	64,488	64,468	20
<b>Total expenditures</b>	<b>1,554,227</b>	<b>1,564,632</b>	<b>1,564,631</b>	<b>1</b>
Excess of revenues over expenditures	-	-	315,765	315,765
<b>Other Financing Sources (uses)</b>				
Reversions				
Clerk of Courts Trust Fund	-	-	(315,765)	(315,765)
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(315,765)</b>	<b>(315,765)</b>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*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**

	Governmental Activities
<i>September 30, 2021</i>	Internal Service Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 967,470
<b>Liabilities</b>	
Current liabilities:	
Accrued compensated absences	147,396
Non-current liabilities:	
Accrued compensated absences	820,074
Total liabilities	967,470
Net position	\$ -

*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
<i>For the year ended September 30, 2021</i>	Internal Service Fund
<b>Operating Revenues</b>	
Charges for services	\$ 218,946
<b>Operating Expenses</b>	
Personnel services	218,946
Change in net position	-
Net position, beginning of year	-
Net position, end of year	\$ -

*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 Fund
<i>For the year ended September 30, 2021</i>		
<b>Cash Flows from Operating Activities</b>		
Funding of compensated absences liability	\$	218,946
Cash payments to employees for compensated absences		(228,234)
<hr/>		
Net decrease in cash and cash equivalents		(9,288)
Cash and cash equivalents, beginning of year		976,758
<hr/>		
Cash and cash equivalents, end of year	\$	967,470
<hr/>		
<b>Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities</b>		
Change in net position	\$	-
Increase in liabilities		
Compensated absences payable		(9,288)
<hr/>		
Net cash provided (used) by operating activities	\$	(9,288)
<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  
Fiduciary Funds**

<i>September 30, 2021</i>	Custodial Funds
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 6,356,661
Receivables, net	1,830
<hr/>	
Total assets	6,358,491
<b>Liabilities</b>	
Due to other governments	2,250,773
Deposits	2,945,523
Due to individuals	1,162,195
<hr/>	
Total liabilities	6,358,491
<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 Changes in Fiduciary Net Position**  
**Fiduciary Funds**

<i>For the year ended September 30, 2021</i>	Custodial Funds
<b>Additions</b>	
Funds held for others	\$ 98,825,363
<b>Deductions</b>	
Funds held for others	98,825,363
Net increase (decrease) in fiduciary net position	-
Net position, beginning of year	-
Net position, end of year	\$ -

*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, 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.

**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)***

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 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 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.

**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 Clerk reports the following 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.

*Fiduciary Fund* – Custodial funds (a fiduciary fund) account for assets held in a trust capacity or as an agent for individuals, other governmental units, and/or other funds.

***Budgetary Information***

***Budgetary Basis of Accounting***

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.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgetary Information (continued)***

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

- A. The budget relating to the state court system (Circuit and County), is filed with the Florida Clerk of the Court Operations Corporation; and
- B. The budget relating to the requirements of the Clerk as the Clerk of the Board, County Auditor, and Custodian or Treasurer of all County funds and other County-related duties;
- C. The budget relating to the recording of official records;
- D. The budget related to the Records Modernization Fund;
- E. The budget related to the Court Technology Fund;
- F. The budget related to the Fine and Forfeiture Fund;
- G. The budget related to the Title IV-d Fund.

***Excess Revenue and Expenditures***

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." In accordance with the statute for fiscal year 2021 the Clerk remitted \$1,487,238 of excess revenues over expenditures to the Board.

Pursuant to Section 28.37(2), Florida Statutes, the Clerk shall retain all fees, service charges, court costs, and fines collected to fund the Clerk's court operations. Excess revenue over expenditures at September 30<sup>th</sup> of each year will be sent to the Clerk of Courts Trust Fund. Additionally, if revenues received in any given month exceed 1/12 of the projected revenues for the year, then that excess is to be remitted to the Clerk of Courts Trust Fund as well. For the year ended September 30, 2021, excess court revenues did exceed 1/12 of revenue projections in the amount of \$221,803 and all of these funds were remitted back to the Clerk of Courts Trust Fund. Excess court fund revenues from September 2021 were retained by the Clerk to fund October 2021 court operations in the amount of \$93,962.

***Employee Benefits***

***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.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Employee Benefits (continued)***

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.

***Retirement Plan***

The Clerk and all qualified County employees participate 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 in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Clerk are combined with all the County's participants and reported in the County's government-wide financial statements.

***Other Postemployment Benefits (OPEB)***

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

***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.

**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 Clerk 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. Depreciation is determined using the straight-line method over the asset's estimated useful life.

*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'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 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:

**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)***

*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.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 28, 2022 and determined there were no events that occurred that required disclosure.

***Recently Issued Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. Additional information on changes to the financial statements related to the implementation of this statement can be found on page 249. The implementation of this statement had no impact on the financial statements.



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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement 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 this Statement 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.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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 this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor 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 this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement 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 this Statement are effective for reporting periods beginning after December 15, 2020.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement 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 this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance 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. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by 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 and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, 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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

Board defines in this Statement 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.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement 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. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement 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 plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

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

**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.

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

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Cash, Cash Equivalents, and Investments (continued)***

*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.

*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	Amount
Other governments	\$ 46,289

**Note 3: LONG-TERM LIABILITIES**

The internal service fund is designed to record the annual cost related to the Clerk’s compensated absences, 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.

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

**Note 3: LONG-TERM LIABILITIES (Continued)**

The following is a summary of changes in long-term liabilities reported in the internal service fund for the year ended September 30, 2021:

	<u>Compensated Absences</u>
Balance – October 1, 2020	\$ 976,758
Additions	218,946
Deletions	<u>(228,234)</u>
Balance – September 30, 2021	967,470
Less current portion	<u>147,396</u>
<u>Long-term balance</u>	<u>\$ 820,074</u>

**Note 4: 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 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 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**  
**Clerk of the Circuit Court**  
**Notes to Financial Statements**

**Note 4: 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 – 10.82%, DROP Program – 18.34%, senior management – 29.01% and elected officials – 51.42%. 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, 2021, total payroll for the Clerk's employees covered by the System was \$3,753,985 and total payroll was \$3,777,985. The Clerk's contributions to the plan for the years ended September 30, 2021, 2020, and 2019 were \$615,096, \$667,895, and \$488,261 respectively. These contributions were paid by the due date.

The Clerk has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P O Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**Note 5: CONTINGENCIES**

The Clerk is involved in several litigations and claims arising in the ordinary course of operations. Legal counsel for the Clerk believes a favorable outcome is likely. No accruals or loss contingency has been made in the financial statements.

The Clerk receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Clerk with the terms of the grants/contracts. In the opinion of the Clerk's management, such allowances, if any, would not be significant in relation to the financial statements of the Clerk.

**Note 6: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL**

***Capital Assets***

Title in all capital assets owned by the County is retained by the Board and the below noted capital asset information and activity is reported on the county-wide financial statements.



