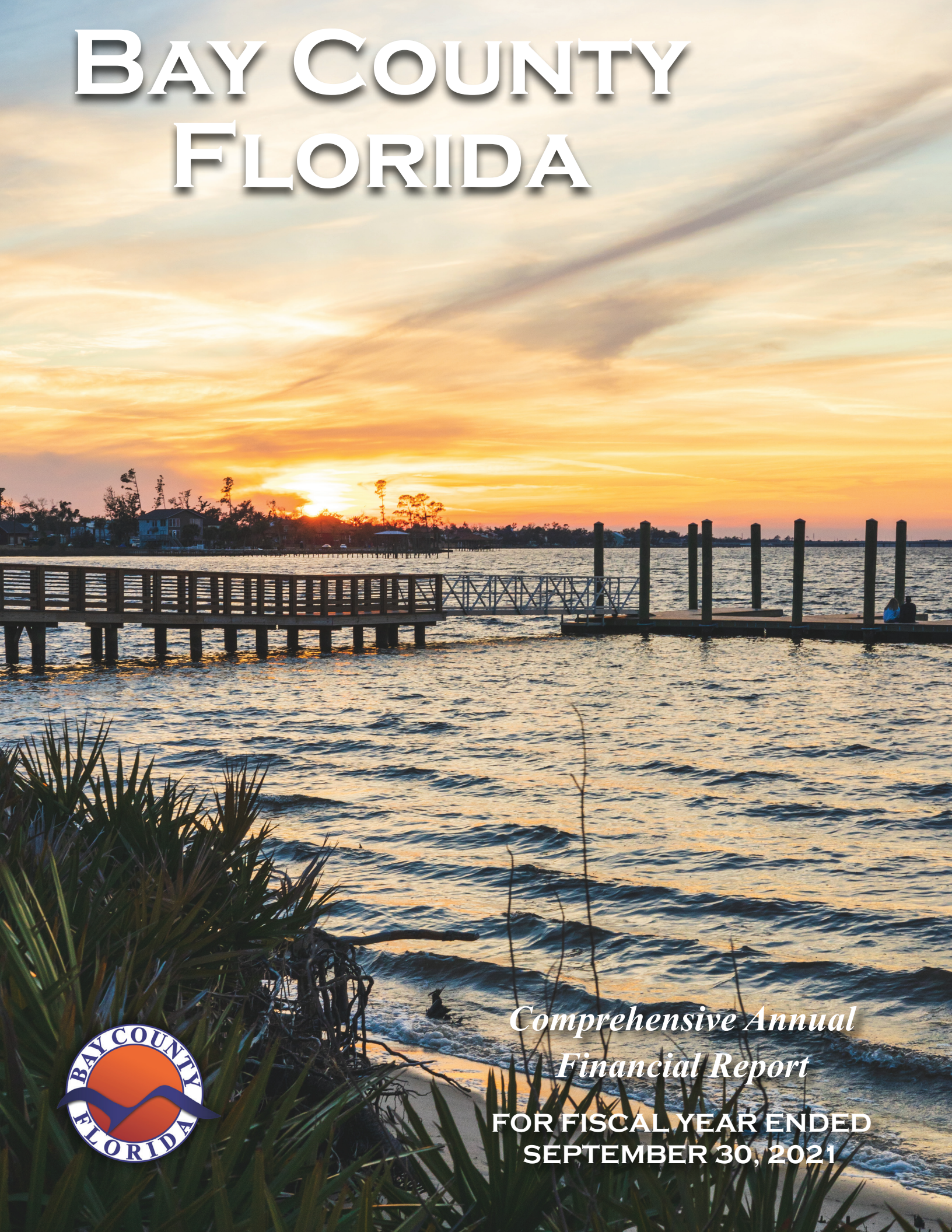


# BAY COUNTY FLORIDA



*Comprehensive Annual  
Financial Report*

FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2021



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**OF**  
**BAY COUNTY, FLORIDA**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

PREPARED BY THE OFFICE  
**OF**  
**BILL KINSAUL**  
**CLERK OF COURT AND COMPTROLLER**

KATY NAIL  
FINANCE OFFICER

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March 29, 2022

Honorable Robert Carroll, Chairman and  
Distinguished Members of the Board of  
County Commissioners  
Honorable Tommy Ford, Sheriff  
Honorable Mark A. Andersen, Supervisor of Elections  
Honorable Dan Sowell, Property Appraiser  
Honorable Chuck Perdue, Tax Collector  
Bay County, Florida

Gentlemen,

We are pleased to present to you and the citizens of Bay County the accompanying Comprehensive Annual Financial Report (CAFR) of Bay County, Florida (the “County”) for the fiscal year ended September 30, 2021. This report was prepared by the Division of Board Finance within the Office of the Clerk of Court & Comptroller. Responsibility for the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Clerk as Chief Financial Officer and Comptroller of Bay County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to present fairly the financial position, results of operations and cash flows of the County as measured by the financial activity of its various funds. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the County’s financial affairs have been included.

The purpose of this letter is to narratively point out the highlights of the County’s financial operations for the fiscal year. The CAFR is designed to meet the needs of a wide range of financial statement users.

A wealth of information is presented in this report and we encourage your careful review to obtain a clear picture of the financial position of Bay County. We would like to recommend that you read the complementary information offered in the Management’s Discussion and Analysis on Page B-5.



## **General**

The County's financial statements have been prepared to meet the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34). GASB 34 establishes a reporting model that the County has reported in five parts:

1. Management's Discussion and Analysis: a narrative report providing significant information about the County and how the County's financial position has changed from September 30, 2020 to September 30, 2021 and the reasons for the change;
2. Government-wide Financial Statements: statements which report on the governmental and business-type assets, liabilities, expenses and revenues of the County;
3. Fund Financial Statements: statements which report on the major individual governmental and proprietary funds of the County;
4. Budgetary Comparisons for the County's general fund and major special revenue funds, and
5. The notes to the financial statements.

## **Accounting System and Budgetary Control**

The accounting records for general governmental operations are maintained on a modified accrual basis with revenue being recorded upon determination that it is both available and measurable. Expenditures for general governmental operations are recorded when the services or goods are received and the liabilities incurred. Accounting records for enterprise and internal service funds are converted to the full accrual basis of accounting at fiscal year-end for reporting purposes.

In developing and evaluating the accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding, (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that, (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

State law requires counties and their elected officials to develop balanced budgets to provide for the operation of their offices. Details of expenditures to be made and the resources available to meet these proposed obligations must be included in the budget. Upon adoption, the budget document becomes the legal basis for carrying out the activities of the County. Except as noted within the Notes to the Basic Financial Statements, the Board of County Commissioners adopts budgets for all funds. The Property Appraiser and the Tax Collector's budgets are approved by the Florida Department of Revenue. The Sheriff and Supervisor of Elections prepare budgets for their General Funds, which are submitted to and approved by the Board.

The Clerk of Court & Comptroller, as ex-officio Clerk to the Board, prepares and submits a budget for services provided to the Board of County Commissioners for their approval. Budgets are adopted on a basis consistent with generally accepted accounting principles, except as noted in the Notes to the Basic Financial Statements. The legal level of budgetary control is at the fund level. Expenditures cannot exceed the total amount budgeted for each fund. Budget control is maintained by a computerized encumbrance system, which restricts budgetary amounts upon input. Purchase orders that exceed account appropriations are not released until additional appropriations are made available. All appropriations lapse at year-end. If required, encumbrances are reestablished at the beginning of the new fiscal year if the funds are appropriated in the annual budget.

### **The Reporting Entity and Its Services**

Bay County is a non-chartered county established under the legal authority of the Constitution and the Laws of the State of Florida. The County provides a full range of services. These include tax assessments and collections, state and county courts, public safety (law enforcement, fire and EMS), physical environment, transportation, economic environment, human services and general administrative services. In addition, the County also operates five enterprise activities. The County's Component Units consist of the Panama City Beach Convention & Visitors Bureau, Inc., the Mexico Beach Community Development Council, Inc., the Panama City Community Development Council, Inc and the Bay County Transportation Planning Organization. These are included in the County's reporting entity due to the significance of their operational or financial relationship with the County. For more information regarding the Component Units, please refer to Note 1 in the Notes to the Basic Financial Statements.

### **Economic Condition and Outlook**

During fiscal year 2021, Bay County continued to focus on rebuilding and restoring the community from damages caused by Hurricane Michael with the completion of several construction projects related to the storm. With continued FEMA reimbursements, Bay County was able to pay off another Hurricane Michael debt issue during fiscal year 2021.

Bay County also continued to help restore the local economy and the livelihoods of its citizens from the impacts of the COVID-19 Pandemic. This was allowable with funds from the Coronavirus Aid, Relief and Economic Security Act (CARES) funding. Bay County was able to offer COVID-19 related services, as well as reimburse businesses for loss of revenue and assist individuals in paying certain living expenses. The American Rescue Plan Act of 2021 allocated over 30 million dollars to Bay County, of which 50% was received in fiscal year 2021.

The County, along with leadership within the Bay County Chamber of Commerce, continues to encourage entrepreneurship, recruitment and retention of new business and industry. This has been especially crucial since Hurricane Michael, as the support from local governments and agencies helped restore the atmosphere and encouraged County-wide revitalization. Although restoration has become a pivotal aspect of County operations, implementation of the County's Comprehensive Plan continues and will ensure that any future growth will promote an economically secure and ecologically safe environment in which to live. With multiple tax abatements in process, it is estimated these will bring in over 400 new jobs to Bay County.

Bay County has defined itself by its warm welcoming atmosphere, diverse economy, and more recently, its strength and resilience. Bay County's economy is focused in the areas of aerospace, technology, manufacturing, distribution/logistics, retail and tourism. Incorporated in 1913, the County lies within the heart of the Florida Panhandle on the Gulf of Mexico. Serving as a home for two major military installations, Tyndall Air Force Base and the Naval Surface Warfare Center, the County's economy has greatly benefitted from the reliability of this local aerospace supplier sector. The inherent level of protection offered by these installations also stimulates labor trends and reinforces the sense of security felt throughout the area.

## **Major Initiatives**

### *For the Year*

Restoring and rebuilding its assets to a more durable and safe condition has been a priority for Bay County since Hurricane Michael. Working with municipalities and school districts within the County has provided support in developing and enhancing the area's infrastructure, storm water and transportation needs.

Several construction projects were completed during fiscal year 2021, including the Steelfield Road Landfill Expansion. Costs to complete this project totaled \$18,710,540. The expansion is estimated to add 10 to 20 years of life to the landfill. Other completed construction projects include Old Bicycle Road Repairs and the Bay County Sheriff's Office Hardened Facility. Completed projects related to Hurricane Michael include Michigan Avenue Fire Station, General Services Administration Building and various boats ramps and park repairs.

During fiscal year 2021, Bay County received the final amount of Hurricane Housing Recovery Program funds. Total funds received for this program amount to over \$36,000,000. These funds will continue to be used to assist eligible citizens with housing recovery efforts, including repair and replacement of housing, housing re-entry assistance and rental assistance. As of September 30, 2021, the County has disbursed over \$3,000,000 for this program.

During fiscal year 2021, Bay County finalized the closure of the Bay County Incinerator. County staff worked with the operator, Engen, and an engineering firm to develop a transition plan and the facility ceased operations in March of 2021. The closure allowed for a 37% reduction in tipping fees effective April 2021.

The County continued to implement efforts to help stop the spread of COVID-19 including opening sites to offer vaccinations at no charge to the public. During the year, multiple testing sites and a vaccination site were open to residents at no charge.

The County continues to improve the road system and increase neighborhood safety through pedestrian paths and sidewalks to schools, reducing neighborhood flooding and traffic congestion using funds collected from the half-cent sales tax that voters passed in November 2016. There have been over 25 projects completed with the use of these funds, including resurfacing 16 county roads, dirt road stabilization and drainage projects, bridge repair and replacement and roadway safety projects. Continuing projects include Moylan Road and Panama City Beach Parkway Turn Lane, Cooks Bayou Bridge, Front Beach Road Sidewalk and Jenks Avenue Widening, which is set to be completed during fiscal year 2022.

In addition, Bay County's millage rate remained unchanged during the year and is among the lowest in the state at 4.43 mills.

### ***For the Future***

Bay County will continue to focus on the restoration and improvement of its facilities and infrastructure. Some significant projects that are currently in process for future completion include the Bay County Skate Park, Southport Sports Complex, Harder's Park, Bay County Jail, the Juvenile Courthouse addition to the Bay County Courthouse and various County-wide Utility building repairs. Re-opening the East Pass (also known as the Old Pass) continues to be a future priority for Bay County. The P25 Public Safety Radio System is set to be completed in fiscal year 2022. This project, totaling more than \$12 million, gives the County the capability of reliably meeting communication needs operationally, functionally and reliably.

In late fiscal year 2021, Bay County received a portion of their allocation from the American Rescue Plan Act. This act created the Coronavirus State and Local Fiscal Recovery Funds which provided \$350,000,000 to be divided among states, territories, tribes, counties and municipalities. The allocation for Bay County totals approximately \$33,000,000, of which the first 50 percent was received in fiscal year 2021. The remainder will be received in fiscal year 2022. Eligible uses of these funds include supporting public health expenditures, addressing negative economic impacts caused by the public health emergency, provision of government services to the extent of lost public sector revenue and investing in water, sewer, and broadband infrastructure. Some future projected uses of these funds for Bay County include large stormwater and utilities projects.

Bay County encourages citizen participation in determining its future initiatives through development of informative web sites and access to elected officials through e-mail.

### **Independent Audit**

In compliance with the laws of the State of Florida, Bay County was audited by independent certified public accountants. The opinion of Carr, Riggs & Ingram, LLC may be found on Page B-1 of this report. The reports relating specifically to the single audit are included in the section entitled "Compliance".

## Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bay County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2020. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR of which the contents conform to program standards. A CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

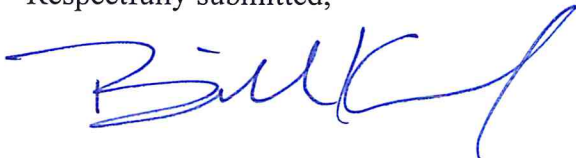
A Certificate of Achievement is valid for a period of one year only. Bay County has been awarded the Certificate of Achievement for thirty-one consecutive years (fiscal years ended September 30, 1989 through 2020). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA for approval.

## Acknowledgments

Preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Clerk's Division of Board Finance, the County Manager, the County's Legal Staff, the Office of Management and Budget, and the various directors of the County departments, as well as, staff of the County Constitutional offices.

We would also like to thank the Constitutional Officers; Tommy Ford, Dan Sowell, Mark Andersen, Chuck Perdue; County Commissioners: Tommy E. Hamm, Robert L. Carroll, William T. Dozier, Douglas Moore and Philip Griffiths for their interest and support in administering the financial operations of the County during the fiscal year presented.

Respectfully submitted,



Bill Kinsaul  
Clerk of Court & Comptroller

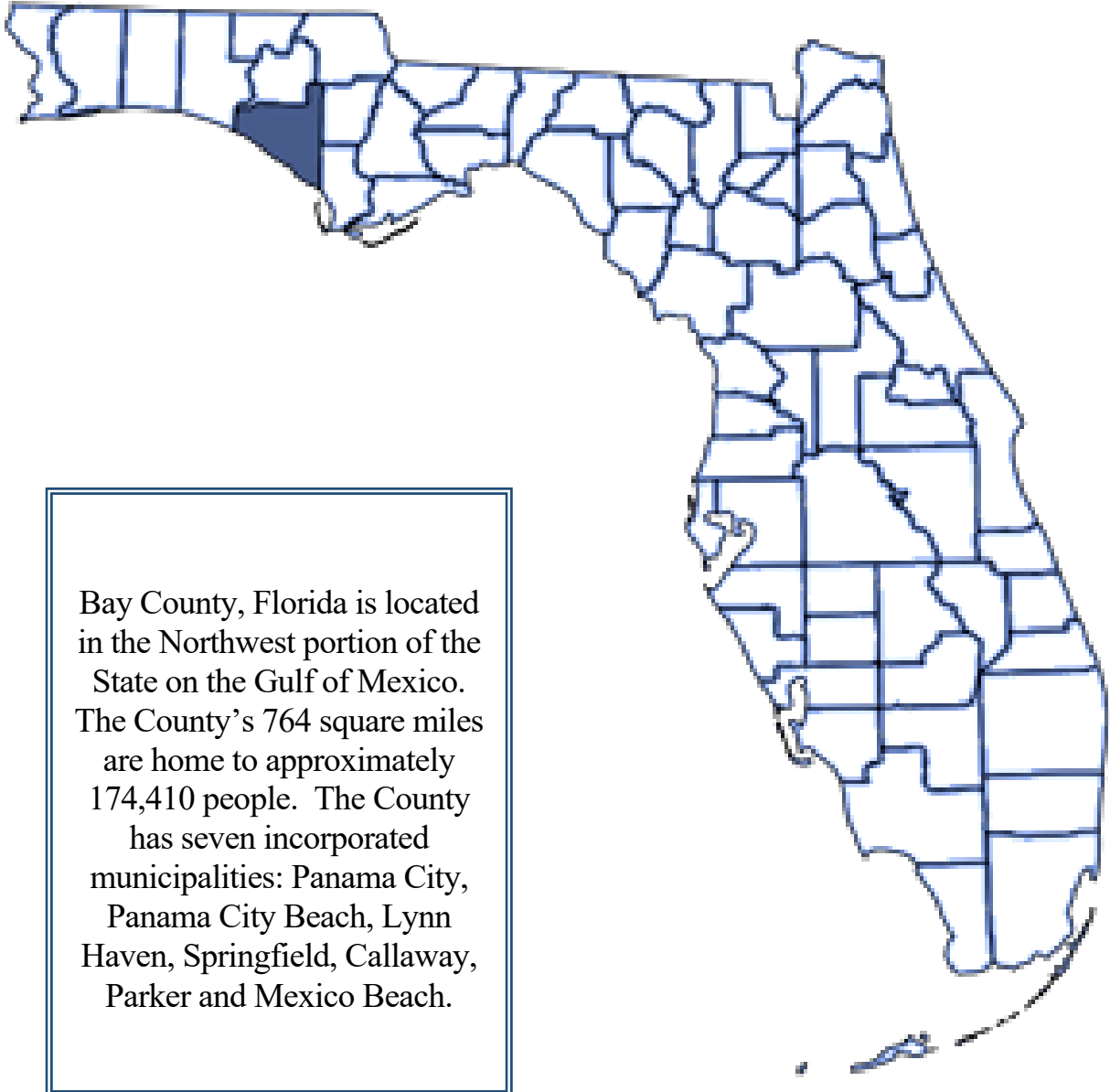


Katy Nail  
Finance Officer

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# BAY COUNTY *Florida*



Bay County, Florida is located in the Northwest portion of the State on the Gulf of Mexico. The County's 764 square miles are home to approximately 174,410 people. The County has seven incorporated municipalities: Panama City, Panama City Beach, Lynn Haven, Springfield, Callaway, Parker and Mexico Beach.