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

**Note 6: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)**

***Capital Assets (continued)***

Summary of changes in capital assets during the year ended September 30, 2021:

	Balance 10/1/20	Additions	Deletions	Balance 9/30/21
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 1,915,211	\$ 230,420	\$ (21,800)	\$ 2,123,831
Less accumulated depreciation	(1,774,136)	(84,407)	21,800	(1,836,743)
Total governmental activities				
Capital assets, net	\$ 141,075	\$ 146,013	\$ -	\$ 287,088

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

<i>Governmental Activities</i>	\$ 84,407
--------------------------------	-----------

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

*Court Technology* – Accounts for an additional service charge on recorded documents. These funds are reserved for the technology needs of the court system.

*Title IV-d* – Accounts for federal reimbursement for expenses related to Title IV-d child support cases.

*Record Modernization* – Accounts for an additional service charge on recorded instrument. These funds are designated exclusively for improvements to the official records system.

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

	Court Technology	Title IV-d	Record Modernization	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 1,024,200	\$ 284,599	\$ 434,340	\$ 1,743,139
Due from other governments	-	26,199	-	26,199
<b>Total assets</b>	<b>\$ 1,024,200</b>	<b>\$ 310,798</b>	<b>\$ 434,340</b>	<b>\$ 1,769,338</b>
<b>Liabilities and Fund Balances</b>				
Liabilities				
Accounts payable	\$ 51	\$ -	\$ -	\$ 51
Accrued expenses	15,688	4,202	-	19,890
<b>Total liabilities</b>	<b>15,739</b>	<b>4,202</b>	<b>-</b>	<b>19,941</b>
Fund balances				
Restricted	1,008,461	306,596	434,340	1,749,397
<b>Total liabilities and fund balances</b>	<b>\$ 1,024,200</b>	<b>\$ 310,798</b>	<b>\$ 434,340</b>	<b>\$ 1,769,338</b>

**Walton County, Florida  
Clerk of the Circuit Court  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds**

	Court Technology	Title IV-D	Record Modernization	Total
<b>Revenues</b>				
Charges for services	\$ 487,063	\$ -	\$ 156,036	\$ 643,099
Intergovernmental	-	164,295	-	164,295
<b>Total revenues</b>	<b>487,063</b>	<b>164,295</b>	<b>156,036</b>	<b>807,394</b>
<b>Expenditures</b>				
General government				
Personnel services	230,164	187,649	-	417,813
Operating	41,217	342	45,954	87,513
<b>Total expenditures</b>	<b>271,381</b>	<b>187,991</b>	<b>45,954</b>	<b>505,326</b>
Net change in fund balance	215,682	(23,696)	110,082	302,068
<b>Fund Balance - beginning of year</b>	<b>792,779</b>	<b>330,292</b>	<b>324,258</b>	<b>1,447,329</b>
<b>Fund Balance - end of year</b>	<b>\$ 1,008,461</b>	<b>\$ 306,596</b>	<b>\$ 434,340</b>	<b>\$ 1,749,397</b>

**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, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 335,000	\$ 335,000	\$ 487,063	\$ 152,063
<b>Expenditures</b>				
General government				
Administrative				
Personnel services	429,886	429,886	230,164	199,722
Operating	73,700	73,700	41,217	32,483
Total expenditures	503,586	503,586	271,381	232,205
Net change in fund balance	(168,586)	(168,586)	215,682	384,268
Fund balance, beginning of year	792,779	792,779	792,779	-
Fund balance, end of year	\$ 624,193	\$ 624,193	\$ 1,008,461	\$ 384,268

**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, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 123,076	\$ 188,144	\$ 164,295	\$ (23,849)
<b>Expenditures</b>				
General government				
Personnel services	122,876	187,801	187,649	152
Operating	200	343	342	1
Total expenditures	123,076	188,144	187,991	153
Net change in fund balance	-	-	(23,696)	(23,696)
Fund balance, beginning of year	330,292	330,292	330,292	-
Fund balance, end of year	\$ 330,292	\$ 330,292	\$ 306,596	\$ (23,696)

**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, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive Negative
<b>Revenues</b>				
Charges for services	\$ 100,000	\$ 100,000	\$ 156,036	\$ 56,036
<b>Expenditures</b>				
General government				
Operating	100,000	100,000	45,954	54,046
Net change in fund balance	-	-	110,082	110,082
Fund balance, beginning of year	324,258	324,258	324,258	-
Fund balance, end of year	\$ 324,258	\$ 324,258	\$ 434,340	\$ 110,082

### **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  
Custodial Funds**

<i>September 30, 2021</i>	General Agency	Juror and Witness	Registry of Court
<b>Assets</b>			
Cash and cash equivalents	\$ 4,838,368	\$ 18,443	\$ 324,104
Receivables, net	1,830	-	-
<b>Total assets</b>	<b>4,840,198</b>	<b>18,443</b>	<b>324,104</b>
<b>Liabilities</b>			
Due to other governments	2,205,534	18,443	8,124
Deposits	2,629,543	-	315,980
Due to individuals	5,121	-	-
<b>Total liabilities</b>	<b>4,840,198</b>	<b>18,443</b>	<b>324,104</b>
<b>Net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Child Support	Appearance Bonds	Tax Redemption	Total
\$ 229	\$ 433,496	\$ 742,021	\$ 6,356,661
-	-	-	1,830
229	433,496	742,021	6,358,491
229	17,963	480	2,250,773
-	-	-	2,945,523
-	415,533	741,541	1,162,195
229	433,496	742,021	6,358,491
\$ -	\$ -	\$ -	\$ -

**Walton County, Florida**  
**Clerk of the Circuit Court**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**

<i>For the year ended September 30, 2021</i>	General Agency	Witness
<b>Additions</b>		
Funds held for others	\$ 94,840,266	\$ 1,000
<b>Deductions</b>		
Current		
Funds held for others	94,840,266	1,000
Net increase (decrease) in net position	-	-
Net Position - beginning of year	-	-
Net position - ending of year	\$ -	\$ -

Registry of the Court	Child Support	Appearance Bonds	Tax Redemption	Total
\$ 2,644,400	\$ 117,771	\$ 594,416	\$ 627,510	\$ 98,825,363
2,644,400	117,771	594,416	627,510	98,825,363
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -



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

Honorable 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, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated February 28, 2022.

**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  
February 28, 2022



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## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SPECIFIED FLORIDA STATUTE SECTIONS

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 following Florida Statute sections during the fiscal year ended September 30, 2021:

Sections 28.35 and 38.36  
Section 61.181  
Section 218.415

Performance Standards and Budget  
Alimony and Child Support Payments  
Local Government Investment Policy

Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion of the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that 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, 2021.

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

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

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

Enterprise, Alabama  
February 28, 2022



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## **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, 2021, and have issued our report thereon dated February 28, 2022.

### **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 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 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, which are dated February 28, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings and recommendations in the preceding annual financial audit report.

### **Financial Management**

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



### **Additional Matters**

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

### **Purpose of this Letter**

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

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

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

Enterprise, Alabama  
February 28, 2022



**Property Appraiser  
Walton County, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2021**



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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, 2021, 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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund of the Property Appraiser as of September 30, 2021, 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, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022 on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama  
February 28, 2022

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

*September 30, 2021*

General Fund

**Assets**

Cash and cash equivalents	\$	89,483
---------------------------	----	--------

**Liabilities and Fund Balance**

Liabilities

Due to Board of County Commissioners	\$	35,672
--------------------------------------	----	--------

Due to other governments		4,709
--------------------------	--	-------

Wages and benefits payable		49,102
----------------------------	--	--------

Total liabilities		89,483
-------------------	--	--------

Fund balance		-
--------------	--	---

Total liabilities and fund balance	\$	89,483
------------------------------------	----	--------

*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, 2021</i>	General Fund
<b>Revenues</b>	
Intergovernmental	\$ 251,570
<b>Expenditures</b>	
General government	
Personnel services	1,859,349
Operating	205,297
Capital outlay	58,129
Total expenditures	2,122,775
Excess revenues over (under) expenditures	(1,871,205)
<b>Other Financing Sources (Uses)</b>	
Appropriations from Board of County Commissioners	1,905,586
Proceeds from sale of equipment	6,000
Reversion to Board of County Commissioners	(35,672)
Return of excess fees to other taxing authorities	(4,709)
Net other financing sources (uses)	1,871,205
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	\$ -

*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, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 233,502	\$ 197,806	\$ 251,570	\$ 53,764
<b>Expenditures</b>				
General government				
Personnel services	1,916,786	1,959,351	1,859,349	100,002
Operating	194,510	194,510	205,297	(10,787)
Capital outlay	-	-	58,129	(58,129)
Non-operating	38,992	3,296	-	3,296
Total expenditures	2,150,288	2,157,157	2,122,775	34,382
Excess revenues over (under) expenditures	(1,916,786)	(1,959,351)	(1,871,205)	88,146
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	1,916,786	1,959,351	1,905,586	(53,765)
Proceeds from sale of equipment	-	-	6,000	6,000
Reversion to Board of County Commissioners	-	-	(35,672)	(35,672)
Return of excess fees to other taxing authorities	-	-	(4,709)	(4,709)
Net other financing sources (uses)	1,916,786	1,959,351	1,871,205	(88,146)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

*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 Appraiser’s financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Walton County, Florida (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.

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 (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 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:

The *General Fund* accounts 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)**

***Budgetary Information (continued)***

*Excess Revenues over Expenditures*

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.

***Employee Benefits***

*Compensated Absences*

It is the Property Appraiser's policy to allow employees to accumulate earned but unused paid time off benefits, which are eligible for payment upon separation of government service. Employees are allowed to accumulate up to a maximum of 500 working hours. Accumulated paid time off is payable on termination up to 500 hours. If the employee retires, the full value of the hours accumulated will be paid out up to 500 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.

*Retirement Plan*

The Property Appraiser and all qualified County employees participate 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 in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Property Appraiser are combined with all the County's participates and reported in the County's government-wide financial statements.

*Other Postemployment Benefits (OPEB)*

The Property Appraiser, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the County's 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 an 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.

**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 the date of donation. Title in all capital assets owned by the County is retained by the Board and the Property Appraiser capital assets are reported on the county-wide financial statements. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

The Property Appraiser 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 69I-73.002 and 69I-73.006. Depreciation is determined using the straight-line method over the asset's estimated useful life.

*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.

**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)***

*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:

*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, February 28, 2022 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)**

***Recently Issued Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. The implementation of this statement had no impact on the financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement 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 this Statement 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. The implementation of this statement had no impact on the financial statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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 this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor 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 this Statement are effective for reporting periods beginning after June 15, 2021.

**Walton County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement 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 this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement 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 this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance 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. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,

**Walton County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by 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 and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.



**Walton County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, 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 this Statement 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.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement 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. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

**Walton County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In June 2020, the GASB issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement 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 plans or OPEB plans (other employee benefit 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 (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

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

**Walton County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**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.

***Due to Board of County Commissioners***

Represents the excess revenues over expenditures of \$35,672 remitted to the Board after year end in accordance with Section 218.36(2) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues Expenditures and Changes in Fund Balance.

**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.

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

**Walton County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLAN (Continued)**

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 – 10.82%, DROP Program – 18.34%, senior management – 29.01%, and elected officials – 51.42%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

Total payroll for the Property Appraiser's employees covered by the System was \$1,473,712 for the year ended September 30, 2021. The Property Appraiser's total payroll was \$1,501,942 for the same period. The Property Appraiser's contributions to the plan for the years ended September 30, 2021, 2020, and 2019 were \$248,068, \$151,637, and \$147,773, 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](http://dms.myflorida.com).

**Note 4: 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.

**Walton County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL**

***Capital Assets***

Title in all capital assets owned by the County is retained by the Board of County Commissioners and the below noted capital asset information and activity is reported in the county-wide financial statements.

Summary of capital asset activity for the year ended September 30, 2021:

	Balance 10/01/20	Increases	Decreases	Balance 9/30/21
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 319,322	\$ 55,230	\$ 80,234	\$ 294,318
Less: accumulated depreciation	248,867	28,002	80,234	196,635
Total governmental activities				
Capital assets, net	\$ 70,455	\$ 27,228	\$ -	\$ 97,683

Depreciation expense to be reported by the County was charged to the functions of the government as follows:

General government	\$ 28,002
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***Long-Term Liabilities***

*Compensated Absences*

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.

Summary of changes in compensated absences for the year ended September 30, 2021:

	Balance 10/01/20	Increases	Reductions	Balance 9/30/21	Due In One Year
Compensated absences	\$ 120,245	\$ 187,829	\$ (139,326)	\$ 168,748	\$ 16,875

**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, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, and have issued our report thereon dated February 28, 2022.

**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  
February 28, 2022



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**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, 2021. 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, 2021.

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

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

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

Enterprise, Alabama  
February 28, 2022



## **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, 2021, and have issued our report thereon dated February 28, 2022.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 28, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

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

Enterprise, Alabama  
February 28, 2022





**Tax Collector  
Walton County, Florida**

**Financial Statements**

**September 30, 2021**



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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, 2021, 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, 2021, 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, 2021, 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 February 28, 2022 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama  
February 28, 2022



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

*September 30, 2021*

General Fund

**Assets**

Cash and cash equivalents	\$	2,063,184
Due from individuals		208,201

Total assets	\$	2,271,385
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**Liabilities and Fund Balance**

Liabilities		
Accounts payable	\$	11,580
Wages and benefits payable		89,454
Due to Board of County Commissioners		1,958,841
Due to other governments		211,510

Total liabilities		2,271,385
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Fund balance		-
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Total liabilities and fund balance	\$	2,271,385
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*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**