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*County Officials  
Bay County, Florida*



*Tommy Hamm  
Commissioner  
District I*



*Robert Carroll  
Commissioner  
District II*



*William T. Dozier  
Commissioner  
District III*



*Doug Moore  
Commissioner  
District IV*



*Philip Griffitts  
Commissioner  
District V*

## *County Officials Bay County, Florida*



*Mark Andersen  
Supervisor of  
Elections*



*Bill Kinsaul  
Clerk of Court  
& Comptroller*



*Dan Sowell  
Property Appraiser*



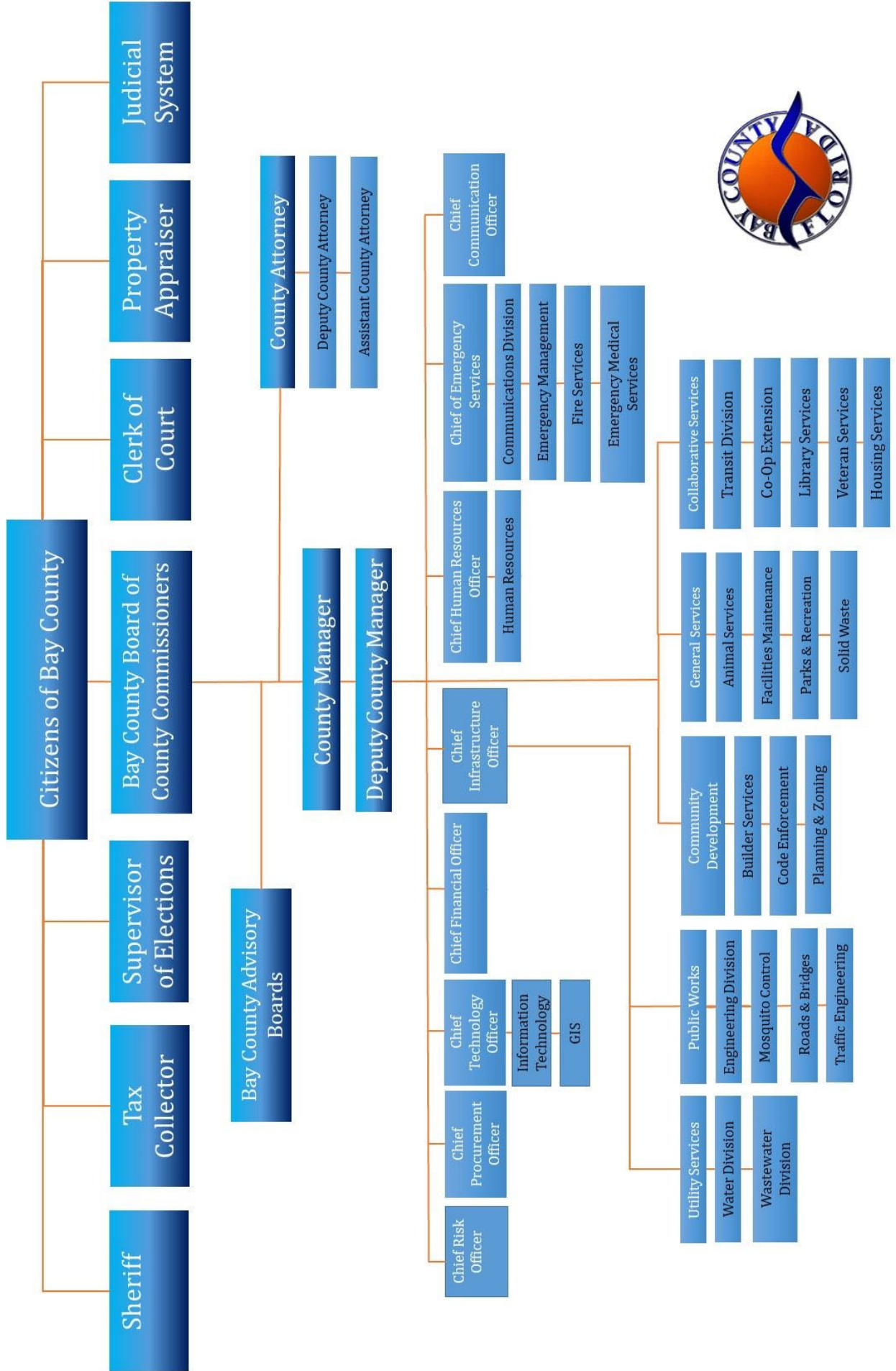
*Chuck Perdue  
Tax Collector*



*Tommy Ford  
Sheriff*

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**BAY COUNTY  
ORGANIZATIONAL CHART  
Fiscal Year 2021**



## ***Certificate of Achievement for Excellence in Financial Reporting***

*The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bay County, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2020.*

*In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports 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 our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.*



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Bay County  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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## INDEPENDENT AUDITORS' REPORT

The Honorable County Commissioners  
Bay County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major discretely presented component unit, each major fund, and the aggregate remaining fund information of Bay County, Florida, as of and for the year ended September 30, 2021, and the related notes to basic financial statements, which collectively comprise Bay County, Florida'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 business-type activities, each major discretely presented component unit, each major fund, and the aggregate remaining fund information of Bay County, Florida, 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, tourist development and transportation funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in notes 1 and 24 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 B-5 through B-16, the schedule of Bay County, Florida’s proportionate share of the net pension liability on page B-112, the schedule of Bay County, Florida’s contributions on page B-113, the schedule of changes in Bay County’s total other postemployment benefits liability and related ratios on page B-114, as listed in the table of contents, 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, 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 Bay County, Florida's basic financial statements. The introductory section, combining and individual nonmajor governmental, internal service, discretely presented component unit fund statements, and fiduciary fund financial statements and budgetary schedules listed in the table of contents, and statistical section are presented for the purpose 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 the purpose 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 Chapter 10.550, State of Florida Rules of the Auditor General, and is also not a required part of the financial statements.

The combining and individual nonmajor governmental, internal service, discretely presented component unit fund statements, and fiduciary fund financial statements, the budgetary schedules, and the schedule of expenditures of federal awards and state financial assistance, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor governmental, internal service, discretely presented component unit fund statements, and fiduciary fund financial statements, the budgetary schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the 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 29, 2022, on our consideration of Bay County, Florida'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 Bay County, Florida's internal control over financial reporting and compliance.

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

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

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Management's discussion and analysis is designed to provide an objective, user-friendly analysis of Bay County, Florida's (the County) financial activities. The analysis reflects on significant events that occurred during the fiscal year and how they relate to the County's financial condition as well as the overall health of the County. This section should be read in conjunction with the County's financial statements in the following section.

### ***FINANCIAL HIGHLIGHTS***

- Total assets and deferred outflows of the County exceeded total liabilities and deferred inflows by \$420,819,648 (net position). Of this amount, \$26,191,204 is a deficit in unrestricted net position for governmental activities and \$42,687,082 is unrestricted net position for business-type activities, while \$174,469,887 is restricted net position for governmental activities and \$23,506,603 is restricted net position for business-type activities.
- The County's total assets increased by \$47,537,298 or approximately 5 percent during fiscal year 2021. Of this amount, an increase of \$87,855,981 is attributable to governmental activities and a decrease of \$40,318,683 is attributable to business-type activities.
- The County's total liabilities decreased by \$61,542,925 or approximately 11 percent during fiscal year 2021. Of this amount, an increase of \$200,727 is attributable to governmental activities and a decrease of \$61,743,652 is attributable to business-type activities.
- Total County's total net position increased by \$25,975,067. Of this amount, an increase of \$11,655,917 is attributable to governmental activities and an increase of \$14,319,150 is attributable to business-type activities.
- As of September 30, 2021, the general fund's unassigned fund balance was \$46,840,719 or 34 percent of the general fund's total expenditures.
- Governmental activities' revenues decreased approximately 14 percent to \$255,504,121, while governmental activities' expenses decreased 3 percent to \$233,946,669. Business-type activities revenues decreased to \$51,500,649 or approximately 46 percent, while business-type activities expenses decreased approximately 35 percent to \$47,110,619.
- The County's outstanding bonded debt increased by \$15,327,203 or 11 percent during fiscal year 2021 while notes payable increased by \$4,651,723 or about 2 percent. The debt funded projects that contributed to these increases are the Steelfield Road Landfill Expansion and the Courthouse Addition and Renovations. These increases were offset by annual debt service principal payments that decreased the overall outstanding balances of County debt.
- The County's total deferred outflows of resources decreased by \$17,090,413 or approximately 39 percent. Of this amount, a decrease of \$12,205,694 is attributable to governmental activities and a decrease of \$4,884,719 is attributable to business-type activities.
- The County's total deferred inflows of resources increased by \$66,014,743 or approximately 454 percent. Of this amount, an increase of \$63,793,643 is attributable to governmental activities and an increase of \$2,221,100 is attributable to business-type activities.

## ***OVERVIEW OF THE FINANCIAL STATEMENTS***

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the financial statements*. The *government-wide financial statements* present an overall picture of the County's financial position and results of operations. The *fund financial statements* present financial information for the County's major funds. The *notes to the financial statements* provide additional information concerning the County's finances that are not otherwise disclosed in the government-wide or fund financial statements.

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

The *government-wide financial statements* include the ***statement of net position*** and ***statement of activities***. These statements are designed to provide readers with a broad overview of the County's financial position in a manner similar to that of private-sector companies. Emphasis is placed on the net position of governmental activities and business-type activities as well as the change in net position. Governmental activities are primarily supported by property taxes, sales taxes, federal and state grants, charges for services, and state shared revenues, while business-type activities are supported by charges to the users of those particular activities, such as water, sewer, and solid waste disposal charges.

The ***statement of net position*** presents information on all assets, liabilities and deferred inflows/outflows of the County, with the difference between them reported as *net position*. Assets, liabilities, deferred inflows/outflows and net position are reported separately for governmental activities and business-type activities. Increases or decreases in net position over time may serve as a useful indicator of the County's improving or declining financial position.

The ***statement of activities*** presents information on all revenues and expenses of the County and the change in net position for 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 the statement of activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Expenses are reported by major function, along with program revenues relating to those functions, providing the net cost of all functions provided by the County. In order to better understand the County's operations, governmental activities expenses, include among others, general government services, public safety, culture and recreation, transportation, and economic environment. Business-type activities expenses, which are financed by user fees and charges, include water and sewer services, solid waste disposal, and emergency medical services.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the following legally separate component units: Mexico Beach Community Development Council, Inc., Panama City Community Development Council, Inc., Panama City Beach Convention and Visitor's Bureau, Inc., and Bay County Transportation Planning Organization. Financial information for these component units is reported separately from the County's financial information.

## ***Fund Financial Statements***

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific purposes or objectives. Individual funds have been established by the County to account for revenues that are restricted to certain uses, comply with legal requirements, or account for the use of federal and state grants. The three major categories of funds found in the County's *fund financial statements* include: governmental funds, proprietary funds, and fiduciary funds.

*Fund financial statements* provide financial information for the County's major funds and more detailed information about the County's activities. Governmental fund financial statements provide information on the *current* assets and liabilities of the funds, changes in *current* financial resources (revenues and expenditures), and *current* available resources. The proprietary funds financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources. The fiduciary fund statement provides information concerning assets held in trust by the County for the benefit of parties outside the government.

*Fund financial statements* for all governmental funds include a **balance sheet** and a **statement of revenues, expenditures, and changes in fund balance**. The County's general fund and major special revenue funds include a **statement of revenues, expenditures, and changes in fund balance-budget and actual**. For the proprietary funds, which include internal service funds in addition to business-type activities, a **statement of net position**, a **statement of revenues, expenses, and changes in fund net position**, and a **statement of cash flows** are presented. A **statement of fiduciary net position** is presented for the County's agency funds.

The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The enterprise funds account for the fiscal activities relating to solid waste disposal, the wholesale water system, retail water and wastewater utilities, and builders service activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the various County functions. Because these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within *governmental activities* in the government-wide financial statements.

The *government-wide financial statements* and the *fund financial statements* provide different presentations of the County's financial position. Categorized by governmental activities and business-type activities, the government-wide financial statements provide an overall picture of the County's financial standing. These statements, which are comparable to private-sector companies, provide a good understanding of the County's overall financial health and present the means used to pay for various activities, or functions provided by the County. All assets of the County, including buildings, land, roads, and bridges are reported in the **statement of net position**, as well as all liabilities, including outstanding principal on debt, capital leases, and future employee benefits obligated but not yet paid by the County. The **statement of activities** includes depreciation on all long lived assets of the County, but all transactions between different functions of the County have been eliminated to avoid duplication of the revenues and expenses.

The *fund financial statements* provide a presentation of the County's major funds, along with a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are

not included in the fund financial statements. To facilitate a comparison between the *fund financial statements* and the *government-wide financial statements*, a reconciliation is provided.

*Notes to the financial statements* provide additional detail concerning the financial activities and financial balances of the County. Additional information about the accounting practices of the County, investments of the County, and long-term debt are just a few of the items included in the notes to the financial statements.

### **FINANCIAL ANALYSIS OF THE COUNTY**

The following schedule provides a summary of the assets, liabilities, and net position of the County:

#### **Bay County, Florida Net Position**

September 30,	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 368,880,826	\$ 290,628,043	\$ 95,205,332	\$ 135,478,951	\$ 464,086,158	\$ 426,106,994
Capital assets	359,205,085	349,601,887	176,217,077	176,262,141	535,422,162	525,864,028
<b>Total assets</b>	<b>728,085,911</b>	<b>640,229,930</b>	<b>271,422,409</b>	<b>311,741,092</b>	<b>999,508,320</b>	<b>951,971,022</b>
<b>Deferred outflows of resources</b>	<b>25,734,733</b>	<b>37,940,427</b>	<b>1,486,719</b>	<b>6,371,438</b>	<b>27,221,452</b>	<b>44,311,865</b>
Current and other liabilities	70,905,288	62,575,231	10,011,755	7,757,956	80,917,043	70,333,187
Long-term liabilities	338,360,089	346,489,419	106,082,019	170,079,470	444,442,108	516,568,889
<b>Total liabilities</b>	<b>409,265,377</b>	<b>409,064,650</b>	<b>116,093,774</b>	<b>177,837,426</b>	<b>525,359,151</b>	<b>586,902,076</b>
<b>Deferred inflows of resources</b>	<b>75,337,825</b>	<b>11,544,182</b>	<b>5,213,148</b>	<b>2,992,048</b>	<b>80,550,973</b>	<b>14,536,230</b>
Net investment in capital assets	120,938,759	236,648,268	85,408,521	94,423,482	206,347,280	331,071,750
Net position-restricted	174,469,887	77,167,310	23,506,603	19,762,480	197,976,490	96,929,790
Net position-unrestricted	(26,191,204)	(56,254,053)	42,687,082	23,097,094	16,495,878	(33,156,959)
<b>Total net position</b>	<b>\$ 269,217,442</b>	<b>\$ 257,561,525</b>	<b>\$ 151,602,206</b>	<b>\$ 137,283,056</b>	<b>\$ 420,819,648</b>	<b>\$ 394,844,581</b>

Investment in capital assets (e.g., land, buildings, and equipment), net of any related outstanding debt used to acquire those assets, represents the County's largest portion of net position (49 percent). These capital assets are utilized to provide services to citizens; consequently, these assets are not available for future spending. It should be noted, that although the County's investment in its capital assets is reported net of related debt, 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.

The *restricted net position*, representing 47 percent of the County's net position at \$197,976,490, is subject to external restrictions, and thus is limited as to how it may be used. The balance of *unrestricted net position* is \$16,495,878.