<i>For the year ended September 30, 2021</i>	General Fund
<b>Revenues</b>	
Charges for services	\$ 5,593,187
<b>Expenditures</b>	
General government	
Personnel services	2,719,155
Operating	473,620
Capital outlay	218,569
Debt service	
Principal	10,889
Interest	603
<hr/>	
Total expenditures	3,422,836
Excess revenues over expenditures	2,170,351
<b>Other Financing Sources (Uses)</b>	
Return of excess fees to other taxing authorities	(211,510)
Reversion to Board of County Commissioners	(1,958,841)
<hr/>	
Net other financing sources (uses)	(2,170,351)
<hr/>	
Net change in fund balance	-
Fund balance, beginning of year	-
<hr/>	
Fund balance, end of year	\$ -
<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**  
**Budget and Actual**  
**General Fund**

<i>For the year ended September 30, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 3,466,679	\$ 3,466,679	\$5,593,187	\$ 2,126,508
<b>Expenditures</b>				
General government				
Personnel services	2,810,563	2,761,563	2,719,155	42,408
Operating	602,116	695,116	473,620	221,496
Capital outlay	54,000	10,000	218,569	(208,569)
Debt service				
Principal	-	-	10,889	(10,889)
Interest	-	-	603	(603)
Total expenditures	3,466,679	3,466,679	3,422,836	43,843
Excess revenues over expenditures	-	-	2,170,351	2,170,351
<b>Other Financing Sources (Uses)</b>				
Return of excess fees to other taxing authorities	-	-	(211,510)	(211,510)
Reversion to Board of County Commissioners	-	-	(1,958,841)	(1,958,841)
Net other financing sources (uses)	-	-	(2,170,351)	(2,170,351)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

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

<i>September 30, 2021</i>	Custodial Funds
<hr/>	
<b>Assets</b>	
Cash	\$ 1,774,148
<b>Liabilities</b>	
Due to other governments	663,345
Deposits	1,110,803
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Total liabilities	1,774,148
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Net Position	\$ -
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*The accompanying notes are an integral part of these financial statements.*

**Walton County, Florida**  
**Tax Collector**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**

<i>For the year ended September 30, 2021</i>	<u>Custodial Funds</u>
<b>Additions</b>	
Funds Held for Others	\$ 250,806,167
<b>Deductions</b>	
Funds Held for Others	250,806,167
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Net increase (decrease) in fiduciary net position	-
Net position, beginning of year	-
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Net position, end of year	\$ -
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*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 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.

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 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 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:

*Custodial Funds* – Custodial 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.

***Budgetary Information***

***Budgetary Basis of Accounting***

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.

**Walton County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgetary Information (continued)***

After final approval by the Department, there shall be no reduction or increase by the Tax Collector or Board without the approval of the Department. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Tax Collector. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board and the Department.

*Excess Revenue over Expenditures*

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."

***Employee Benefits***

*Compensated Absences*

The Tax Collector's policy allows the accumulation of annual leave up 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.



**Walton County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Employee Benefits (continued)***

*Retirement Plan*

The Tax Collector and all qualified County employees participate 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 in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Tax Collector are combined with all the County's participates and reported in the County's government-wide financial statements.

*Other Postemployment Benefits (OPEB)*

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

***Excess Revenue Over Expenditures***

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. "

***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.

**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)***

*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 Tax Collector's capital assets are reported on the county-wide financial statements. The Tax Collector maintains custodial responsibility for the capital assets used by his office.

The Tax Collector maintains a \$5,000 threshold for capitalization of machinery and equipment and a \$25,000 threshold 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 69I-73.002 and 69I-73.006. Depreciation is determined using the straight-line method over the asset's estimated useful life.

*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.

*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)***

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, February 28, 2022 and determined there were no events that occurred that required disclosure.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. Additional information on changes to the financial statements related to the implementation of this statement can be found on page 249. The implementation of this statement had no impact on the financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement 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 this Statement 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.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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 this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor 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 this Statement are effective for reporting periods beginning after June 15, 2021.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement 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 this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement 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 this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance 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. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,

**Walton County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by 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 and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

**Walton County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, 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 this Statement 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.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement 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. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

**Walton County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In June 2020, the GASB issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement 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 plans or OPEB plans (other employee benefit 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 (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

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



**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 depositories 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.

***Due to Board of County Commissioners***

Excess revenues over expenditures were returned to the various taxing authorities as required by Florida Statutes Section 218.36(2) and are accrued and reported as other financing uses. For fiscal year 2021, \$2,170,351 of excess fees was remitted to various taxing authorities including \$1,958,841 to the Board of County Commissioners.

**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.

**Walton County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLAN (Continued)**

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 creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. Retirement benefits are based upon age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 10.82%, DROP Program – 18.34%, senior management – 29.01% and elected officials – 51.42%. 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 \$1,978,304 for the year ended September 30, 2021. The Tax Collector's total payroll was \$2,171,762 for the same period. The Tax Collector's contributions to the plan for the years ended September 30, 2021, 2020, and 2019 were \$349,058, \$318,064, and \$277,625, respectively. These contributions were paid by the due date for the contribution. The Tax Collector has no responsibility to the System other than to make the periodic payments required by State Statutes.

The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P O Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**Note 4: 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.

**Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL**

***Capital Assets***

Title in all capital assets owned by the County is retained by the Board and the below noted capital asset information and activity is reported on the county-wide financial statements.

**Walton County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)**

***Capital Assets (continued)***

Capital asset activity for the fiscal year is as follows:

	Balance 10/1/20	Additions	Deletions	Balance 9/30/21
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 707,988	\$ 214,706	\$ (18,624)	\$ 904,070
Less: accumulated depreciation	(575,535)	(39,664)	18,624	(596,575)
Total governmental activities capital assets, net	\$ 132,453	\$ 175,042	\$ -	\$ 307,495

Depreciation expense to be reported by the County was charged to the functions of the government as follows:

General government	\$ 39,664
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***Long-Term Debt***

Accrued compensated absences and capital leases 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 following is a summary of changes in long-term debt:

	Balance 9/30/20	Additions	Deletions	Balance 9/30/21	Due in One year
Capital leases	\$ 39,694	\$ -	\$ 10,801	\$ 28,893	\$ 10,668
Compensated absences	384,911	162,865	174,424	373,352	37,335
Total	\$ 424,605	\$ 162,865	\$ 185,225	\$ 402,245	\$ 48,003

***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 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)**

***Long-Term Debt (continued)***

The following is an analysis of the property under capital lease at September 30, 2021:

	<u>Capital Assets</u>
Machinery and equipment	\$ 50,234
Less: accumulated depreciation	(23,074)
<b>Net leased property</b>	<b>\$ 27,160</b>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021 are as follows:

*For the fiscal year ended September 30,*

2022	\$	11,068
2023		10,619
2024		6,200
2025		1,663
Total minimum lease payments		29,550
Less: amount representing interest		657
<b>Present value of future minimum lease payments</b>		<b>\$ 28,893</b>

### **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**  
**Custodial Funds**

<i>September 30, 2021</i>	License	Tag	Tax	Total
<b>Assets</b>				
Cash	\$ 3,754	\$ 522,232	\$ 1,248,162	\$ 1,774,148
<b>Liabilities</b>				
Due to other governments	3,754	522,232	137,359	663,345
Deposits	-	-	1,110,803	1,110,803
<b>Total liabilities</b>	<b>3,754</b>	<b>522,232</b>	<b>1,248,162</b>	<b>1,774,148</b>
<b>Net position</b>				
Restricted	\$ -	\$ -	\$ -	\$ -

**Walton County, Florida**  
**Tax Collector**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**

<i>For the year ended September 30, 2021</i>	License	Tag	Tax	Total
<b>Additions:</b>				
Funds held for others	\$ 232,155	\$17,094,949	\$ 233,479,063	\$ 250,806,167
<b>Deductions:</b>				
Funds held for others	232,155	17,094,949	233,479,063	250,806,167
Net increase (decrease) in fiduciary net position	-	-	-	-
Net position, beginning of the year	-	-	-	-
Net position, end of year	\$ -	\$ -	\$ -	\$ -

**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, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated February 28, 2022.