Governmental activities long-term liabilities decreased by \$8,129,330 during 2021, while business-type activities long-term liabilities decreased by \$63,997,451. The majority of the decrease for business-type activities is attributable to a pay off of notes used to fund Hurricane Michael recovery efforts (series 2019B). This, in conjunction with the newly formed Hurricane Michael Fund, relieved business-type activities of a significant amount of debt liability. Regularly scheduled debt service payments due on bonds and notes payable also contributed to the decrease in both the governmental and business-type activities' long-term liabilities. The County recognized a decrease of \$76,787,322 in net pension liability in governmental activities during 2021, while business-type activities had a decrease of \$16,217,310 in net pension

liability. The recognition of these liabilities is required by the Governmental Accounting Standards Board (GASB). The County's proportions of the net pension liability, as recorded, are determined by calculating the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

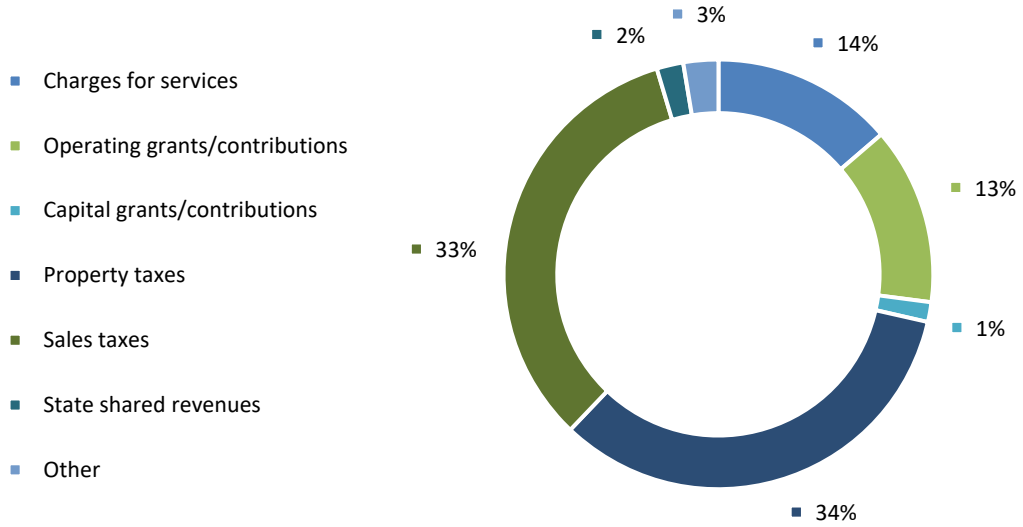
The following schedule provides a summary of the changes in net position:

### Bay County, Florida Changes in Net Position

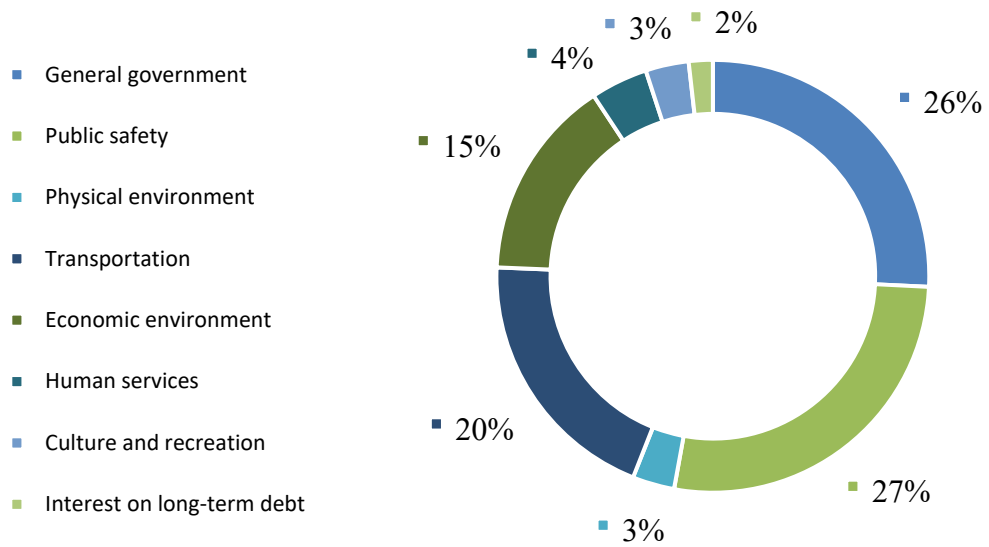
Year ended September 30,	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Program revenues</b>						
Charges for services	\$ 35,010,781	\$ 29,446,018	\$ 45,715,790	\$ 52,383,927	\$ 80,726,571	\$ 81,829,945
Operating grants/contributions	34,183,855	80,462,659	341,186	33,034,028	34,525,041	113,496,687
Capital grants/contributions	3,801,596	15,347,227	4,444,947	2,845,817	8,246,543	18,193,044
<b>General revenues</b>						
Property taxes	85,706,636	74,486,505	-	-	85,706,636	78,486,505
Sales taxes	84,964,163	59,458,898	1,100	1,503	84,965,263	59,460,401
State shared revenues – unrestricted	5,118,893	4,347,686	-	-	5,118,893	4,347,686
Other	6,718,197	28,660,468	997,626	6,237,811	7,715,823	34,898,279
<b>Total revenues</b>	<b>255,504,121</b>	<b>296,209,461</b>	<b>51,500,649</b>	<b>94,503,086</b>	<b>307,004,770</b>	<b>390,712,547</b>
<b>Expenses</b>						
General government	60,318,488	61,187,391	-	-	60,318,488	61,187,391
Public safety	63,386,157	63,341,274	-	-	63,386,157	64,341,274
Physical environment	7,337,452	2,866,863	-	-	7,337,452	2,866,863
Transportation	45,958,641	54,852,605	-	-	45,958,641	54,852,605
Economic environment	35,212,367	25,407,109	-	-	35,212,367	25,407,109
Human services	9,999,680	9,550,736	-	-	9,999,680	9,550,736
Culture and recreation	7,540,895	16,520,956	-	-	7,540,895	16,520,956
Interest on long-term debt	4,192,989	5,341,928	-	-	4,192,989	5,341,928
Wholesale water system	-	-	16,575,079	14,902,015	16,575,079	14,902,015
Retail water and wastewater	-	-	13,035,165	12,586,365	13,035,165	12,586,365
Solid waste	-	-	15,111,930	33,209,638	15,111,930	33,209,638
Building services	-	-	2,388,445	2,145,009	2,388,445	2,145,009
Emergency medical services	-	-	-	9,783,291	-	9,783,291
<b>Total expenses</b>	<b>233,946,669</b>	<b>240,068,862</b>	<b>47,110,619</b>	<b>72,626,318</b>	<b>281,057,288</b>	<b>312,695,180</b>
Increase (decrease) in net position before transfers	21,557,452	56,140,599	4,390,030	21,876,768	25,947,482	78,017,367
Transfers	(6,070,901)	(4,152,035)	6,070,901	4,152,035	-	-
Extraordinary item	-	-	-	-	-	-
<b>Changes in net position</b>	<b>15,486,551</b>	<b>51,988,564</b>	<b>10,460,931</b>	<b>26,028,803</b>	<b>25,947,482</b>	<b>78,017,367</b>
<b>Net position - beginning</b>	<b>257,561,525</b>	<b>205,572,961</b>	<b>137,283,056</b>	<b>111,254,253</b>	<b>394,844,581</b>	<b>316,827,214</b>
Prior period adjustment	(3,830,634)	-	3,858,219	-	27,585	-
<b>Net position – beginning (as restated)</b>	<b>253,730,891</b>	<b>205,572,961</b>	<b>141,141,275</b>	<b>111,254,253</b>	<b>394,872,166</b>	<b>316,827,214</b>
<b>Net position – ending</b>	<b>\$ 269,217,442</b>	<b>\$ 257,561,525</b>	<b>\$ 151,602,206</b>	<b>\$ 137,283,056</b>	<b>\$ 420,819,648</b>	<b>\$ 394,844,581</b>



### Revenue - Governmental Activities Fiscal Year September 30, 2021



### Expenses - Governmental Activities Fiscal Year Ended September 30, 2021



As reflected in the Statement of Activities, the County's net position increased by \$25,975,067. County wide, revenues and expenses decreased in fiscal year 2021, 21% and 10% respectively, with revenues exceeding expenses overall, resulting in a 7% increase to net position. Operational and capital grant revenues continued to decline during fiscal year 2021 due to several factors. Most notably, funds received for COVID-19 response under The Coronavirus Aid, Relief, and Economic Security Act (CARES) were mostly utilized in fiscal year 2020, though roughly 25% was allocated to fiscal year 2021 expenditures. The County's use of the American Rescue Plan Act (ARPA) funding was heavily deferred to the coming fiscal year and thereafter. These factors played a part in the decrease in total revenues of \$83,707,777 from the prior year, which scaled back the overall increase to net position. Governmental activity revenues exceeded expenses by \$21,557,452, while business-type activities revenues exceeded expenses by \$4,390,030. Total expenses decreased by \$31,637,892 from fiscal year 2020.

Property taxes continue to be a vital source of County's governmental activities' revenues (34%) and have seen a full recovery since Hurricane Michael made landfall in early fiscal year 2019. The County's collections increased 9% over the prior year though millage rates remained unchanged.

The County's governmental resources are utilized in a variety of ways. Expenses related to general government operations account for 26% of all governmental outflows, while public safety and transportation account for 27% and 20% respectively. Economic Environment expenses represent roughly 15% of these expenses.

The County's business-type activities are supported primarily by charges for services (89%) as well as federal and state grants (9%). During fiscal year 2021, the majority of business-type activities' expenses were comprised of wholesale water expenses (35%) and solid waste expenses (32%).

## ***FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS***

### ***Governmental Funds***

#### **General Fund**

The main operating fund of the County is the general fund. As of September 30, 2021, total assets were \$133,231,751 and total liabilities were \$64,963,214. At the end of fiscal year 2021, unassigned fund balance of the general fund was \$46,840,719 while total fund balance equaled \$64,554,842. Total assets of the general fund increased \$45,605,854 from fiscal year 2020. The general fund supports the transportation fund annually, transferring funds for general operations. During fiscal year 2021, general fund transferred \$12,422,790 to transportation. Due to the growing size and complexity of its funding source and expenditures, the County decided to create a separate fund to house Hurricane Michael related activity. In order to properly reallocate prior year activity, the general fund recorded transfers of \$63,733,546 to the new fund. General fund's revenues, in line with County wide revenues, decreased in fiscal year 2021 by \$18,230,489. Some of this decrease is related to the separation of FEMA recovery revenues to the new Hurricane Michael fund. As a response to the economic effects of the global COVID-19 pandemic, the County received a significant amount of funding through the Federal Government's CARES Act in fiscal year 2020. The majority of these funds were expended in fiscal year 2020, though the general fund was able to benefit from over \$8.7 million during 2021, offsetting public safety payroll and related pandemic response expenditures. In relation to

community response, the County's general fund also took in additional grant funds under the Hurricane Housing Recovery Program through the Florida Housing Finance Corporation. In total, the County was the recipient of over \$36 million in funding to help bridge the gap for citizens struggling with securing low income housing in the area. The funds can also be used to rehabilitate homes and prevent eviction or foreclosure for those eligible, amongst other strategies. During the year, approximately \$2.3M was utilized from this program to directly meet the needs of County citizens. The County has undergone reorganization in this area to ensure that funds are being deployed in an efficient, timely and goal oriented manner.

Each Constitutional Officer remitted excess fees to the County in fiscal year 2021, the majority of which were above budgeted amounts.

### **Transportation Fund**

The *transportation fund* accounts for the use of gas taxes restricted for transportation improvements, such as roads and bridges. This fund also accounts for the maintenance of the County's roadways, as well as, its road signs and traffic signals, and storm water management. Transportation's fund balance decreased \$12,489,091 in fiscal year 2021, not including transfers between funds. During the year, several road stabilization projects were underway, such as Wiregrass Boulevard, Smith Road, Silver Lake Road and Wildwood Road. Other ongoing projects include the Cooks Bayou Bridge at CR2297, which was substantially complete at year end, and the widening of Jenks Avenue between Highway 390 and Baldwin Road, which was roughly 70% complete by the end of fiscal year 2021. Traffic pattern analysis is conducted continuously to help improve the safety and convenience of the County's roadways in agreement with the County's Comprehensive Plan. With this and the use of half-cent surtax funds, the County was able to make headway on the Moylan Road left turn lane at the intersection of Panama City Beach Parkway (US 98), begin the stabilization of Nehi Road and various other roads including: Ivydell, Owenwood, Rollohome and Steelfield Roads. The County continues to readdress areas in need of improvement as it progresses on previously identified projects in excess of \$100 million, all of which were projected to be addressed by fiscal year 2026. These projects are made possible by the half-cent sales tax passed by voters in 2017, which is strictly to be used on betterments to transportation in Bay County.

### **Tourist Development Fund**

The *tourist development fund* is used to account for the local option sales and use tourism tax, also known as the Tourist Development Tax, which is utilized to promote tourism in Bay County. Four of the five cents collected are designated for tourism promotion, while one cent is designated for maintenance and protection of the local beaches. Fund balance increased 33% over the prior fiscal year. This increase can be linked to the Governor's decision to keep Florida open during many of the broad spread pandemic shut-downs. Tourists flocked to the area after months of lock downs in their home states. With the current year upturn and slowed traffic in fiscal year 2020, Tourist Development revenues were 73% higher in the current year over the prior year. The Panama City Beach Sports Park aided in bringing new visitors to the area, with sports leagues and families keeping local businesses busy throughout the year. The Bay County Tourist Development Tax office, a department of the Bay County Clerk & Comptroller, continues to strive to inform and educate collectors of the tax about its benefits, which far exceed its cost.

***Hurricane Michael Fund and Other Governmental Funds***

All activity related to recovery efforts post Hurricane Michael has been transferred to the newly formed Hurricane Michael fund, which supports the higher than usual transfers in and out of the fund; netted to a transfer in of \$126,988,182. The *MSTU-fire protection fund* accounts for the provision of fire services throughout the County. Its primary source of revenue is ad valorem taxes, which comprised 80% of its revenues in 2021. The fund had an increase in fund balance of approximately 5% over the prior year.

***Proprietary Funds***

The County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. All proprietary funds are reported as major funds.

Unrestricted net position of proprietary funds, after including prior period and restatement adjustment at the end of the year is presented below.

<b>FUND</b>	<b>2021</b>		<b>2020</b>	
		<b>Unrestricted Net Position</b>		<b>Unrestricted Net Position</b>
Wholesale water system	\$	22,153,447	\$	17,117,954
Retail water and wastewater		18,055,827		17,668,723
Solid waste fund		(6,104,824)		(13,846,021)
Building services		8,582,632		6,406,369
Emergency medical services		-		(4,249,933)
<b>Total</b>	<b>\$</b>	<b>42,687,082</b>	<b>\$</b>	<b>23,097,092</b>

The *wholesale water system fund* is used to account for the operations of the County’s wholesale water system. Impact fees charged to and paid by new customers must be used to expand and enhance the water system which provides service to those individuals. Charges for services decreased \$69,774 over fiscal year 2020. Total operating expenditures increased from fiscal year 2020 to fiscal year 2021 in the amount of \$1,768,933. New construction was rampant during fiscal year 2021, leading to an increase in capital contributions in the form of water impact fees of \$734,044. Overall, the fund saw a net position increase of \$9,834,890. The majority of this increase can be attributed to the transfer of past activity (recovery expenditures and revenues) to the newly formed Hurricane Michael fund.

The County’s *solid waste fund* accounts for the operations and maintenance of the County’s landfill and incinerator. In fiscal year 2021, \$10,708,740 was generated by tip fees; this represents a decrease of \$2,493,297 from the prior year. This decrease, in part, is to be expected as the County moves further away from the clean-up phase following Hurricane Michael. The County also reduced the tipping fee by 37% during fiscal year 2021 as a response to the closure of the County Incinerator operation. This action was done in efforts to relieve haulers of additional commuting costs to travel to the landfill and was possible considering the significant costs savings that are anticipated with the closing of the incinerator. As required by the Department of Environmental Protection, the County has set aside, as of the end of the current fiscal year, \$8,008,525 for closure costs of its landfill. As of September 30, 2021, the County has accrued a total liability for landfill closure and post closure care of \$10,324,225 and total net position was \$45,587,439, a decrease of approximately 10%.

## ***CAPITAL ASSETS ACTIVITY***

The following schedule provides a summary of the County’s capital assets activity. The County’s total investment in capital assets for both its governmental and business-type activities as of September 30, 2021, was \$535,422,162 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in process.

Major capital asset events during the current fiscal year included the following:

- Construction on County Road 2297 Cooks Bayou Bridge Replacement continued, with costs of \$567,130 incurred during the year, bringing total costs to date to \$8,929,968. The project was 99% completed as of the end of the year.
- The Jenks Avenue Widening project, between Baldwin Road and Highway 390, was roughly 70% complete by the end of fiscal year 2021. Total costs incurred during the year were \$5,622,103, with \$2,579,652 remaining to complete the project.
- The County continued to progress towards the finalization of upgrades to the P-25 Public Safety Radio System. In fiscal year 2021, the project was roughly 56% complete, with remaining costs of \$6,826,890. The project is estimated to be completed mid fiscal year 2022.

### **Capital Assets (net of depreciation)**

September 30,	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 19,461,820	\$ 19,076,551	\$ 5,727,643	\$ 5,727,643	\$ 25,189,463	\$ 24,804,194
Construction in progress	50,200,297	38,043,192	4,367,640	15,500,774	54,567,937	53,543,966
Books	1,699,603	952,593	-	-	1,699,603	952,593
Buildings and improvements	174,680,584	148,985,075	6,193,819	2,713,991	180,874,403	151,699,066
Furniture and equipment	73,937,558	21,534,470	16,389,683	7,294,082	90,327,241	28,828,552
Infrastructure	312,219,136	121,010,006	244,996,161	145,025,651	557,215,297	266,035,657
<b>Total</b>	<b>\$ 632,198,998</b>	<b>\$ 349,601,887</b>	<b>\$ 277,674,946</b>	<b>\$ 176,262,141</b>	<b>\$ 909,873,944</b>	<b>\$ 525,864,028</b>

Additional information on the County’s capital assets can be found in note 8 – Capital Assets, of the notes to basic financial statements of this report.