**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  
February 28, 2022

**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, 2021. 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, 2021.

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

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

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

Enterprise, Alabama  
February 28, 2022

## **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, 2021, and have issued our report thereon dated February 28, 2022.

### **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 February 28, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

## **Financial Management**

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

## **Additional Matters**

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

## **Purpose of this Letter**

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

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

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

Enterprise, Alabama

February 28, 2022





**Supervisor of Elections  
Walton County, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2021**



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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, 2021, 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, 2021, 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, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, 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 of Elections' internal control over financial reporting and compliance.

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

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

Enterprise, Alabama  
February 28, 2022

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

<i>September 30, 2021</i>	General Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 178,004
<b>Total assets</b>	<b>\$ 178,004</b>
<b>Liabilities and Fund Balance</b>	
Liabilities	
Accounts payable	\$ 138,540
Due to Board of County Commissioners	11,756
Wages and benefits payable	27,708
<b>Total liabilities</b>	<b>178,004</b>
Fund balance	-
<b>Total liabilities and fund balance</b>	<b>\$ 178,004</b>

*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, 2021</i>	General Fund
<b>Revenues</b>	
Intergovernmental	\$ 49,772
Miscellaneous revenues	11,180
<hr/>	
Total revenues	60,952
<b>Expenditures</b>	
General government	
Personnel services	596,580
Operating	317,962
Capital outlay	32,024
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Total expenditures	946,566
Excess revenues over (under) expenditures	(885,614)
<b>Other Financing Sources (Uses)</b>	
Appropriations from Board of County Commissioners	897,370
Reversion to Board of County Commissioners	(11,756)
<hr/>	
Net other financing sources (uses)	885,614
<hr/>	
Net change in fund balance	-
Fund balance, beginning of year	-
<hr/>	
Fund balance, end of year	\$ -
<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, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 10,500	\$ 66,548	\$ 49,772	\$ (16,776)
Miscellaneous revenues	10,000	10,000	11,180	1,180
<b>Total revenues</b>	<b>20,500</b>	<b>76,548</b>	<b>60,952</b>	<b>(15,596)</b>
<b>Expenditures</b>				
General government				
Personnel services	666,775	608,312	596,580	11,732
Operating	229,675	333,582	317,962	15,620
Capital outlay	21,420	32,024	32,024	-
<b>Total expenditures</b>	<b>917,870</b>	<b>973,918</b>	<b>946,566</b>	<b>27,352</b>
Excess revenues over (under) expenditures	(897,370)	(897,370)	(885,614)	11,756
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	897,370	897,370	897,370	-
Reversion to Board of County Commissioners	-	-	(11,756)	(11,756)
<b>Net other financing sources (uses)</b>	<b>897,370</b>	<b>897,370</b>	<b>885,614</b>	<b>(11,756)</b>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*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, 2021</i>		Internal Service Fund
<b>Assets</b>		
Cash and cash equivalents	\$	54,973
<b>Liabilities</b>		
Current liabilities		
Accrued compensated absences		8,246
Non-current liabilities		
Accrued compensated absences		46,727
<b>Total liabilities</b>		
		54,973
<b>Total net position</b>		
	\$	-

*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, 2021</i>	Internal Service Fund
<b>Operating Revenues</b>	
Charges for services	\$ 2,370
<b>Operating Expenses</b>	
Personnel services	2,370
Change in net position	-
Net position, beginning of year	-
Net position, end of year	\$ -

*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, 2021</i>	Internal Service Fund
<b>Operating Activities</b>	
Cash received from funding of compensated absences liability	\$ 2,370
Cash payments on compensated absences liability	(6,544)
<hr/>	
Net increase (decrease) in cash and cash equivalents	(4,174)
<hr/>	
Cash and cash equivalents, beginning of year	59,147
<hr/>	
Cash and cash equivalents, end of year	\$ 54,973
<hr/> <hr/>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities</b>	
Change in net position	\$ -
Increase (decrease) in liabilities	
Compensated absences payable	(4,174)
<hr/>	
Net cash used in operating activities	\$ (4,174)
<hr/> <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. 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 Walton County, Florida (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.

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. 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.



**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.

***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:

The *General Fund* accounts for all financial resources that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

The Supervisor of Elections reports the following proprietary fund type:

The *Internal Service Fund* is used to report funded and accrued compensated absences.

**Walton County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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 submit to the Board a tentative budget 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.

*Excess Revenues over Expenditures*

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 returned to the Board as required by Florida Statutes are accrued and reported as other financing (uses).

***Employee Benefits***

*Compensated Absences*

It is the Supervisor of Elections' policy to allow employees to accumulate up to 240 hours of annual leave and sick leave, total of 480 hours, 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 internal service fund.

*Retirement Plan*

The Supervisor of Elections and all qualified County employees 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 in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Supervisor of Elections are combined with all the County's participates and reported in the County's government-wide financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Employee Benefits (continued)***

*Other Postemployment Benefits (OPEB)*

The Supervisor of Elections, 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 an 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.

***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 the date of donation. Title in all capital assets owned by the County is retained by the Board and the Supervisor of Elections' capital assets are reported on the county-wide financial statements. The Supervisor of Elections maintains custodial responsibility for the capital assets used by his office.

The Supervisor of Elections maintains a \$5,000 threshold for capitalization of machinery and equipment and a \$25,000 threshold for land, buildings and 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 69I-73.002 and 69I-73.006. Depreciation is determined using the straight-line method over the asset's estimated useful life.

**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)***

The County maintains a \$5,000 threshold for capitalization of equipment and a \$25,000 threshold for land, buildings, and other improvements. The Supervisor of Elections did not report any land, buildings or improvements in the current fiscal year.

*Compensated Absences*

The internal service fund is designed to record the annual cost related to the Supervisor of Elections' compensated absences, 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.

Summary of changes in compensated absences for the year ended September 30, 2021:

	Balance 10/1/20	Additions	Reductions	Balance 9/30/21	Due Within One Year
Compensated absences	\$ 59,147	\$ 2,370	\$ 6,544	\$ 54,973	\$ 8,246

*Leases*

The Supervisor of Elections is a party to various leases, which are classified as operating leases. Total rent for all operating leases totaled \$9,498 for the year ended September 30, 2021

*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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*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.