## ***DEBT MANAGEMENT***

At the end of the current fiscal year, the County had total bonded debt outstanding of \$161,297,336. This debt amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

## Outstanding Bonded Debt

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue Bonds	\$84,570,954	\$48,507,314	\$76,726,382	\$97,462,819	\$161,297,336	\$145,970,133

The County’s total bonded debt outstanding increased by \$15,327,203 during the fiscal year ended September 30, 2021. The key factor contributing to the increase in bonded debt was the addition of two new debt issues: the 2021 Solid Waste Revenue issue, used for funding the Steelfield Landfill Expansion, and the 2021A Capital Improvement Revenue issue, to be used for costs related to the Courthouse Addition and Renovations project. The increase in overall bonded debt was offset by scheduled debt service payments throughout the year.

The Florida Constitution, along with Bay County, does not set legal debt limits on revenue bonds. More detailed information about the County’s liabilities is presented in notes 12 and 13 of the notes to basic financial statements.

### ***OTHER FINANCIAL INFORMATION***

Over the years, Bay County has continuously had a focus on community involvement and development of the area to benefit its citizens. This was imperative after Hurricane Michael and during the peak of the COVID-19 pandemic. Working closely with the Federal Emergency Management Agency (FEMA) to serve the public’s need, the County successfully rehabilitated public buildings, hardened shelter facilities and made improvements to parks amongst various other projects in the wake of Hurricane Michael. At the onset and height of the pandemic, public testing sites were made available at no charge to citizens as well as a vaccination site. The County was able to secure and use CARES Act funds to cover the costs of these services.

Taxable assessed values for property continue to grow, showing an overall increase of approximately 18% since their pre-storm basis, though the County’s general millage rate has been stable for over five years at 4.4362 mills. Recent global events and weather patterns have impacted inflation rates and product availability for the area. This, teamed with mass relocation to the state from metropolitan areas, has strained supply chains and drained housing inventories. The County is combatting these pressures with the strategic use of ARPA and housing grant funds as well as offering incentives to businesses expanding to the area. Upcoming projects include: utility infrastructure improvements, buyout of homes in flood-prone areas, construction of the Southport Sports Complex and completion of the P25 Public Safety Radio System installation. In fiscal year 2020, half-cent sales tax distributions were down 1.22%. In contrast, 2021 distributions increased by 14.16%. Heightened tourism traffic and inflation are two likely causes of this increase. The unemployment rate improved during 2021, moving from 6.3% down to 3.9%.

This report was prepared by Board Finance department under the direction of the Clerk of Court and Comptroller. Questions concerning this report or requests for additional information should be addressed to Bay County Board Finance, P.O. Box 2269, Panama City, Florida 32402, Attention: Katy Nail.

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# BASIC FINANCIAL STATEMENTS



Bay County, Florida  
Statement of Net Position  
September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 15,972,542	\$ 2,974,497	\$ 18,947,039	\$ 5,253,519
Investments	192,134,428	42,326,260	234,460,688	480,060
Accounts receivable, net	12,644,754	4,195,663	16,840,417	181,996
Special assessments receivable	144,376	-	144,376	-
Accrued interest receivable	147,686	50,224	197,910	-
Due from other governments	58,498,717	1,383,937	59,882,654	1,810,645
Due from primary government	-	-	-	1,623,090
Due from component units	350,063	-	350,063	-
Prepays	3,112,384	5,189	3,117,573	384,908
Inventory	-	1,213,855	1,213,855	10,748
Notes receivable	416,636	2,977,625	3,394,261	-
Investment in joint venture	-	7,064,468	7,064,468	-
Restricted assets				
Cash and cash equivalents	5,601,657	2,163,964	7,765,621	52
Investments	79,857,583	30,849,650	110,707,233	742
Capital assets				
Nondepreciable	69,662,117	10,095,283	79,757,400	807,600
Depreciable, net	289,542,968	166,121,794	455,664,762	7,922,404
Total assets	728,085,911	271,422,409	999,508,320	18,475,764
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refunding	1,623,056	251,230	1,874,286	-
Deferred outflows related to OPEB	462,521	24,585	487,106	5,538
Deferred outflows related to pension	23,649,156	1,210,904	24,860,060	-
Total deferred outflows of resources	25,734,733	1,486,719	27,221,452	5,538
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	9,826,359	1,995,594	11,821,953	2,361,960
Internal balances	(2,280,787)	2,280,787	-	-
Due to other governments	5,237,401	180,947	5,418,348	-
Due to primary government	-	-	-	350,063
Due to component units	1,623,090	-	1,623,090	-
Unearned revenues	55,602,830	3,700,498	59,303,328	540,558
Accrued interest payable	852,504	334,436	1,186,940	1,072
Customer deposits	43,891	1,519,493	1,563,384	-
Long-term liabilities				
Due within one year				
Estimated liability for self insured losses	811,787	-	811,787	-
Accrued compensated absences	1,311,725	195,821	1,507,546	10,727
Notes payable	7,051,000	1,440,278	8,491,278	47,330
Capital leases payable	1,435,192	8,259	1,443,451	-
Bonds payable	1,903,000	5,944,000	7,847,000	-
Due in more than one year				
Estimated liability for self insured losses	3,668,974	-	3,668,974	-
Accrued compensated absences	4,465,993	305,954	4,771,947	13,138
Other postemployment benefits	12,460,010	731,310	13,191,320	106,290
Net pension liability	39,758,373	2,037,988	41,796,361	-
Notes payable	181,824,218	14,302,692	196,126,910	689,828
Capital leases payable	1,001,863	9,110	1,010,973	-
Bonds payable	82,667,954	70,782,382	153,450,336	-
Landfill postclosure liability	-	10,324,225	10,324,225	-
Total liabilities	409,265,377	116,093,774	525,359,151	4,120,966

Continued

The accompanying notes are an integral part of the basic financial statements

Primary Government				
	Governmental Activities	Business-type Activities	Total	Component Units
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred gain on refunding	\$ -	\$ 952,065	\$ 952,065	\$ -
Deferred inflows related to pension	68,721,262	3,469,487	72,190,749	-
Deferred inflows related to OPEB	6,616,563	791,596	7,408,159	182,007
<b>Total deferred inflows of resources</b>	<b>75,337,825</b>	<b>5,213,148</b>	<b>80,550,973</b>	<b>182,007</b>
<b>NET POSITION</b>				
Net investment in capital assets	120,938,759	85,408,521	206,347,280	8,040,176
Restricted for				
Debt service	3,035,025	7,680,188	10,715,213	794
Impact fees	3,397,670	15,826,415	19,224,085	-
General government	26,160,459	-	26,160,459	-
Public safety	30,054,136	-	30,054,136	-
Court function	2,596,000	-	2,596,000	-
Transportation	9,317,176	-	9,317,176	-
Recreation	3,529,646	-	3,529,646	-
Economic environment	67,295,237	-	67,295,237	-
Physical environment	29,084,538	-	29,084,538	-
Unrestricted (deficit)	(26,191,204)	42,687,082	16,495,878	6,137,359
<b>Total net position</b>	<b>\$ 269,217,442</b>	<b>\$ 151,602,206</b>	<b>\$ 420,819,648</b>	<b>\$ 14,178,329</b>

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
<b>Primary Government</b>				
Governmental activities				
General government	\$ 60,318,488	\$ 24,064,424	\$ 17,443,275	\$ 1,691,605
Public safety	63,386,157	3,942,395	9,090,325	10,317
Physical environment	7,337,452	54,060	92,700	128,797
Transportation	45,958,641	4,329,649	801,876	1,459,424
Economic environment	35,212,367	2,055,762	6,704,991	35,603
Human services	9,999,680	1,050	50,688	-
Culture and recreation	7,540,895	563,441	-	475,850
Interest on long-term debt	4,192,989	-	-	-
<b>Total governmental activities</b>	<b>233,946,669</b>	<b>35,010,781</b>	<b>34,183,855</b>	<b>3,801,596</b>
Business-type activities				
Wholesale water system	16,575,079	16,838,892	272,463	1,990,340
Retail water and wastewater	13,035,165	13,561,300	68,723	2,454,607
Solid waste	15,111,930	11,376,795	-	-
Building services	2,388,445	3,938,803	-	-
<b>Total business-type activities</b>	<b>47,110,619</b>	<b>45,715,790</b>	<b>341,186</b>	<b>4,444,947</b>
<b>Total primary government</b>	<b>\$ 281,057,288</b>	<b>\$ 80,726,571</b>	<b>\$ 34,525,041</b>	<b>\$ 8,246,543</b>
<b>Component Units</b>	<b>\$ 20,443,985</b>	<b>\$ 16,840,398</b>	<b>\$ 4,997,438</b>	<b>\$ 741,980</b>

General revenues  
   Property taxes, levied for general purposes  
   Sales taxes  
   State shared revenues - unrestricted  
   Investment earnings  
   Miscellaneous  
     Total general revenues  
 Transfers  
   Total general revenues and transfers  
  
 Change in net position  
  
 Net position - beginning  
 Restatement and/or prior period adjustment  
 Net position - beginning (as restated)  
 Net position - ending

Bay County, Florida  
Statement of Activities  
Year Ended September 30, 2021

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (17,119,184)	\$ -	\$ (17,119,184)	\$ -
(50,343,120)	-	(50,343,120)	-
(7,061,895)	-	(7,061,895)	-
(39,367,692)	-	(39,367,692)	-
(26,416,011)	-	(26,416,011)	-
(9,947,942)	-	(9,947,942)	-
(6,501,604)	-	(6,501,604)	-
(4,192,989)	-	(4,192,989)	-
<u>(160,950,437)</u>	<u>-</u>	<u>(160,950,437)</u>	<u>-</u>
-	2,526,616	2,526,616	-
-	3,049,465	3,049,465	-
-	(3,735,135)	(3,735,135)	-
-	1,550,358	1,550,358	-
<u>-</u>	<u>3,391,304</u>	<u>3,391,304</u>	<u>-</u>
<u>(160,950,437)</u>	<u>3,391,304</u>	<u>(157,559,133)</u>	<u>-</u>
-	-	-	2,135,831
85,706,636	-	85,706,636	-
84,964,163	1,100	84,965,263	-
5,118,893	-	5,118,893	-
520,522	468,836	989,358	9,685
6,197,675	528,790	6,726,465	715,771
<u>182,507,889</u>	<u>998,726</u>	<u>183,506,615</u>	<u>725,456</u>
(6,070,901)	6,070,901	-	-
<u>176,436,988</u>	<u>7,069,627</u>	<u>183,506,615</u>	<u>725,456</u>
<u>15,486,551</u>	<u>10,460,931</u>	<u>25,947,482</u>	<u>2,861,287</u>
<u>257,561,525</u>	<u>137,283,056</u>	<u>394,844,581</u>	<u>11,317,042</u>
(3,830,634)	3,858,219	27,585	-
<u>253,730,891</u>	<u>141,141,275</u>	<u>394,872,166</u>	<u>11,317,042</u>
<u>\$ 269,217,442</u>	<u>\$ 151,602,206</u>	<u>\$ 420,819,648</u>	<u>\$ 14,178,329</u>

The accompanying notes are an integral part of the basic financial statements

	General	Tourist Development	Transportation	Hurricane Michael	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,781,728	\$ 4,326,051	\$ 1,756,220	\$ 2,580,802	\$ 4,861,505	\$ 15,306,306
Accounts receivable, net	8,222,160	3,459,687	990	-	721,315	12,404,152
Special assessments receivable	144,376	-	-	-	-	144,376
Accrued interest receivable	33,384	37,673	14,709	43,954	10,321	140,041
Investments	50,975,251	61,672,486	25,036,779	36,792,084	8,170,612	182,647,212
Due from other funds	6,132,120	757,368	297,202	-	265,623	7,452,313
Due from other governments	4,800,069	20,205	6,510,757	46,449,274	718,389	58,498,694
Due from component units	-	350,000	-	-	-	350,000
Prepays	383,806	525,442	46,980	-	36,808	993,036
Notes receivable	416,636	-	-	-	-	416,636
Restricted assets						
Cash and cash equivalents	3,955,295	92,751	-	1,177,744	375,867	5,601,657
Investments	56,386,926	1,322,258	-	16,790,001	5,358,398	79,857,583
<b>Total assets</b>	<b>\$ 133,231,751</b>	<b>\$ 72,563,921</b>	<b>\$ 33,663,637</b>	<b>\$ 103,833,859</b>	<b>\$ 20,518,838</b>	<b>\$ 363,812,006</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 4,285,588	\$ 1,127,866	\$ 2,190,946	\$ 1,107,083	\$ 613,979	\$ 9,325,462
Unearned revenues	55,602,821	-	-	-	9	55,602,830
Due to other funds	769,257	-	68,806	-	1,980,123	2,818,186
Advances from other funds	-	-	-	-	179,080	179,080
Due to other governments	4,261,657	1,316	-	974,428	-	5,237,401
Due to component units	-	1,623,090	-	-	-	1,623,090
Customer deposits	43,891	-	-	-	-	43,891
<b>Total liabilities</b>	<b>64,963,214</b>	<b>2,752,272</b>	<b>2,259,752</b>	<b>2,081,511</b>	<b>2,773,191</b>	<b>74,829,940</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue - other receivables	3,713,695	-	-	-	-	3,713,695
<b>Total deferred inflows of resources</b>	<b>3,713,695</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,713,695</b>
<b>Fund balances</b>						
Nonspendable	383,806	525,442	46,980	-	36,808	993,036
Restricted	8,482,195	67,928,145	595,457	101,752,348	17,687,336	196,445,481
Assigned	8,848,122	1,358,062	30,761,448	-	21,503	40,989,135
Unassigned	46,840,719	-	-	-	-	46,840,719
<b>Total fund balances</b>	<b>64,554,842</b>	<b>69,811,649</b>	<b>31,403,885</b>	<b>101,752,348</b>	<b>17,745,647</b>	<b>285,268,371</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 133,231,751</b>	<b>\$ 72,563,921</b>	<b>\$ 33,663,637</b>	<b>\$ 103,833,859</b>	<b>\$ 20,518,838</b>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.						358,433,709
Internal service funds are used by management to charge the costs of various activities to individual funds. The assets, liabilities, deferred outflows, and deferred inflows of the internal service funds are included in governmental activities in the statement of net position.						3,622,013
Deferred outflows and deferred inflows are not financial statement resources or liabilities and therefore are not reported in the funds.						(47,815,557)
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when paid.						(851,810)
Revenues not available for use in the current fiscal year deferred until future periods on the governmental funds balance sheet						3,713,695
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.						(333,152,979)
<b>Net position of governmental activities</b>						<b>\$ 269,217,442</b>

Bay County, Florida  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
Year Ended September 30, 2021

	General	Tourist Development	Transportation	Hurricane Michael	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 75,188,474	\$ 39,183,675	\$ 23,615,517	\$ -	\$ 10,518,162	\$ 148,505,828
Licenses and permits	4,509	-	-	-	-	4,509
Intergovernmental	51,868,107	-	6,020,732	3,220,607	1,980,112	63,089,558
Charges for services	18,723,837	1,112,168	3,028,121	-	8,705,673	31,569,799
Fines and forfeitures	626,258	-	-	-	-	626,258
Special assessments	54,060	-	-	-	-	54,060
Investment earnings	41,397	153,571	24,155	177,706	20,745	417,574
Contributions and donations	414,151	-	550,886	-	401,185	1,366,222
Miscellaneous	5,779,999	298,307	104,693	-	215,219	6,398,218
<b>Total revenues</b>	<b>152,700,792</b>	<b>40,747,721</b>	<b>33,344,104</b>	<b>3,398,313</b>	<b>21,841,096</b>	<b>252,032,026</b>
<b>EXPENDITURES</b>						
Current						
General government	22,247,946	-	-	7,346,216	3,924,459	33,518,621
Public safety	69,479,384	-	-	5,886,543	11,728,449	87,094,376
Physical environment	1,208,391	-	41,669	5,570,995	-	6,821,055
Transportation	-	-	36,506,924	2,798,567	-	39,305,491
Economic environment	13,631,748	20,338,073	-	-	-	33,969,821
Human services	8,606,045	-	-	-	1,298,175	9,904,220
Culture and recreation	6,036,407	-	-	71,644	-	6,108,051
Capital outlay						
General government	1,383,779	-	-	1,403,401	-	2,787,180
Public safety	6,545,330	-	-	1,003,679	4,909,213	12,458,222
Physical environment	83,251	-	-	3,040,390	-	3,123,641
Transportation	-	-	8,766,453	119,247	-	8,885,700
Economic environment	-	176,017	-	-	-	176,017
Culture and recreation	510,035	-	-	804,438	-	1,314,473
Debt service						
Principal	5,064,964	2,144,528	6,962	49,926,232	2,466,620	59,609,306
Interest and fiscal charges	2,329,189	687,348	540,309	-	466,953	4,023,799
Bond issuance costs	97,281	-	-	86,749	-	184,030
<b>Total expenditures</b>	<b>137,223,750</b>	<b>23,345,966</b>	<b>45,862,317</b>	<b>78,058,101</b>	<b>24,793,869</b>	<b>309,284,003</b>
Excess (deficit) of revenues over (under) expenditures	15,477,042	17,401,755	(12,518,213)	(74,659,788)	(2,952,773)	(57,251,977)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	68,620,300	42,155	76,396,761	443,336,146	7,621,139	596,016,501
Transfers out	(77,292,166)	(83,249)	(106,695,975)	(316,347,964)	(6,088,563)	(506,507,917)
Issuance of debt	15,046,000	-	-	49,423,954	-	64,469,954
Issuance of refunding debt	11,235,000	-	-	-	-	11,235,000
Issuance of debt - capital leases	1,085,059	1,494	9,387	-	-	1,095,940
Payment to refunded bond escrow agent	(11,320,087)	-	-	-	-	(11,320,087)
Proceeds from sales of capital assets	88,774	-	19,735	-	-	108,509
<b>Total other financing sources (uses)</b>	<b>7,462,880</b>	<b>(39,600)</b>	<b>(30,270,092)</b>	<b>176,412,136</b>	<b>1,532,576</b>	<b>155,097,900</b>
<b>Net change in fund balance</b>	<b>22,939,922</b>	<b>17,362,155</b>	<b>(42,788,305)</b>	<b>101,752,348</b>	<b>(1,420,197)</b>	<b>97,845,923</b>
Fund balance - beginning (as previously stated)	37,722,259	52,449,494	73,742,190	-	21,176,980	185,090,923
Restatement and/or prior period adjustment	3,892,661	-	450,000	-	(2,011,136)	2,331,525
Fund balance - beginning	41,614,920	52,449,494	74,192,190	-	19,165,844	187,422,448
Fund balance - ending	\$ 64,554,842	\$ 69,811,649	\$ 31,403,885	\$ 101,752,348	\$ 17,745,647	\$ 285,268,371