*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, February 28, 2022, and determined there were no events that occurred that required disclosure.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. The implementation of this statement had no impact on the Supervisor of Elections' financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement 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 this Statement 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. The implementation of this statement had no impact on the Supervisor of Elections' financial statements.

The Governmental Accounting Standards Board (GASB) has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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 this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor 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 this Statement are effective for reporting periods beginning after June 15, 2021.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement 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 this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement 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 this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance 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. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended*, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended*, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by 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 and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, 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 this Statement 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.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement 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. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB*

**Walton County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

*Statement No. 32.* The primary objectives of this Statement 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 plans or OPEB plans (other employee benefit 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 (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

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

**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.

**Walton County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Cash, Cash Equivalents and Investments (continued)***

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.

***Due to Board of County Commissioners***

Represents the excess revenues over expenditures of \$11,756 remitted to the Board after year end in accordance with Florida Statutes Section 129.202(1)(f). This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

**Note 3: RETIREMENT PLAN**

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

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

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

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 10.82%, DROP Program – 18.34%, senior management – 29.01% and elected officials – 51.42%. 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 \$397,455 for the year ended September 30, 2021. The Supervisor of Elections' total payroll was \$449,999 for the same period. The Supervisor of Elections' contributions to the plan for the years ended September 30, 2021, 2020, and 2019 were \$107,034, \$97,515, and \$92,762, respectively. These contributions were paid by the due date for the contribution.

The Supervisor of Elections has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing the Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**Walton County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 4: CONTINGENT LIABILITIES**

The Supervisor of Elections receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Supervisor of Elections with the terms of the grants/contracts. In the opinion of the Supervisor of Elections' management, such allowances, if any, would not be significant in relation to the financial statements of the Supervisor of Elections.

**Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL**

***Capital Assets***

Title in all capital assets owned by the County is retained by the Board of County Commissioners and the below noted capital asset information and activity is reported in the county-wide financial statements.

Summary of changes in capital assets during the year ended September 30, 2021:

	Balance 10/1/20	Increases	Decreases	Balance 9/30/21
<i>Governmental Activities</i>				
Capital assets, being depreciated				
Machinery, equipment, and improvements	\$ 581,407	\$ 32,024	\$ -	\$ 613,431
Less accumulated depreciation for				
Machinery, equipment, and improvements	(495,578)	(47,905)	-	(543,483)
Capital assets, net	\$ 85,829	\$ (15,881)	\$ -	\$ 69,948

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

<i>Governmental Activities</i>	
General government	\$ 47,905



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

Honorable 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, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated February 28, 2022.

**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  
February 28, 2022



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**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, 2021. 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, 2021.

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

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

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

Enterprise, Alabama  
February 28, 2022





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## **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, 2021, and have issued our report thereon dated February 28, 2022.

### **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 February 28, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

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

Enterprise, Alabama  
February 28, 2022





**Sheriff  
Walton County, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2021**



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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 types of the Walton County, Florida Sheriff (the "Sheriff"), as of and for the year ended September 30, 2021, 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, 2021, 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, 2021, 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.

As discussed in Notes 1 and 7 to the financial statements, the Sheriff adopted provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, which required a restatement of the 2020 financial statements. 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 on February 28, 2022 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama  
February 28, 2022



**Walton County, Florida**  
**Sheriff**  
**Balance Sheet**  
**Governmental Funds**

<i>September 30, 2021</i>	General Fund	Inmate Canteen Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 4,157,151	\$ 724,761
Accounts receivable, net	262,675	83,061
Grant receivable	-	-
Interfund receivable	74,881	-
Due from Board of County Commissioners	384,031	-
Due from other governments	466,760	-
<b>Total assets</b>	<b>\$ 5,345,498</b>	<b>\$ 807,822</b>
<b>Liabilities and Fund Balances</b>		
Liabilities		
Accounts payable	\$ 1,368,836	\$ 64,176
Wages and benefits payable	2,403,075	-
Interfund payable	150	-
Unearned revenue	24,884	-
Due to Board of County Commissioners	1,548,384	11,898
Inmate deposits	-	134,579
Due to individuals	169	-
<b>Total liabilities</b>	<b>5,345,498</b>	<b>210,653</b>
Fund balances		
Restricted for:		
Public Safety - Law Enforcement	-	597,169
<b>Total liabilities and fund balances</b>	<b>\$ 5,345,498</b>	<b>\$ 807,822</b>

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

Triumph Grant Fund	Nonmajor Funds	Total Governmental Funds
\$ 95,965	\$ 530,788	\$ 5,508,665
-	-	345,736
30,000	-	30,000
-	150	75,031
-	-	384,031
-	-	466,760
<u>\$ 125,965</u>	<u>\$ 530,938</u>	<u>\$ 6,810,223</u>
\$ 50,481	\$ 10,812	\$ 1,494,305
-	-	2,403,075
74,881	-	75,031
-	-	24,884
-	-	1,560,282
-	-	134,579
-	-	169
125,362	10,812	5,692,325
603	520,126	1,117,898
<u>\$ 125,965</u>	<u>\$ 530,938</u>	<u>\$ 6,810,223</u>

**Walton County, Florida**  
**Sheriff**

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

<i>For the Year Ended September 30, 2021</i>	General Fund	Inmate Canteen Fund
<b>Revenues</b>		
Fines and forfeitures	\$ -	\$ -
Intergovernmental	2,471,234	-
Grant match	-	-
Miscellaneous	-	597,860
<b>Total revenues</b>	<b>2,471,234</b>	<b>597,860</b>
<b>Expenditures</b>		
Public safety		
Personnel services	42,198,878	-
Operating	13,014,923	397,193
Capital outlay	5,923,286	114,680
Debt service		
Principal	776,477	-
Interest	47,726	-
<b>Total expenditures</b>	<b>61,961,290</b>	<b>511,873</b>
Excess revenues over (under) expenditures	(59,490,056)	85,987
<b>Other Financing Sources (Uses)</b>		
Appropriations from Board of County Commissioners	60,022,734	-
Reversion to Board of County Commissioners	(532,678)	-
<b>Net other financing sources (uses)</b>	<b>59,490,056</b>	<b>-</b>
Net change in fund balance	-	85,987
Fund balance, beginning of year as originally stated	-	511,182
Restatement	-	-
<b>Fund balances, beginning of year as restated</b>	<b>-</b>	<b>511,182</b>
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 597,169</b>

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

Triumph Grant Fund	Nonmajor Funds	Total Governmental Funds
\$ -	\$ 21,611	\$ 21,611
566,696	-	3,037,930
465,285	-	465,285
81	107,099	705,040
1,032,062	128,710	4,229,866
-	-	42,198,878
36,780	133,393	13,582,289
995,200	-	7,033,166
-	-	-
-	-	776,477
-	-	47,726
1,031,980	133,393	63,638,536
82	(4,683)	(59,408,670)
-	35,000	60,057,734
-	-	(532,678)
-	35,000	59,525,056
82	30,317	116,386
521	465,323	977,026
-	24,486	24,486
521	489,809	1,001,512
\$ 603	\$ 520,126	\$ 1,117,898