The accompanying notes are an integral part of the basic financial statements

Bay County, Florida  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balance of Governmental Funds  
 to the Statement of Activities  
 Year Ended September 30, 2021

Amounts reported for governmental activities in the statement of activities (page B-21)  
 are different because:

Net change in fund balance - total governmental funds (page B-23)	\$ 97,845,923
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	8,326,938
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, impairments, and donations) is an increase net position.	2,390,652
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	8,194,769
Internal service funds are used by management to charge the costs of workers compensation and insurance costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(33,101,691)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	280,921
Transfers of capital assets and debt in the statement of activities to governmental funds do not require the use of current financial resources and do not impact net position.	(62,430,805)
The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(6,020,156)
Change in net position of governmental activities (page B-21)	\$ 15,486,551

Bay County, Florida  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
General Fund  
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
<b>REVENUES</b>				
Taxes	\$ 73,714,009	\$ 75,152,509	\$ 75,188,474	\$ 35,965
Licenses and permits	2,425	2,425	4,509	2,084
Intergovernmental	24,161,492	43,463,183	46,839,243	3,376,060
Charges for services	21,113,041	21,497,145	18,639,910	(2,857,235)
Fines and forfeitures	309,000	309,000	626,258	317,258
Investment earnings	1,050,000	75,000	(65,967)	(140,967)
Contributions and donations	226,150	409,136	414,151	5,015
Miscellaneous	4,266,158	3,308,517	5,655,332	2,346,815
Total revenues	124,842,275	144,216,915	147,301,910	3,084,995
<b>EXPENDITURES</b>				
Current				
General government	27,299,134	29,010,408	22,246,589	6,763,819
Public safety	66,905,835	73,158,382	69,068,787	4,089,595
Physical environment	300,258	1,417,130	1,179,357	237,773
Economic environment	2,168,149	14,790,595	8,671,968	6,118,627
Human services	7,698,991	8,397,901	8,606,045	(208,144)
Culture and recreation	6,415,589	6,645,041	6,036,407	608,634
Capital outlay				
General government	284,570	15,676,098	1,383,779	14,292,319
Public safety	2,790,831	3,334,015	6,545,330	(3,211,315)
Physical environment	-	-	83,251	(83,251)
Culture and recreation	600,000	1,350,895	510,035	840,860
Debt service				
Principal	4,746,803	4,518,113	5,027,964	(509,851)
Interest and fiscal charges	2,729,826	2,995,752	2,324,411	671,341
Bond issuance costs	-	-	97,281	(97,281)
Total expenditures	121,939,986	161,294,330	131,781,204	29,513,126
Excess (deficit) of revenues over (under) expenditures	2,902,289	(17,077,415)	15,520,706	32,598,121
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,965	68,617,255	68,615,290
Transfers out	(13,558,620)	(13,571,720)	(77,292,166)	(63,720,446)
Issuance of debt	-	15,046,000	15,043,825	(2,175)
Issuance of refunding debt	-	-	11,235,000	11,235,000
Issuance of debt - capital leases	-	-	1,085,059	1,085,059
Payment to refunded bond escrow agent	-	-	(11,320,087)	(11,320,087)
Proceeds from sales of capital assets	-	-	88,774	88,774
Total other financing sources (uses)	(13,558,620)	1,476,245	7,457,660	5,981,415
Net change in fund balance	\$ (10,656,331)	\$ (15,601,170)	22,978,366	\$ 38,579,536
Fund balance - beginning (as restated)			41,496,370	
Fund balance - ending			\$ 64,474,736	

Note: The general fund includes funds that are maintained as special revenue funds for accounting purposes, but do not meet the criteria for separate reporting in these financial statements. Therefore, the budgetary comparison statement above, only includes the legally adopted budget for the general fund. A reconciliation between the actual amounts on the budgetary basis above and the actual amounts on the GAAP basis for the general fund amount listed in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds is provided in note 3 of the Notes to Basic Financial Statements.



Bay County, Florida  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Tourist Development Fund  
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 21,714,782	\$ 33,311,168	\$ 39,183,675	\$ 5,872,507
Intergovernmental	1,090,434	1,090,434	-	(1,090,434)
Charges for services	-	-	1,112,168	1,112,168
Investment earnings	272,100	272,100	153,571	(118,529)
Miscellaneous	172,651	172,651	298,307	125,656
<b>Total revenues</b>	<b>23,249,967</b>	<b>34,846,353</b>	<b>40,747,721</b>	<b>5,901,368</b>
<b>EXPENDITURES</b>				
Current				
Economic environment	19,127,116	28,292,206	20,338,073	7,954,133
Capital outlay				
Economic environment	-	974,217	176,017	798,200
Debt service				
Principal	2,140,000	2,140,000	2,144,528	(4,528)
Interest and fiscal charges	685,879	686,716	687,348	(632)
<b>Total expenditures</b>	<b>21,952,995</b>	<b>32,093,139</b>	<b>23,345,966</b>	<b>8,747,173</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>1,296,972</b>	<b>2,753,214</b>	<b>17,401,755</b>	<b>14,648,541</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	42,155	42,155
Transfers out	-	-	(83,249)	(83,249)
Issuance of debt - capital leases	-	-	1,494	1,494
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>(39,600)</b>	<b>(39,600)</b>
<b>Net change in fund balance</b>	<b>\$ 1,296,972</b>	<b>\$ 2,753,214</b>	<b>17,362,155</b>	<b>\$ 14,608,941</b>
Fund balance - beginning			<u>52,449,494</u>	
Fund balance - ending			<u>\$ 69,811,649</u>	

The accompanying notes are an integral part of the basic financial statements

Bay County, Florida  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Transportation Fund  
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 17,310,900	\$ 17,310,900	\$ 23,615,517	\$ 6,304,617
Intergovernmental	4,751,192	7,540,254	6,020,732	(1,519,522)
Charges for services	2,545,280	3,137,280	3,028,121	(109,159)
Investment earnings	154,200	154,200	24,155	(130,045)
Contributions and donations	450,000	483,006	550,886	67,880
Miscellaneous	-	-	104,693	104,693
<b>Total revenues</b>	<b>25,211,572</b>	<b>28,625,640</b>	<b>33,344,104</b>	<b>4,718,464</b>
<b>EXPENDITURES</b>				
Current				
Physical environment	-	-	41,669	(41,669)
Transportation	37,554,623	31,869,307	36,506,924	(4,637,617)
Capital outlay				
Transportation	-	23,234,916	8,766,453	14,468,463
Debt service				
Principal	-	-	6,962	(6,962)
Interest and fiscal charges	1,686,673	1,731,243	540,309	1,190,934
<b>Total expenditures</b>	<b>39,241,296</b>	<b>56,835,466</b>	<b>45,862,317</b>	<b>10,973,149</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(14,029,724)</b>	<b>(28,209,826)</b>	<b>(12,518,213)</b>	<b>15,691,613</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	12,422,790	12,627,512	76,396,761	63,769,249
Transfers out	-	(208,822)	(106,695,975)	(106,487,153)
Issuance of debt - capital leases	-	-	9,387	9,387
Proceeds from sales of capital assets	-	-	19,735	19,735
<b>Total other financing sources</b>	<b>12,422,790</b>	<b>12,418,690</b>	<b>(30,270,092)</b>	<b>(42,688,782)</b>
<b>Net change in fund balance</b>	<b>\$ (1,606,934)</b>	<b>\$ (15,791,136)</b>	<b>(42,788,305)</b>	<b>\$ (26,997,169)</b>
Fund balance - beginning			<u>74,192,190</u>	
Fund balance - ending			<u><u>\$ 31,403,885</u></u>	

The accompanying notes are an integral part of the basic financial statements

Bay County, Florida  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Hurricane Michael Fund  
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 3,220,607	\$ 3,220,607
Investment earnings	-	-	177,706	177,706
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>3,398,313</b>	<b>3,398,313</b>
<b>EXPENDITURES</b>				
Current				
General government	-	6,219,669	7,346,216	(1,126,547)
Public safety	-	5,960,774	5,886,543	74,231
Physical environment	-	19,903,637	5,570,995	14,332,642
Transportation	-	-	2,798,567	(2,798,567)
Culture and recreation	-	804,800	71,644	733,156
Capital outlay				
General government	-	1,480,549	1,403,401	77,148
Public safety	-	929,448	1,003,679	(74,231)
Physical environment	-	2,591,333	3,040,390	(449,057)
Transportation	-	2,871,742	119,247	2,752,495
Culture and recreation	-	71,282	804,438	(733,156)
Debt service				
Principal	-	-	49,926,232	(49,926,232)
Bond issuance costs	-	-	86,749	(86,749)
<b>Total expenditures</b>	<b>-</b>	<b>40,833,234</b>	<b>78,058,101</b>	<b>(37,224,867)</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>-</b>	<b>(40,833,234)</b>	<b>(74,659,788)</b>	<b>(33,826,554)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	14,059,084	443,336,146	429,277,062
Transfers out	-	-	(316,347,964)	(316,347,964)
Issuance of debt	-	26,774,150	49,423,954	22,649,804
<b>Total other financing sources</b>	<b>-</b>	<b>40,833,234</b>	<b>176,412,136</b>	<b>135,578,902</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>101,752,348</b>	<b>\$ 101,752,348</b>
Fund balance - beginning			-	
Fund balance - ending			<u>\$ 101,752,348</u>	

The accompanying notes are an integral part of the basic financial statements

Bay County, Florida  
Statement of Net Position  
Proprietary Funds  
September 30, 2021

	Business-type Activities Enterprise Funds					Governmental
	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Services	Total	Activities Internal Service Funds
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	\$ 1,409,534	\$ 926,633	\$ 1,500	\$ 636,830	\$ 2,974,497	\$ 666,236
Accounts receivable, net	1,613,135	1,523,501	1,025,207	33,820	4,195,663	240,602
Accrued interest receivable	23,385	20,734	-	6,105	50,224	7,645
Due from component units	-	-	-	-	-	63
Prepaid expenses	597	868	3,724	-	5,189	2,119,348
Investments	20,094,402	13,160,291	-	9,071,567	42,326,260	9,487,216
Inventory	594,975	618,880	-	-	1,213,855	-
Due from other funds	413,135	190,133	434,558	-	1,037,826	111,808
Due from other governments	-	1,383,937	-	-	1,383,937	23
<b>Total current assets</b>	<b>24,149,163</b>	<b>17,824,977</b>	<b>1,464,989</b>	<b>9,748,322</b>	<b>53,187,451</b>	<b>12,632,941</b>
Noncurrent assets						
Restricted assets						
Cash and cash equivalents	1,030,952	562,540	556,594	13,878	2,163,964	-
Investments	14,697,321	8,019,637	7,934,839	197,853	30,849,650	-
Notes receivable	340,272	2,637,353	-	-	2,977,625	-
Advances to other funds	-	-	-	179,080	179,080	-
Investment in joint venture	-	7,064,468	-	-	7,064,468	-
Capital assets						
Land	261,192	4,714,000	752,451	-	5,727,643	-
Construction in progress	3,812,112	555,528	-	-	4,367,640	8,678
Buildings	2,507,104	49,680	862,912	-	3,419,696	516,699
Improvements	2,113,179	527,544	133,400	-	2,774,123	222,946
Furniture and equipment	4,601,522	2,078,656	9,051,258	658,247	16,389,683	995,607
Infrastructure	118,983,622	37,916,139	88,096,400	-	244,996,161	-
Less: accumulated depreciation	(53,707,037)	(24,969,349)	(22,379,476)	(402,007)	(101,457,869)	(972,554)
<b>Total noncurrent assets</b>	<b>94,640,239</b>	<b>39,156,196</b>	<b>85,008,378</b>	<b>647,051</b>	<b>219,451,864</b>	<b>771,376</b>
<b>Total assets</b>	<b>118,789,402</b>	<b>56,981,173</b>	<b>86,473,367</b>	<b>10,395,373</b>	<b>272,639,315</b>	<b>13,404,317</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred loss on refunding	-	-	251,230	-	251,230	-
Deferred outflows related to OPEB	6,907	7,284	5,787	4,607	24,585	9,005
Deferred outflows related to pension	333,058	424,007	232,129	221,710	1,210,904	339,018
<b>Total deferred outflows of resources</b>	<b>339,965</b>	<b>431,291</b>	<b>489,146</b>	<b>226,317</b>	<b>1,486,719</b>	<b>348,023</b>

Continued

Bay County, Florida  
Statement of Net Position (Continued)  
Proprietary Funds  
September 30, 2021

	Business-type Activities Enterprise Funds					Governmental
	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Services	Total	Activities Internal Service Funds
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Accounts payable and accrued liabilities	\$ 727,809	\$ 958,667	\$ 256,228	\$ 52,890	\$ 1,995,594	\$ 500,897
Due to other funds	2,404	6,489	3,487,014	1,786	3,497,693	2,286,068
Due to other governments	-	153,647	-	27,300	180,947	-
Accrued interest payable	139,261	91,244	103,416	515	334,436	694
Estimated liability for self insured losses, current	-	-	-	-	-	811,787
Accrued compensated absences, current	44,590	76,878	44,840	29,513	195,821	98,916
Capital leases payable, current	3,099	1,436	3,724	-	8,259	13,369
Notes payable, current	983,129	457,149	-	-	1,440,278	-
Bonds payable, current	1,960,000	695,000	3,289,000	-	5,944,000	-
<b>Total current liabilities</b>	<b>3,860,292</b>	<b>2,440,510</b>	<b>7,184,222</b>	<b>112,004</b>	<b>13,597,028</b>	<b>3,711,731</b>
<b>Noncurrent liabilities</b>						
Estimated liability for self insured losses, net	-	-	-	-	-	3,668,974
Customer deposits	-	1,141,078	166,684	211,731	1,519,493	-
Unearned revenue	-	3,700,498	-	-	3,700,498	-
Accrued compensated absences	69,762	123,103	63,639	49,450	305,954	174,790
Other postemployment benefits	226,078	163,930	170,889	170,413	731,310	132,207
Net pension liability	623,742	656,072	359,932	398,242	2,037,988	287,449
Capital leases payable, net	3,632	1,866	3,612	-	9,110	19,618
Notes payable, net	12,122,488	2,180,204	-	-	14,302,692	-
Bonds payable, net	23,658,564	25,022,818	22,101,000	-	70,782,382	-
Landfill postclosure liability	-	-	10,324,225	-	10,324,225	-
<b>Total noncurrent liabilities</b>	<b>36,704,266</b>	<b>32,989,569</b>	<b>33,189,981</b>	<b>829,836</b>	<b>103,713,652</b>	<b>4,283,038</b>
<b>Total liabilities</b>	<b>40,564,558</b>	<b>35,430,079</b>	<b>40,374,203</b>	<b>941,840</b>	<b>117,310,680</b>	<b>7,994,769</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred gain on refunding	706,851	245,214	-	-	952,065	-
Deferred inflows related to pension	679,908	1,277,623	820,256	691,700	3,469,487	1,771,535
Deferred inflows related to OPEB	153,246	308,457	180,615	149,278	791,596	364,023
<b>Total deferred inflows of resources</b>	<b>1,540,005</b>	<b>1,831,294</b>	<b>1,000,871</b>	<b>840,978</b>	<b>5,213,148</b>	<b>2,135,558</b>
<b>NET POSITION</b>						
Net investment in capital assets	39,133,931	(5,352,489)	51,370,839	256,240	85,408,521	738,389
Restricted for						
Debt service	4,852,874	2,505,890	321,424	-	7,680,188	-
Impact fees	10,884,552	4,941,863	-	-	15,826,415	-
Unrestricted	22,153,447	18,055,827	(6,104,824)	8,582,632	42,687,082	2,883,624
<b>Total net position (deficit)</b>	<b>\$ 77,024,804</b>	<b>\$ 20,151,091</b>	<b>\$ 45,587,439</b>	<b>\$ 8,838,872</b>	<b>\$ 151,602,206</b>	<b>\$ 3,622,013</b>