**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, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 2,471,234	\$ 2,471,234
<b>Expenditures</b>				
Public safety				
Personnel services	42,166,840	40,455,696	42,198,878	(1,743,182)
Operating	12,381,604	12,544,224	13,014,923	(470,699)
Capital outlay	3,359,446	7,022,814	5,923,286	1,099,528
Debt service				
Principal	-	-	776,477	(776,477)
Interest	-	-	47,726	(47,726)
Total expenditures	57,907,890	60,022,734	61,961,290	(1,938,556)
Excess revenues over (under) expenditures	(57,907,890)	(60,022,734)	(59,490,056)	532,678
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	57,907,890	60,022,734	60,022,734	-
Reversion to Board of County Commissioners	-	-	(532,678)	(532,678)
Net other financing sources (uses)	57,907,890	60,022,734	59,490,056	(532,678)
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of GAAP to Budgetary Basis</b>				
GAAP basis revenues	\$ -	\$ -	\$ 2,471,234	\$ (2,471,234)
Non-budgeted revenues				
Intergovernmental	-	-	(2,471,234)	2,471,234
Budgetary basis revenues	\$ -	\$ -	\$ -	\$ -
GAAP basis expenditures	\$ 57,907,890	\$ 60,022,734	\$ 61,961,290	\$ (1,938,556)
Non-budgeted public safety expenditures				
Personnel services	-	-	(1,819,689)	1,819,689
Operating	-	-	(628,257)	628,257
Capital outlay	-	-	(23,288)	23,288
Budgetary basis expenditures	\$ 57,907,890	\$ 60,022,734	\$ 59,490,056	\$ 532,678

**Walton County, Florida**  
**Sheriff**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**

<i>September 30, 2021</i>	<u>Custodial Funds</u> <u>Posse</u>
<hr/>	
<b>Assets</b>	
Cash	\$ 1,846
<hr/>	
<b>Net position</b>	
Restricted for:	
Public Safety - Law Enforcement	\$ 1,846
<hr/> <hr/>	

**Walton County, Florida**  
**Sheriff**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**

<i>For the year ended September 30, 2021</i>	<u>Custodial Funds</u>
	Posse
<b>Additions</b>	
Donations	\$ 950
<b>Deductions</b>	
Public safety	
Operating	1,740
<hr/>	
Changes in net position	(790)
Net position - beginning of year as originally stated	-
Restatement	2,636
<hr/>	
Net position, beginning of year as restated	2,636
<hr/>	
Net position, end of year	\$ 1,846
<hr/> <hr/>	

**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 (custodial 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.

The Sheriff reports the following 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 Fund* – 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 six 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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Financial Statements (continued)***

The Sheriff also reported the following fund type:

*Fiduciary Fund* – Custodial funds account for assets held in a trust capacity or as an agent for individuals, other governmental units and/or other funds.

***Budgetary Information***

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.

***Employee Benefits***

***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. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Sheriff are the obligation of the County and are reported at the county-wide level.

***Retirement Plan***

The Sheriff and all qualified County employees participate 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 in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Sheriff are combined with all the County's participates and reported in the County's government-wide financial statements.

**Walton County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Employee Benefits (continued)***

*Other Postemployment Benefits (OPEB)*

The Sheriff, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the County's 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 Statement of Net Position of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

*Excess Revenue over Expenditures*

Pursuant to Section 30.50(6), Florida Statutes, any excess revenues over expenditures determined as of the date specified in Section 30.50(5), Florida Statutes, "shall be refunded to the Board of County Commissioners". Excess revenues over expenditures returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as other financing (uses). All excess revenues over expenditures in special revenue funds remain with the Sheriff.

***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*

Receivables consists primarily of accounts receivable for ambulance billings and contractual reimbursements for inmate canteen operations. Grants receivable are comprised of reimbursements from federal and state funding sources. An allowance for uncollectibles is determined for ambulance billings based on the County's historical rate of collection of such receivables.

*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.

**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 Sheriff 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 is determined using the straight-line method over the asset's estimated useful life.

*Capital Leases*

The Sheriff has entered into lease agreements as a lessee for financing the acquisition of Fire protection equipment for fire and rescue. These leases qualify as capital leases for accounting purposes and; therefore, are 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.

*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).

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, and Net Position or 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 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.

*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, February 28, 2022, and determined there were no events that occurred that required disclosure.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. Additional information on changes to the financial statements related to the implementation of this statement can be found on page 249. The implementation of this statement resulted in four non-major funds being classified as special revenue funds as opposed to their previous presentation as fiduciary funds. As such, beginning fund balance of aggregate remaining non-major funds and fiduciary funds was increased by \$24,486 and \$2,636, respectively.

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement 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 this Statement 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. The adoption of GASB No. 90 had no impact on the Sheriff’s financial statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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 this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor 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 this Statement are effective for reporting periods beginning after June 15, 2021.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement 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 this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement 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 this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance 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. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by 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 and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, 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 this Statement 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.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement 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. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and

**Walton County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued Accounting Pronouncements (continued)***

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 plans or OPEB plans (other employee benefit 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 (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

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

**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.

**Walton County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Cash and Cash Equivalents (continued)***

*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, net* - Accounts receivable consist of ambulance billings in the General Fund and commissions of \$83,061 due from vendors who provide concessions, phone, internet and tablet services to inmates in the Inmate Canteen Fund. All accounts receivable are considered collectible and no allowance for uncollectibles is deemed necessary, except for ambulance billings which had a balance of \$544,856 and an allowance of \$282,181.

*Grant Receivable* - Grant receivable of \$30,000 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.

*Due from Board of County Commissioners* – The amount due from the Board of \$384,031 represents expenditures reimbursable to the Sheriff from an E911 grant received by the Board.

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

	Due		Net
	To	From	
General Fund	\$ 74,881	\$ (150)	\$ 74,731
Triumph Grant Fund	-	(74,881)	(74,881)
Other governmental funds	150	-	150
<b>Total</b>	<b>\$ 75,031</b>	<b>\$ (75,031)</b>	<b>\$ -</b>

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.

***Due from Other Governments***

Due from other governments at September 30, 2021 consisted of the following:

**Walton County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Receivables (continued)***

		General Fund
Bay County Corrections	\$	135,540
Federal Inmate Housing		76,602
Federal Emergency Management Agency		203,377
Miscellaneous		51,241
<b>Total</b>	<b>\$</b>	<b>466,760</b>

***Due to Board of County Commissioners***

The amount due to the Board is comprised of the following fees collected for the Board and excess appropriations from the Board over expenditures.