The accompanying notes are an integral part of the basic financial statements

Bay County, Florida  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
Year Ended September 30, 2021

	Business-type Activities Enterprise Funds				Total	Governmental
	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Services		Activities Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for services	\$ 16,838,892	\$ 13,561,300	\$ 11,376,795	\$ 3,938,803	\$ 45,715,790	\$ 12,793,015
Miscellaneous	6,073	212,801	134,317	165,692	518,883	62,218
<b>Total operating revenues</b>	<b>16,844,965</b>	<b>13,774,101</b>	<b>11,511,112</b>	<b>4,104,495</b>	<b>46,234,673</b>	<b>12,855,233</b>
<b>OPERATING EXPENSES</b>						
Personal services	1,546,351	3,042,678	1,594,301	1,361,859	7,545,189	3,313,121
Contracted services	1,584,208	1,989,593	4,752,166	804,720	9,130,687	370,726
Repairs and maintenance	734,619	671,565	717,690	13,846	2,137,720	1,181,123
Utilities	1,996,465	327,802	402,203	-	2,726,470	370,902
Depreciation	4,819,242	1,701,479	4,116,087	48,054	10,684,862	155,907
Materials	-	-	-	-	-	1,738,223
Insurance claims	-	-	-	-	-	795,286
Other operating expenses	4,671,265	4,219,186	2,048,327	155,902	11,094,680	4,982,320
<b>Total operating expenses</b>	<b>15,352,150</b>	<b>11,952,303</b>	<b>13,630,774</b>	<b>2,384,381</b>	<b>43,319,608</b>	<b>12,907,608</b>
Operating income (loss)	1,492,815	1,821,798	(2,119,662)	1,720,114	2,915,065	(52,375)
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenues-grants	272,463	68,723	-	-	341,186	20,404
Investment earnings (loss)	66,273	456,433	(80,449)	26,579	468,836	103,139
Interest and fiscal charges	(1,220,282)	(1,082,862)	(1,481,156)	(4,064)	(3,788,364)	(24,179)
Taxes	-	-	1,100	-	1,100	-
Gain(Loss) on disposal of capital assets	(2,647)	-	-	-	(2,647)	-
Insurance proceeds	-	-	9,909	-	9,909	-
<b>Total nonoperating revenues (expenses)</b>	<b>(884,193)</b>	<b>(557,706)</b>	<b>(1,550,596)</b>	<b>22,515</b>	<b>(2,969,980)</b>	<b>99,364</b>
Income (loss) before capital contributions and transfers	608,622	1,264,092	(3,670,258)	1,742,629	(54,915)	46,989
Capital contributions	1,990,340	2,454,607	-	-	4,444,947	-
Transfers in	9,078,073	1,479,984	162,681,312	735,292	173,974,661	6,418,639
Transfers out	(1,842,145)	(885,609)	(165,049,654)	(126,354)	(167,903,762)	(39,567,319)
<b>Change in net position</b>	<b>9,834,890</b>	<b>4,313,074</b>	<b>(6,038,600)</b>	<b>2,351,567</b>	<b>10,460,931</b>	<b>(33,101,691)</b>
Total net position - beginning (as originally stated)	67,189,914	16,443,867	50,960,885	6,487,305	141,081,971	36,346,407
Restatement and/or prior period adjustment	-	(605,850)	665,154	-	59,304	377,297
<b>Total net position (deficit) - beginning</b>	<b>67,189,914</b>	<b>15,838,017</b>	<b>51,626,039</b>	<b>6,487,305</b>	<b>141,141,275</b>	<b>36,723,704</b>
<b>Total net position (deficit) - ending</b>	<b>\$ 77,024,804</b>	<b>\$ 20,151,091</b>	<b>\$ 45,587,439</b>	<b>\$ 8,838,872</b>	<b>\$ 151,602,206</b>	<b>\$ 3,622,013</b>

The accompanying notes are an integral part of the basic financial statements

Bay County, Florida  
Statement of Cash Flows  
Proprietary Funds  
Year Ended September 30, 2021

	Business-type Activities Enterprise Funds					Governmental
	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Services	Total	Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 19,298,638	\$ 13,780,076	\$ 38,685,483	\$ 3,911,987	\$ 75,676,184	\$ 13,266,439
Cash received from miscellaneous operating activities	6,073	212,801	134,317	165,693	518,884	62,218
Cash paid to suppliers for goods and services	(9,613,918)	(7,355,572)	(6,381,487)	(1,012,637)	(24,363,614)	(11,998,921)
Cash paid to employees for services	(1,630,241)	(3,201,965)	(1,697,678)	(1,452,383)	(7,982,267)	(3,473,621)
Net cash provided by (used in) operating activities	8,060,552	3,435,340	30,740,635	1,612,660	43,849,187	(2,143,885)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	6,174,397	1,343,270	162,681,312	735,292	170,934,271	6,357,579
Transfers out	(1,842,145)	(885,609)	(165,049,654)	(126,354)	(167,903,762)	(39,527,797)
Advances to/from other funds - payments received from (made to) other funds	-	-	-	56,630	56,630	-
Taxes received	-	-	1,100	-	1,100	-
Contributions received	272,463	68,723	-	-	341,186	20,404
Net cash provided by (used in) noncapital financing activities	4,604,715	526,384	(2,367,242)	665,568	3,429,425	(33,149,814)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Interest paid on long-term debt	(1,756,487)	(1,116,117)	(1,404,839)	(4,336)	(4,281,779)	(25,837)
Principal paid on long-term debt	(2,824,362)	(1,124,407)	(2,420,000)	(317,370)	(6,686,139)	(10,105)
Proceeds from long-term debt	6,486	53,651	20,340,000	-	20,400,137	-
Capital contributions received	1,990,340	2,454,607	-	-	4,444,947	-
Insurance proceeds	-	-	9,909	-	9,909	-
Proceeds from sale of capital assets	43,244	-	10,539	21,381	75,164	-
Purchase of capital assets	(1,188,453)	(213,592)	(5,356,531)	(245,463)	(7,004,039)	(178,747)
Cash paid for transfer of related debt to Hurricane Michael Fund	(2,158,305)	(449,006)	(55,439,221)	-	(58,046,532)	(965,384)
Net cash provided by (used in) capital and related financing activities	(5,887,537)	(394,864)	(44,260,143)	(545,788)	(51,088,332)	(1,180,073)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale and maturities of investment securities	20,291,980	12,348,379	28,107,326	5,542,634	66,290,319	57,014,550
Purchase of investments	(26,345,989)	(16,034,464)	(12,916,128)	(7,057,408)	(62,353,989)	(22,264,760)
Return of investment	-	158,663	-	-	158,663	-
Interest and dividends on investments	136,792	164,757	73,775	38,799	414,123	145,846
Collections on loans	119,629	392,918	-	-	512,547	-
Net cash provided by (used in) investing activities	(5,797,588)	(2,969,747)	15,264,973	(1,475,975)	5,021,663	34,895,636
Net change in cash and cash equivalents	980,142	597,113	(621,777)	256,465	1,211,943	(1,578,136)
Cash and cash equivalents - beginning	1,460,344	892,060	1,179,871	394,243	3,926,518	2,244,372
Cash and cash equivalents - ending	\$ 2,440,486	\$ 1,489,173	\$ 558,094	\$ 650,708	\$ 5,138,461	\$ 666,236
Classified as						
Current assets	\$ 1,409,534	\$ 926,633	\$ 1,500	\$ 636,830	\$ 2,974,497	\$ 666,236
Restricted assets	1,030,952	562,540	556,594	13,878	2,163,964	-
Total	\$ 2,440,486	\$ 1,489,173	\$ 558,094	\$ 650,708	\$ 5,138,461	\$ 666,236
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>						
Assets acquired via lease	\$ 3,243	\$ 2,162	\$ -	\$ -	\$ 5,405	\$ 22,233
Assets acquired via transfers	\$ 2,903,676	\$ 136,714	\$ -	\$ -	\$ 3,040,390	\$ 61,060

Continued

The accompanying notes are an integral part of the basic financial statements

Bay County, Florida  
Statement of Cash Flows (Continued)  
Proprietary Funds  
Year Ended September 30, 2021

	Business-type Activities Enterprise Funds				Total	Governmental
	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Services		Activities Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME</b>						
<b>(LOSS) TO NET CASH PROVIDED BY (USED IN)</b>						
<b>OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 1,492,815	\$ 1,821,798	\$ (2,119,662)	\$ 1,720,114	\$ 2,915,065	\$ (52,375)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	4,819,242	1,701,479	4,116,087	48,054	10,684,862	155,907
(Increase) decrease in assets						
Accounts receivable, net	660,566	(133,946)	944,852	(19,108)	1,452,364	(167,803)
Prepaid expenses	-	-	-	-	-	822,674
Inventory	(129,874)	(273,950)	-	-	(403,824)	-
Due from other funds	(4,649)	(81,290)	202,454	14,115	130,630	574,403
Due from other governments	1,803,829	536,136	26,159,631	14,525	28,514,121	66,642
Increase (decrease) in liabilities						
Accounts payable and accrued expenses	(491,360)	205,379	(2,221,894)	(38,167)	(2,546,042)	(450,636)
Unearned revenues	-	(373,023)	-	-	(373,023)	-
Due to other funds	(6,127)	(425)	3,486,346	501	3,480,295	(2,879,730)
Due to other governments	-	(78,430)	-	(502)	(78,932)	-
Customer deposits	-	270,899	1,638	(36,348)	236,189	-
Accrued compensated absences	1,124	8,171	1,532	(2,946)	7,881	16,888
Other postemployment benefits	8,944	21,754	11,876	9,916	52,490	25,443
Net pension liability	(847,564)	(1,635,572)	(1,037,839)	(867,385)	(4,388,360)	(2,281,277)
Landfill postclosure liability	-	-	274,447	-	274,447	-
(Increase) decrease in deferred outflows related to pension	150,271	289,983	184,006	153,785	778,045	404,465
(Increase) decrease in deferred outflows related to OPEB	(704)	(1,711)	(934)	(780)	(4,129)	(2,001)
Increase in deferred inflows related to OPEB	(15,011)	(36,513)	(19,932)	(16,641)	(88,097)	(42,702)
Decrease in deferred inflows related to pension	619,050	1,194,601	758,027	633,527	3,205,205	1,666,217
<b>Total adjustments</b>	<b>6,567,737</b>	<b>1,613,542</b>	<b>32,860,297</b>	<b>(107,454)</b>	<b>40,934,122</b>	<b>(2,091,510)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 8,060,552</b>	<b>\$ 3,435,340</b>	<b>\$ 30,740,635</b>	<b>\$ 1,612,660</b>	<b>\$ 43,849,187</b>	<b>\$ (2,143,885)</b>



Bay County, Florida  
Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2021

Custodial Funds

<b>ASSETS</b>	
Cash and cash equivalents	\$ 14,151,230
Accounts receivable, net	46
<hr/>	
Total assets	\$ 14,151,276
<hr/>	
<b>LIABILITIES</b>	
Deposits	\$ 2,010,990
Due to others	779,553
Due to other governments	2,579,774
<hr/>	
Total liabilities	\$ 5,370,317
<hr/>	
<b>NET POSITION</b>	
Restricted	
Held for others	\$ 8,780,959
<hr/>	
Total net position	\$ 8,780,959
<hr/>	

Bay County, Florida  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the year ended September 30, 2021

	Custodial Funds
<b>Additions</b>	
Funds held for others	\$ 112,129,623
Court costs	35,967
Property taxes collected for other governments	246,272,680
Seizures	616,588
Bonds, purges, and levies	82,407
Total additions	\$ 359,137,265
<b>Deductions</b>	
Funds held for others	109,072,901
Court costs	13,644
Property taxes distributed to other governments	246,272,680
Seizures	273,782
Bonds, purges, and levies	88,196
Total deductions	\$ 355,721,203
Changes in Net Position	\$ 3,416,062
Net position - beginning of year, as originally stated	-
Prior period adjustment	\$ 17,054
Restatement	5,347,843
Net position - beginning of year, as restated	\$ 5,364,897
Net position - end of year	\$ 8,780,959

The accompanying notes are an integral part of the basic financial statements

Bay County, Florida  
Statement of Net Position - Discretely Presented Component Units  
September 30, 2021

	Component Units				Total
	Panama City Beach Convention and Visitors Bureau, Inc.	Mexico Beach Community Development Council, Inc.	Panama City Community Development Council, Inc.	Bay County Transportation Planning Organization	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,746,514	\$ 21,548	\$ 451,783	\$ 33,674	\$ 5,253,519
Investments	-	-	-	480,060	480,060
Accounts receivable, net	172,275	-	-	9,721	181,996
Due from other governments	-	-	-	1,810,645	1,810,645
Prepaid expenses	347,536	2,278	29,500	5,594	384,908
Inventory	10,748	-	-	-	10,748
Other postemployment assets	-	-	-	6,302	6,302
Due from primary government	1,503,138	3,303	116,649	-	1,623,090
Restricted assets					
Cash and cash equivalents	-	-	-	52	52
Investments	-	-	-	742	742
Capital assets					
Nondepreciable	-	-	-	807,600	807,600
Depreciable, net	125,930	4,327	1,371,295	6,420,852	7,922,404
Total assets	6,906,141	31,456	1,969,227	9,575,242	18,482,066
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources - other postemployment benefits	4,031	534	-	973	5,538
Total deferred outflows of resources	4,031	534	-	973	5,538
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	1,911,771	5,334	65,883	378,972	2,361,960
Due to primary government	250,000	-	100,000	63	350,063
Unearned revenues	503,738	2,278	29,500	5,042	540,558
Accrued interest payable	-	-	-	1,072	1,072
Long-term liabilities					
Due within one year					
Accrued compensated absences	-	-	-	10,727	10,727
Notes payable	-	-	47,330	-	47,330
Due in more than one year					
Accrued compensated absences	-	-	-	13,138	13,138
Other postemployment benefits	105,790	6,802	-	-	112,592
Notes payable	-	-	-	689,828	689,828
Total liabilities	2,771,299	14,414	242,713	1,098,842	4,127,268
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - other postemployment benefits	136,525	11,422	-	34,060	182,007
Total deferred inflows of resources	136,525	11,422	-	34,060	182,007
<b>NET POSITION</b>					
Net investment in capital assets	125,930	4,327	1,371,295	6,538,624	8,040,176
Restricted for					
Debt service	-	-	-	794	794
Unrestricted	3,876,418	1,827	355,219	1,903,895	6,137,359
Total net position	\$ 4,002,348	\$ 6,154	\$ 1,726,514	\$ 8,443,313	\$ 14,178,329

The accompanying notes are an integral part of the basic financial statements

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	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
<b>Component Units</b>				
Panama City Beach Convention and Visitors Bureau, Inc.	\$ 13,072,272	\$ 13,875,781	\$ 98,241	\$ -
Mexico Beach Community Development Council, Inc.	447,644	160,759	-	-
Panama City Community Development Council, Inc.	973,327	2,317,600	-	-
Bay County Transportation Planning Organization	5,950,742	486,258	4,899,197	741,980
<b>Total component units</b>	<b>\$ 20,443,985</b>	<b>\$ 16,840,398</b>	<b>\$ 4,997,438</b>	<b>\$ 741,980</b>

General revenues  
     Investment earnings  
     Miscellaneous  
     Total general revenues  
  
 Change in net position  
 Net position - beginning  
 Net position - ending

Bay County, Florida  
Statement of Activities - Discretely Presented Component Units  
Year Ended September 30, 2021

Net (Expenses) Revenues and Changes in Net Position				
Component Units				
Panama City Beach Convention and Visitors Bureau, Inc.	Mexico Beach Community Development Council, Inc.	Panama City Community Development Council, Inc.	Bay County Transportation Planning Organization	Total
\$ 901,750	\$ -	\$ -	\$ -	\$ 901,750
-	(286,885)	-	-	(286,885)
-	-	1,344,273	-	1,344,273
-	-	-	176,693	176,693
901,750	(286,885)	1,344,273	176,693	2,135,831
9,118	147	419	1	9,685
-	179,590	-	536,181	715,771
9,118	179,737	419	536,182	725,456
910,868	(107,148)	1,344,692	712,875	2,861,287
3,091,480	113,302	381,822	7,730,438	11,317,042
\$ 4,002,348	\$ 6,154	\$ 1,726,514	\$ 8,443,313	\$ 14,178,329

The accompanying notes are an integral part of the basic financial statements

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Bay County, Florida (County) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

The County is a political subdivision of the State of Florida, established under the legal authority of the state's constitution, and operates under an elected legislative body consisting of five commissioners who are governed by state statutes and regulations. The County provides the following services to its residents: general government, public safety, physical environment, human services, transportation, economic environment and culture and recreation. In addition, the County operates water and sewer systems, sanitation, solid waste, building services, and emergency medical services. The Law Library is accounted for within the general fund.

### **Reporting Entity**

The Bay County Board of County Commissioners (Board) and the offices of the Clerk of Court and Comptroller, Sheriff, Supervisor of Elections, Tax Collector and Property Appraiser are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. The office of the Tax Collector operates on a fee system, whereby the officer retains fees, commissions and other revenue to pay all operating expenditures, including statutory compensation. Any excess income is remitted to the Board after the end of the fiscal year. The offices of the Sheriff, Supervisor of Elections, Clerk of Court and Comptroller and the Property Appraiser operate on a budget system, whereby County appropriated funds are received from the Board and any unexpended appropriations at the end of the year are required to be returned to the Board.

The accompanying financial statements present the County (as the primary government composed of the Board and Constitutional Officers) and its component units, entities for which the County is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. The accounting policies of the County conform to GAAP as applied to governmental units. The more significant accounting policies used by the County are described below.

In evaluating the County as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the GASB Codification.

### **Discretely Presented Component Units**

Discretely presented component units are reported in the statement of net position and activities – discretely presented component units financial statements to emphasize that they are legally separate from the County. The following are discretely presented component units of the County:

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Panama City Beach Convention and Visitors Bureau, Inc. (Bureau) is a nonprofit corporation organized in accordance with the provisions of Chapter 617, *Florida Statutes*, whose purpose is to provide support for the Bay County Tourist Development Council, the Board of County Commissioners of Bay County, Florida, and where not in conflict with those two, the City of Panama City Beach, Florida. Its capital assets are the property of the County and are included in the County's capital assets. The Bureau is presented as a discretely presented component unit with a fiscal year end of September 30. Complete financial statements for the Bureau may be obtained from the Bay County Finance Office at P.O. Box 2269, Panama City, Florida 32402.

The Bay County Tourist Development Council board members are each appointed as members of the Bureau's governing body. The majority of the Bay County Tourist Development Council board members are appointed by the Bay County Board of County Commissioners. The Board has the ability to appoint, hire, reassign or dismiss persons responsible for the Bureau's operations. Because the County appoints a voting majority and is able to impose its will on and is obligated to provide specific financial benefits to the Bureau, the Bureau is considered a component unit and the discrete presentation method has been used to report the Bureau's financial position and results of operations.

The Mexico Beach Community Development Council, Inc. (Mexico Beach CDC) is organized in accordance with provisions of Chapter 617, *Florida Statutes*, as a nonprofit corporation whose purpose is to provide support for the Bay County Tourist Development Council, the Board of County Commissioners of Bay County, Florida, and where not in conflict with those two, the City of Mexico Beach, Florida. Its capital assets are the property of the County and are included in the County's capital assets. The Mexico Beach CDC is presented as a discretely presented component unit with a fiscal year of September 30. Complete financial statements for the Mexico Beach CDC may be obtained from the Bay County Finance Office at P.O. Box 2269, Panama City, Florida 32402.

The Board has the authority to appoint a voting majority of the Mexico Beach CDC's governing body, and to remove appointed members. The County is also legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the Mexico Beach CDC. Because the County appoints a voting majority and is able to impose its will on and is obligated to provide specific financial support to the Mexico Beach CDC, the Mexico Beach CDC is considered a component unit and the discrete presentation method has been used to report the Mexico Beach CDC's financial position and results of operations.

The Panama City Community Development Council, Inc. (Panama City CDC) is organized in accordance with provisions of Chapter 617, *Florida Statutes*, as a nonprofit corporation whose purpose is to provide support for the Bay County Tourist Development Council, the Board of County Commissioners of Bay County, Florida, and where not in conflict with those two, the City of Panama City, Florida. The Panama City CDC is presented as a discretely presented component unit with a fiscal year of September 30. Complete financial statements for the Panama City CDC may be obtained from the Bay County Finance Office at P.O. Box 2269, Panama City, Florida 32402.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Board has the ability to provide ongoing accountability to the Panama City CDC. The County is also legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the Panama City CDC.

Because the County has the ability to provide ongoing accountability and is able to impose its will on and is obligated to provide specific financial support to the Panama City CDC, the Panama City CDC is considered a component unit and the discrete presentation method has been used to report the Panama City CDC's financial position and results of operations.

The Bay County Transportation Planning Organization (TPO) is an intergovernmental organization organized in accordance with the provisions of 23 CFR Part 450, 23 CFR Part 771, and Chapter 339, *Florida Statutes* to establish a cooperative, comprehensive, and continuing planning process. The board is comprised of local government officials, including Bay County and local Bay County municipal officials, who make decisions regarding transportation at a regional level. Effective fiscal year ending September 30, 2021, it was determined that the TPO was fiscally dependent and provided a financial burden to Bay County and therefore would be presented as a component unit of Bay County. The TPO does not issue its own financial statements. Fund financial statements of the TPO are included as supplementary information.

**Blended Component Units**

Blended component units are legally separate entities but are in substance, part of the government's operations and data from these units are combined with data of the primary government. There are no blended component units included in the County's financial reporting entity.

**Measurement Focus and Basis of Accounting**

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

**Government-wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government, as well as its discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry, if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liabilities, rather than as expenditures. As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements. The County eliminates indirect expenses between governmental activities to avoid duplicating revenues and expenditures. Direct expenses are not eliminated from the various functional categories.

**Fund Financial Statements**

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for custodial funds.

**Governmental Funds**

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as with accrual accounting. Franchise fees, licenses, sales & gas and various other taxes, operating and

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

capital grants, 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. All other revenue items are considered to be measurable only when cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources.” Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Proprietary Funds**

The County’s enterprise funds and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Basis of Presentation**

GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and proprietary combined) for the determination of major funds. The County has used GASB criteria for major fund determination to determine which funds are required to be reported as major funds, except for the building services and emergency medical services funds which the County elected to report as major funds as permitted by GASB. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

### **Governmental Major Funds**

*General fund* – The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those accounted for in another fund.

*Tourist Development fund* – The Tourist Development Fund is used to account for the local option sales and use tourism tax, which is utilized to promote tourism in the County and maintain and protect the beaches of the County. Financing is provided principally by local option tourist development taxes.

*Transportation fund* – The Transportation Fund is used to account for the operations of the road, bridge and stormwater departments. Financing is provided principally by ad valorem taxes, gasoline taxes and stormwater assessments.

*Hurricane Michael fund* – The Hurricane Michael Fund is used to record all grant related revenues and expenditures related to Hurricane Michael. Financing is provided principally by federal and state grant revenues for Hurricane Michael recovery.

### **Proprietary Major Funds**

*Wholesale Water System fund* – This fund is used to account for activities related to the operations of the County's wholesale water system.

*Retail Water and Wastewater fund* – This fund is used to account for activities related to the County's retail water and sewer operations.

*Solid Waste fund* – This fund is used to account for activities related to solid waste collection within the County.

*Building Services fund* – This fund is used to account for the operations of the building department which is financed by fees from permits, licenses and inspections.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Other Fund Types**

*Internal Service funds* – Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis. The services provided by these funds are facilities, lab, purchasing, workers' compensation, insurance and utilities administration.

*Fiduciary funds* – Fiduciary funds are used to account for assets held by the County as a custodian for individuals, private organizations, and other governments. The assets are held and disbursed for fines and forfeitures collected pursuant to law, collections related to property foreclosures, documentary stamps and intangible taxes remitted to the State, and other miscellaneous funds collected on behalf of individuals and organizations. Fiduciary funds are accounted for using the accrual basis of accounting.

**Noncurrent Governmental Assets/Liabilities**

GASB requires noncurrent governmental assets, such as land, buildings and equipment and noncurrent governmental liabilities, such as general obligation bonds and capital leases, to be reported in the governmental activities column in the government-wide statement of net position.

**Budgetary Information**

Annual budgets are legally adopted for all governmental funds, except those indicated in note 3, and all proprietary funds. Budgets are prepared and adopted on a basis of accounting consistent with GAAP, except as described in note 3. All annual appropriations lapse at fiscal year-end.

The annual budgets serve as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each fund. All budget amendments, which change the legally adopted total appropriation for a fund, are approved by the Board.

Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. Therefore, the fund level is the legal level of control for budget considerations. Chapter 129, Florida Statutes, governs the manner in which the budget may be legally amended once it has been approved. Pursuant to Chapter 129, only the Board can approve budget amendments that change the total approved budget appropriation of an individual fund.

If during the fiscal year additional revenue becomes available for appropriations in excess of those estimated in the budget, the Board by resolution may make supplemental appropriations for the year up to the amount of such excess. During the current fiscal year, various supplemental appropriations were approved by the Board.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budgetary data presented in the accompanying basic financial statements in the final budgeted amounts column represents the final budgetary data. In this column, the effects of budget amendments have been applied to original budgetary data.

For the year ended September 30, 2021, expenditures exceeded appropriations in the Hurricane Michael fund by \$37,224,867.

**Cash and Cash Equivalents**

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

**Investments**

Investments of the County are reported at fair value (generally based on quoted market prices) except for the position in the Goldman Sachs money market account and the position in the Local Government Surplus Funds Trust Fund (pool), hereinafter Florida PRIME, administered by the State of Florida State Board of Administration (SBA). This external investment pool has adopted operating procedures consistent with the requirements of GASB 79 and the fair value of the assets in the pools are equal to the value of the pools' shares. Such investments are stated at amortized cost.

**Derivatives and Similar Debt and Investment Items**

The County has not directly or indirectly used or written any derivatives or similar debt and investment items during the current year. However, the County did have indirect exposure to similar debt and investment items through the investments held in the SBA.

Management has adhered to the County's investment policy requirements to monitor such investment activity on a periodic basis.

The articles of incorporation and the by-laws of the Bureau, the Mexico Beach CDC, and the Panama City CDC do not include investment policies.

**Accounts Receivable**

Water and sewer services are billed at various dates throughout the month. Special assessments due from property owners are recorded as receivables when the final assessment role is approved.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of September 30, 2021, the allowance for doubtful accounts in the general fund is \$39,113,600 and total accounts receivable for the fund is \$47,335,760. As of September 30, 2021, the accounts receivable of all other funds are considered collectible; as such, no allowance for doubtful accounts is recorded.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond September 30, 2021, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable, showing this amount is not in spendable form.

**Due to and Due from and Advances to/from Other Funds**

Interfund receivables and payables arise from interfund transactions for operating purposes and are recorded by all funds affected in the period in which transactions are executed. Long-term interfund loans are recorded as interfund advances to/from other funds. General Fund advances to other funds are reported as nonspendable fund balance unless the proceeds of the collection are restricted, committed, or assigned. In the other governmental funds, the proceeds are restricted, committed, or assigned and are reported in the corresponding fund balance classification.

**Inventory**

Inventory in the proprietary funds is valued at cost (first-in, first-out) and consists of inventory of supplies. Governmental fund inventory is valued at cost (first-in, first-out). The County accounts for governmental funds inventory using the consumption method.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, beach renourishment, water and sewer distribution systems and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County as assets with an individual cost of \$5,000 or more and an estimated useful life in excess of one year. For infrastructure assets the same estimated minimum useful life is used (in excess of one year), but only those infrastructure projects that cost more than \$100,000 are reported as capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Board holds legal title to the capital assets used in the operations of the Board, Clerk of Court and Comptroller, Property Appraiser, Supervisor of Elections and Tax Collector, and is accountable for them by Florida Law. The Sheriff is accountable for and maintains capital asset records pertaining only to equipment used in his operations. These assets have been combined with the Board’s governmental activities’ capital assets in the statement of net position.

Capital assets are stated at cost, except for donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement which are reported at acquisition value rather than fair value. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives are generally as follows:

Buildings	20-50 Years	Furniture and equipment	3-15 Years
Improvements	20-50 Years	Infrastructure	10-50 Years
Utility plants	35-50 Years	Books	5 Years

**Miscellaneous Revenue**

Miscellaneous revenue consist of various revenues including rental income, fees charged for nonrecurring services, donations, gifts and insurance proceeds. The General Fund’s miscellaneous revenue as of September 30, 2021 of \$5,779,999 consisted primarily of reimbursements from the Gulf Coast Children’s Advocacy Center of \$1,280,092 for grant expenses that the County funded prior to grant reimbursement, \$103,564 of Florida Blue Proshare 2018-2020 refund, \$362,248 of builder’s service contract contribution to code enforcement, \$535,120 of payments from the Statewide Medicaid Managed Care’s Public Emergency Transportation program, and \$507,390 of payments related to phone commissions for Bay County Sheriff’s Office Inmate Welfare fund. The MSTU Fire Protection Fund’s miscellaneous revenue of \$201,491 consisted primarily of various insurance proceeds in the amount of \$164,278. The Building Service Fund’s miscellaneous revenue of \$165,692 consisted primarily of various charges including credit card fees, copies, temporary power, etc. in the amount of \$141,437.

**Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.



## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

### **Capitalization of Interest**

Interest costs related to bond issues are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments in business-type activities. The County does not capitalize interest in governmental activities. For the year ended September 30, 2021, the County did not capitalize any interest cost.

### **Landfill Closure Costs**

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure, depending on the closure date. The County recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity used during the period. Required obligations for closure and post-closure costs are recognized in the Solid Waste Fund. See note 17 for further information on this contingency.

### **Unearned Revenues**

Unearned revenues reported in government-wide financial statements represent revenues received in advance of the earnings process. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, in accordance with the modified accrual basis of accounting.

### **Capital Contributions**

The capital contributions accounted for in the proprietary fund types represent contributions from other funds, developers, state and federal grant programs, and impact fees charged to new customers for their anticipated burden on the existing system. The contributions are reported after nonoperating revenues and expenses on the statement of revenues, expenses, and changes in net position.

### **Compensated Absences**

It is the County's policy to grant employees who resign or retire, payment of annual leave earned up to 240 hours and 318 hours, depending upon type of employment. The annual leave policy allows for full-time employees to accumulate 8 to 21 hours a month, depending on employment type. All part-time employees accumulate vacation leave at the same rate, prorated for hours actually worked.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The County's and Mexico Beach CDC's sick leave policy provides for all 40 hour week, full-time employees, to earn 8 hours of sick leave each month for a maximum of 96 hours per calendar year and 53 hour week, full-time employees, to earn 10.58 hours of sick leave each month for a maximum of 127 hours per calendar year. Part-time employees accumulate sick leave at the same rate, prorated for hours actually worked. All County employees who terminate employment with the County will forfeit all unused sick leave.

Employees hired before November 3, 1987, who retire under the County's retirement plan will be paid for the lesser of the amount of sick leave at the time of retirement or the amount of sick leave accumulated as of November 3, 1987, not to exceed 480 hours.

An accrual has been made in the accompanying financial statements for the lesser of sick leave hours at November 3, 1987, or current sick leave hours, calculated at the current hourly wage for these employees. Any employees hired after November 3, 1987, will not be eligible for payment of unused sick leave upon retirement.

It is the Bay County Supervisor of Elections' policy to grant employees who resign or retire payment of paid time off hours earned up to 480 hours, based on a payout service schedule and the availability of the budget. The paid time off policy allows for full-time employees to accumulate 13 to 21 hours a month depending on the length of service. Part-time and temporary employees are not eligible for paid time off.

It is the Bay County Clerk of Court and Comptroller's policy to grant paid absences for paid time off. Employees are permitted to accumulate up to 480 hours of earned, but unused, paid time off benefits, which will be paid to employees in good standing upon termination, based on a payout service schedule. The paid time off policy allows for full-time employees to accumulate 13 to 21 hours a month depending on the length of service.

It is the Bay County Property Appraiser's policy to grant employees who leave in good standing payment for up to 500 hours of earned, unused paid time off. The paid time off policy allows for full-time employees to accumulate 16 to 20 hours a month, depending on the length of service. Eligible part-time employees earn a prorated amount of leave.

It is the Bay County Tax Collector's policy to grant employees who leave in good standing payment for up to 240 hours of earned, unused paid time off. The paid time off policy allows for full-time employees to accumulate 13 to 22 hours a month, depending on the length of service. Eligible part-time employees earn a prorated amount of leave.

It is the Sheriff's policy to provide vacation and sick leave. A limited amount of accumulated sick leave is paid upon termination of employment with the Sheriff, to those employees that are retiring after at least six years of employment or have been employed a minimum of ten years and meet certain criteria. Employees may accrue compensatory time for overtime worked up, to a maximum of 240 hours. Upon termination or retirement, unused compensatory time is paid at the employees' regular pay rate.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The vacation leave policy of the Panama City Beach Convention and Visitors Bureau, Inc. provides for all full-time employees to earn between 12 and 18 hours of vacation leave each month, depending upon the type of employment, for a maximum of 216 hours per calendar year, part-time employees accumulate vacation leave at the same rate prorated for hours actually worked. Vacation time earned, but not used, is accrued by the Bureau up to 240 hours per employee. All unused sick leave is forfeited at termination of employment, therefore no amount is accrued.

The vacation leave policy of the Panama City CDC provides for all full-time employees to earn between 10 and 18 hours of vacation leave each month, depending upon the type of employment, for a maximum of 216 hours per calendar year, part-time employees accumulate vacation leave at the same rate prorated for hours actually worked. Vacation time earned, but not used, is accrued by the Council up to 240 hours per employee. All unused annual leave is forfeited at termination of employment, therefore no amount is accrued.

Governmental fund types accrue benefits in the period they are earned; however, only the current portion of the accrued benefits is recorded in the governmental fund types. The long-term portion is recorded in the long-term liabilities in the government-wide presentation.

Estimated accrued compensated absences amounts for governmental funds represent a reconciling item between the fund and government-wide presentations. The liability for compensated absences is reported in the statement of net position.

**Deferred Outflows, Deferred Inflows, and Net Position**

GASB statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and this standard renamed the components of net position which were previously considered net assets.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The County reports three categories of net position, as follows:

*Net investment in capital assets* – This category consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

*Restricted net position* – Net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or creditors, grantors, contributors, or enabling legislation. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Unrestricted net position* – This category consists of all other net position that does not meet the definition of the above two components and is available for general use by the County.