Excess fees pursuant Section 30.50(6), Florida Statutes	\$	532,678
Emergency medical services		415,750
Inmate housing		590,740
Other fees		9,216
<b>Total</b>	<b>\$</b>	<b>1,548,384</b>

***Fund Balance***

At September 30, 2021, fund balance is comprised of the following:

***Restricted Fund Balance***

Inmate Canteen	\$	597,169
Triumph Grant Fund		603
Suspense		24,080
Law Enforcement education and automation		274,677
Crime Prevention		102,317
Traffic and Parking		57,577
Abandoned Property		7,899
Aviation		53,576
<b>Total restricted fund balance</b>	<b>\$</b>	<b>1,117,898</b>

**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 prior to normal retirement age. 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 – 10.82%, DROP Program – 18.34%, senior management – 29.01%, special risk – 25.89% and elected officials – 51.42%. 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 Sheriff's employees covered by the System was \$28,553,373, for the year ended September 30, 2021. The Sheriff's total payroll was \$28,985,370 for the same period. The Sheriff's contributions to the plan, net of accrued contributions, for the years ended September 30, 2021, 2020, and 2019 were \$6,008,755, \$5,763,289, and \$5,373,269, 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: CONTINGENT LIABILITIES**

At September 30, 2021, 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.

**Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL**

**Capital Assets**

Title in all capital assets owned by the County is retained by the Board of County Commissioners and the below noted capital asset information and activity is reported in the county-wide financial statements.

Capital asset activity for the fiscal year is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Governmental Activities</i>				
Capital assets not being depreciated:				
Construction in progress	\$ 506,392	\$ -	\$ (506,392)	\$ -
Capital assets being depreciated:				
Machinery and equipment	36,713,016	5,434,174	(1,959,057)	40,188,133
Buildings and improvements	1,594,769	2,111,686	-	3,706,455
Less accumulated depreciation:				
Machinery and equipment	(22,882,292)	(4,623,635)	1,881,260	(25,624,667)
Buildings and improvements	(355,357)	(262,839)	-	(618,196)
Total depreciable capital assets, net	15,070,136	2,659,386	(77,797)	17,651,725
Total governmental activities capital assets, net	\$ 15,576,528	\$ 2,659,386	\$ (584,189)	\$ 17,651,725

**Walton County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)**

***Capital Assets (continued)***

Depreciation expense to be reported by the Board was charged to the function of government as follows:

<u>Public safety</u>	<u>\$ 4,886,479</u>
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***Long-Term Debt***

Accrued compensated absences and capital leases that will not be liquidated with expendable available financial resources of the Sheriff are the obligation of the County and are reported at the county-wide level.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Compensated absences	\$ 2,034,930	\$ 1,749,180	\$ 1,597,187	\$ 2,186,923	\$ 218,692
Capital leases	1,417,452	-	776,477	640,975	196,208
<b>Total</b>	<b>\$ 3,452,382</b>	<b>\$ 1,749,180</b>	<b>\$ 2,373,664</b>	<b>\$ 2,827,898</b>	<b>\$ 414,900</b>

***Capital Leases***

The Sheriff has entered into multiple lease agreements for vehicles and equipment reported as capital leases. At September 30, 2021, these assets had a capitalized cost of \$986,497 and accumulated depreciation of \$575,457.

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, 2021.

	Long-term Debt
2022	\$ 211,925
2023	211,925
2024	211,925
2025	35,319
<b>Total minimum payments</b>	<b>671,094</b>
<b>Less: amount representing interest</b>	<b>(30,119)</b>
<b>Present value of net minimum lease payment</b>	<b>\$ 640,975</b>

**Walton County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)**

***Long-Term Debt (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, 2021.

Future minimum rental commitments under operating leases are as follows:

<i>September 30,</i>	<i>Amount</i>
2022	54,835
2023	24,144
	\$ 78,979

**Note 6: PRIOR PERIOD ADJUSTMENTS**

As discussed in Note 1, the implementation of GASB Statement No. 84 required that the Sheriff reclassify four non-major funds from fiduciary funds to special revenue funds. As such, the beginning fund balance of the affected non-major special revenue and fiduciary funds was increased by \$24,486 and \$2,636, respectively.





## **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.

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

*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, 2021</i>	Law Enforcement Education and Automation	Suspense	Crime Prevention
<b>Assets</b>			
Cash and cash equivalents	\$ 275,629	\$ 24,633	\$ 111,474
Interfund receivable	-	-	150
Accounts receivable	-		-
<b>Total assets</b>	<b>\$ 275,629</b>	<b>\$ 24,633</b>	<b>\$ 111,624</b>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts payable	\$ 952	\$ 553	\$ 9,307
Fund balances			
Restricted for:			
Public Safety - Law Enforcement	274,677	24,080	102,317
<b>Total liabilities and fund balances</b>	<b>\$ 275,629</b>	<b>\$ 24,633</b>	<b>\$ 111,624</b>

Traffic and Parking Enforcement	Abandoned Property	Aviation	Total
\$ 57,577	\$ 7,899	\$ 53,576	\$ 530,788
-	-	-	150
-	-	-	-
<u>\$ 57,577</u>	<u>\$ 7,899</u>	<u>\$ 53,576</u>	<u>\$ 530,938</u>
\$ -	\$ -	\$ -	\$ 10,812
<u>57,577</u>	<u>7,899</u>	<u>53,576</u>	<u>520,126</u>
<u>\$ 57,577</u>	<u>\$ 7,899</u>	<u>\$ 53,576</u>	<u>\$ 530,938</u>

**Walton County, Florida  
Sheriff**

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

<i>For the year ended September 30, 2021</i>	Law Enforcement Education and Automation	Suspense	Crime Prevention
<b>Revenues</b>			
Fines and foreitures	\$ 15,000	\$ -	\$ -
Miscellaneous	12,755	3,026	60,932
<hr/>			
Total revenues	27,755	3,026	60,932
<b>Expenditures</b>			
Public safety			
Operating	10,374	3,432	70,853
<hr/>			
Excess revenues over (under) expenditures	17,381	(406)	(9,921)
<b>Other Financing Sources (Uses)</b>			
Board of County Commissioners	-	-	35,000
<hr/>			
Net change in fund balance	17,381	(406)	25,079
Fund balance, beginning of year as originally state	257,296	-	77,238
Restatement	-	24,486	-
<hr/>			
Fund balance, beginning of year as restated	257,296	24,486	77,238
<hr/>			
Fund balance, end of year	\$ 274,677	\$ 24,080	\$ 102,317
<hr/> <hr/>			

Traffic and Parking Enforcement	Abandoned Property	Aviation	Total
\$ 6,611	\$ -	\$ -	\$ 21,611
53	30,280	53	107,099
6,664	30,280	53	128,710
-	48,434	300	133,393
6,664	(18,154)	(247)	(4,683)
-	-	-	35,000
6,664	(18,154)	(247)	30,317
50,913	26,053	53,823	465,323
-	-	-	24,486
50,913	26,053	53,823	489,809
\$ 57,577	\$ 7,899	\$ 53,576	\$ 520,126



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

Honorable 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, 2021, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2022.

**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  
February 28, 2022





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**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, 2021. 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, 2021.

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

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

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

Enterprise, Alabama  
February 28, 2022



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## **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, 2021, and have issued our report thereon dated February 28, 2022.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 28, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

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

Enterprise, Alabama  
February 28, 2022