### **Deferred Outflows/Inflows of Resources**

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

The County currently has deferred inflows/outflows that qualify for reporting in these categories. It includes the deferred charge (loss/gain) on refunding reported in the government-wide statement of net position and the statement of net position for proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition, the County records deferred inflows/outflows to their net pension liability and other postemployment benefit obligations, additional information related to these deferred outflow/inflows are included in note 10 and 11.

### **Fund Balance**

Fund balance flow assumptions – Sometimes the County will fund outlays for a particular purpose 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 County’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 County 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)**

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

*Nonspendable* – 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. The nonspendable fund balance as of September 30, 2021, is \$993,036.

*Restricted* – 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. The restricted fund balance as of September 30, 2021, is \$196,445,481.

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County’s highest level of decision-making authority. The Board is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There are no committed funds as of September 30, 2021.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance department to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. 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. The assigned fund balance as of September 30, 2021, is \$40,989,135.

*Unassigned* – Unassigned fund balance is the residual classification for the County’s fund balance. The unassigned fund balance as of September 30, 2021, is \$46,840,179. The general fund is the only fund that can report a positive unassigned balance. It would be inappropriate for other funds to report a positive unassigned balance. However, if expenditures are incurred for a specific purpose that exceed the amounts that are restricted, committed or assigned, they may report a negative unassigned balance.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ significantly from those estimates.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Other Postemployment Benefits Liability**

For purposes of measuring the net other postemployment benefits (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. The County has a single employer OPEB plan. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

### **Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 29, 2022, and determined there were no events that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

In fiscal year 2021, 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. The implementation of this statement resulted in changes to the County's financial statements, see note 24.

In August 2018, 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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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. The implementation of this statement resulted in no changes to the County's 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, 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 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, 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, 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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In May 2020, 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, 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 are effective for fiscal years beginning after June 15, 2021.

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

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position:

The governmental funds balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, "Long-term liabilities,



**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(333,152,979) difference are as follows:

Bonds payable	\$	(84,570,954)
Notes payable		(188,875,218)
Capital leases payable		(2,404,068)
Other postemployment benefits		(12,327,803)
Net pension liability		(39,470,924)
Compensated absences		(5,504,012)
<hr/>		
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$	(333,152,979)

Deferred inflows and outflows related to the County's governmental activities are not reported as fund assets and liabilities. All assets and liabilities are reported in the statement of net position. The details of this \$47,815,557 difference are as follows:

Deferred outflows related to pension	\$	23,310,138
Deferred inflows related to pension		(66,949,727)
Deferred outflows related to OPEB		453,516
Deferred inflows related to OPEB		(6,252,540)
Deferred outflows related to loss on refunding		1,623,056
<hr/>		
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$	47,815,557

Another element of that reconciliation states, "Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds." The details of this \$358,433,709 difference are as follows:

Cost of capital assets	\$	630,455,067
Less: accumulated depreciation		(272,021,358)
<hr/>		
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$	358,433,709

Explanation of certain differences between the governmental fund statements of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenues, expenditures, and changes in fund balance includes a reconciliation between *net change in fund balance - total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures.

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$8,326,938 difference are as follows:

Capital outlay	\$	28,745,233
Depreciation expense		(20,418,292)
<hr/>		
Net adjustment to increase <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$	8,326,938

Another element of that reconciliation states, "The net effect of various transactions involving capital assets (i.e., sales, trade-ins, impairments, and donations) is a decrease net position." The details of this \$2,390,652 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	\$	(1,669,888)
Donations of capital assets, assets acquired via trade-ins or insurance proceeds, and transfers of capital assets from internal service funds increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	\$	4,060,540
<hr/>		
Net adjustments to decrease <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$	2,390,652

Another element of that reconciliation states, "The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$(6,020,156) difference are as follows:

Debt issued or incurred:		
Capital lease financing	\$	(1,095,940)
Note proceeds		(11,235,000)
Bond proceeds		(64,469,954)

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

Change in deferred charge on refunding	(148,655)
Principal repayments:	
Bonds	52,889,933
Notes	5,119,000
Capital leases	1,600,373
Payment to refunded bond escrow agent	11,320,087
<hr/>	
Net adjustment to decrease <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ (6,020,156)

Another element of that reconciliation states, "Some income (expenses) reported in the statement of activities do not require the use of current financial resources and therefore are not reported as income (expenditures) in governmental funds." The details of this \$8,194,769 difference are as follows:

OPEB expense	\$ (461,421)
Pension expenses	8,664,565
Compensated absences	(51,128)
Accrued interest	42,753
<hr/>	
Net adjustment to decrease <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ 8,194,769

**NOTE 3 – BUDGETS**

The County adopts budgets on a basis consistent with GAAP. The County is not required to adopt budgets for non major special revenue funds.

**Special Revenue Funds**

The following special revenue funds in the Sheriff's office were not budgeted:

- Crime Prevention Fund
- Law Enforcement Training Fund
- Special Law Enforcement Trust Fund
- Special Contribution Fund
- Chapter 705 Fund

**NOTE 3 – BUDGETS (Continued)**

The following special revenue funds in the Clerk’s office were not budgeted:

- Records Modernization – Court Fund
- Records Modernization – Records Fund
- Family Mediation Fund

The General Fund includes funds that are maintained as special revenue funds for accounting purposes, but do not meet the criteria for separate reporting in the fund financial statements. Therefore the budgetary comparison statement only includes the legally adopted budget for the general fund. The information below provides the reconciliation between the actual amounts on the budgetary basis reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund on page B-25 and the actual amounts on the GAAP basis for the general fund per the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds on page B-23.

Year ended September 30, 2021	General Fund Budgetary Basis	GAAP to Budget Differences Over (Under)	General Fund Actual Amounts GAAP Basis
<b>Revenues</b>			
Taxes	\$ 75,188,474	\$ -	\$ 75,188,474
Licenses and permits	4,509	-	4,509
Intergovernmental	46,839,243	5,028,864	51,868,107
Charges for services	18,639,910	83,927	18,723,837
Fines and forfeitures	626,258	-	626,258
Special assessments	-	54,060	54,060
Investment earnings	(65,967)	107,364	41,397
Contributions and donations	414,151	-	414,151
Miscellaneous	5,655,332	124,667	5,779,999
<b>Total revenues</b>	<b>147,301,910</b>	<b>5,398,882</b>	<b>152,700,792</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	22,246,589	1,357	22,247,946
Public safety	69,068,787	410,597	69,479,384
Physical environment	1,179,357	29,034	1,208,391
Economic environment	8,671,968	4,959,780	13,631,748
Human services	8,606,045	-	8,606,045
Culture and recreation	6,036,407	-	6,036,407

**NOTE 3 – BUDGETS (Continued)**

Capital outlay			
General government	1,383,779	-	1,383,779
Public safety	6,545,330	-	6,545,330
Physical environment	83,251	-	83,215
Culture and recreation	510,035	-	510,035
Debt service			
Principal	5,027,964	37,000	5,064,964
Interest and fiscal charges	2,324,411	4,778	2,329,189
Bond issuance costs	97,281	-	97,281
<b>Total expenditures</b>	<b>131,781,204</b>	<b>5,442,546</b>	<b>137,223,750</b>
Excess (deficit) of revenues over (under) expenditures	15,520,706	(43,664)	15,477,042
Other financing sources (uses)			
Transfer In	68,617,255	3,045	68,620,300
Transfers out	(77,292,166)	-	(77,292,166)
Issuance of debt	15,043,825	2,175	15,046,000
Issuance of refunding debt	11,235,000	-	11,235,000
Issuance of debt – capital leases	1,085,059	-	1,085,059
Payment to refunded bond escrow agent	(11,320,087)	-	(11,320,087)
Proceeds from sales of capital assets	88,774	-	88,774
<b>Total other financing sources (uses)</b>	<b>7,457,660</b>	<b>5,220</b>	<b>7,462,880</b>
<b>Net change in fund balance</b>	<b>\$ 22,978,376</b>	<b>\$ (38,444)</b>	<b>\$ 22,939,922</b>

**NOTE 4 – RESTRICTED ASSETS**

Certain assets of the various funds are required by resolution and ordinance to be set aside and used for specific purposes and are not available to be used for general operations. These assets consist of the following:

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 5,601,657	\$ 2,163,964	\$ 7,765,621
Investments	79,857,583	30,849,650	110,707,233
<b>Total</b>	<b>\$ 85,459,240</b>	<b>\$ 33,013,614</b>	<b>\$ 118,472,854</b>

**NOTE 4 – RESTRICTED ASSETS**

The following amounts are payable from restricted assets:

	Governmental Activities	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Services	Total
Customer deposits	\$ 43,891	\$ -	\$ 1,141,078	\$ 166,684	\$ 211,731	\$ 1,563,384
Accrued interest payable	921,607	130,108	83,481	42,246	-	1,177,442
Current maturities of bonds/notes	2,902,833	245,000	57,917	274,083	-	3,479,833
Total payable from restricted assets	\$ 3,868,331	\$ 375,108	\$ 1,282,476	\$ 483,013	\$ 211,731	\$ 6,220,659

**NOTE 5 – DEPOSITS AND INVESTMENTS**

*Deposit Policies* – The County’s cash and cash equivalents include cash on hand, demand deposits, and highly liquid debt instruments with original maturities of three months or less.

*Custodial Credit Risk of Deposits* – There is a risk that in the event of failure of the depository financial institution, the government will not be able to recover the deposits. All cash resources of the County are placed in banks which are qualified public depositories, as required by law (Florida Security for Public Deposits Act). Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that the County’s funds are entirely collateralized throughout the fiscal year. In the event of failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

*Investments Policies* – Florida Statutes, Section 218.415, authorizes the County to invest surplus funds in the following:

The Local Government Surplus Funds Trust Fund, hereinafter, Florida PRIME, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Florida Statutes, Section 163.01.

The Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Interest-bearing time deposits or savings accounts in state-certified qualified public depositories as defined in Florida Statutes, Section 280.02.

Direct obligations of the United States Treasury.

Federal agencies and instrumentalities.

**NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)**

Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et. seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

In addition, the County is authorized by law or by county ordinance to invest funds in the following securities:

Commercial Paper of U.S. Corporations having a rating of at least A-1, P-1, or F-1, by two (2) Nationally Recognized Statistical Rating Organizations (NRSROs).

Bankers' Acceptances that are eligible for purchase by the Federal Reserve Banks and have a Letter of Credit rating of A or better by any NRSRO.

Obligations, rated A3/A- or better by at least one (1) NRSROs, of any state and its various local governments.

Overnight repurchase agreements.

Corporate Debt Securities dollar denominated rated A3/A- or better by at least two (2) NRSROs.

U.S. Agency (FNMA, FHLMC and GNMA) Mortgage-Backed Securities including Collateralized Mortgage Obligations (CMOs), but excluding derivative mortgage securities, such as interest-only, principal-only, residuals and inverse floaters.

U.S. Small Business Association (SBA) government guaranteed securities.

Asset-Backed Securities (ABS) rated AA3/AA- or better by at least 2 NRSROs at the time of purchase.

*Interest Rate Risk* – In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting investments beyond one year to 25% of the investment portfolio. The weighted average maturity is disclosed in months in order to achieve this objective.

*Foreign Currency Risk* – The County had no investments exposed to any foreign currency risk during the period October 1, 2020 through September 30, 2021.

*Credit Risk* – The County has established an investment policy that all commercial paper purchased is required to be a rated investment as established by a nationally recognized statistical rating organization at the end of the fiscal year. The commercial paper listed below is from U.S. corporations and is denominated in U.S. currency.

**NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)**

As of September 30, 2021, the County had the following investments as rated by Standard and Poors, Moody's and/or Fitch Investor Services:

<b>Investment Type</b>	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (Months)</b>	<b>Rating (if applicable)</b>
U.S. Government Securities	5,904,315	5,891,784	41.57	TSY/TSY
Corporate Bonds	500,138	507,245	8.43	Aaa/AA+
Corporate Bonds	1,989,635	2,062,540	17.70	Aa2/AA
Corporate Bonds	2,326,327	2,397,682	11.53	Aa2/A+
Corporate Bonds	3,359,361	3,315,420	42.37	A2/A
Corporate Bonds	4,985,429	5,046,375	26.68	A2/A-
Corporate Bonds	5,017,603	5,001,266	31.11	Aa2/AA-
Corporate Bonds	2,453,554	2,438,955	51.20	Aa3/AA-
Commerical Paper	4,972,428	4,996,692	6.45	P-1/A-1+
Commerical Paper	1,998,334	1,998,483	6.67	P-1/A-1
Municipal Bonds	3,828,499	3,840,964	45.67	Aa3/AA
Municipal Bonds	1,621,493	1,626,407	32.97	Aa2/AAA
Municipal Bonds	2,513,118	2,524,225	4.13	AA1/AAA
Municipal Bonds	3,495,109	3,488,768	6.55	Aa1/AA+
Municipal Bonds	500,000	501,695	8.13	Aa1/N/A
Municipal Bonds	1,500,000	1,513,020	20.63	Aa3/A+
Municipal Bonds	4,647,672	4,604,862	33.33	N/A/AA
Municipal Bonds	1,700,000	1,704,390	17.21	Aa3/N/A
Municipal Bonds	1,009,229	1,011,840	36.57	Aa2/AA
Municipal Bonds	500,000	500,245	33.50	Aaa/AAA
Municipal Bonds	3,966,190	3,961,251	23.85	Aa2/AA+
Municipal Bonds	1,120,000	1,118,199	34.03	A1/N/A
Municipal Bonds	2,125,783	2,115,100	36.57	N/A/A-
Municipal Bonds	1,370,617	1,369,948	29.35	N/A/AA-
Municipal Bonds	1,000,000	997,585	29.46	N/A/A
Asset Back Securities	10,501,901	10,474,161	35.31	AGY/AA+
Asset Back Securities	2,500,000	2,493,900	32.80	AGY/AGY
FL Class	50,511,173	50,511,173	1.57	AAAm
	<u>127,917,908</u>	<u>128,014,175</u>		
<b>Investments Measured at Amortized Cost</b>				
Florida Prime (SBA)	217,561,580	217,561,580	1.63	AAAm
Goldman Sachs	72,968	72,968	1.23	Aaa-mf/AAAm
Total investments valued at amortized cost	<u>217,634,548</u>	<u>217,634,548</u>		
<b>Total investments</b>	<u><u>345,552,456</u></u>	<u><u>345,648,723</u></u>		



**NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)**

The investment information above includes investments held by the County for the Bay County Transportation Planning Organization in the amount of \$480,802.

The County categorized their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The County has the following recurring fair value measurements as of September 30, 2021:

	Fair Value	Level 1	Level 2	Net Asset Value
<b>Investments, at fair value</b>				
Asset-Backed Securities	\$ 12,968,061	\$ -	\$ 12,968,061	\$ -
U.S. Treasury	5,891,784	5,891,784	-	-
Corporate Bonds	20,769,483	20,262,238	507,245	-
Municipal Bonds	30,878,499	-	30,878,499	-
Commercial Paper	6,995,175	-	6,995,175	-
FLCLASS	50,511,173	-	-	50,511,173
<hr/>				
Total Investments, at fair value	\$ 128,014,175	\$ 26,154,022	\$ 51,348,980	\$50,511,173

*Level 1* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

*Level 2* Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are observable for the asset or liability; or
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of September 30, 2021, the County had two investments stated at amortized cost in accordance with GASB 79 in the amount of \$217,561,580 and \$72,968 with Florida Prime and Goldman Sachs, respectively.

**NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)**

Investments are stated at amortized cost in accordance with GASB 79. Per GASB 79, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool’s authority to impose liquidity fees or redemption gates) in notes to the financial statements. Financial statements on the Florida PRIME Fund and the Goldman Sachs Fund may be obtained online at [www.sbafla.com](http://www.sbafla.com) and [www.gsam.com](http://www.gsam.com), respectively.

For SBA investment, Chapter 218.409(8)(a), Florida Statutes, states, “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

For the Goldman Sachs investment, its market portfolio comprises U.S. Government and U.S. Treasury securities including bills, bonds, notes, and repurchase agreements. The money market portfolio is structured to maximize current income to the extent consistent with the preservation of capital while also maintaining liquidity by investing exclusively in high quality money market instruments. The portfolio is invested in at least 99.5% of total assets in cash, U.S. Government Securities, and/or repurchase agreements that are collateralized fully by cash or U.S. Government Securities.

As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value for either the Florida Prime investments or Goldman Sachs investments.

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool created under the laws of Florida to provide eligible units of local government the option to invest in a fund with an investment portfolio structured to maintain safety of principal and liquidity over return. The trust is administered by Public Trust Advisors, LLC and

**NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)**

an appointed Board of Trustees. This investment pool is measured at the Stable Net Asset Value and is rated AAAM by Standard & Poors. The Net Asset Value is \$50,511,173 and the weighted average maturity for the portfolio is 1.57 months as of September 30, 2021.

*Concentration of Credit Risk* – The County limits investments in commercial paper to 30% of the total investment portfolio and 5% of the total investment portfolio per issuer. The County’s investments in commercial paper did not exceed 30% and no single issuer exceeded 5% of the County’s total investments for the year ended September 30, 2021.

**NOTE 6 – PROPERTY TAXES**

Property tax revenue is recognized in the year for which it is levied. The property tax calendar is as follows:

Lien date	January 1
Levy date	October 1
Tax bills mailed	November 1
Payments due by	March 31
Delinquent date	April 1
Tax sale - delinquent property taxes	June 1

**NOTE 7 – NOTES RECEIVABLE**

Notes receivable recorded by the County at September 30, 2021, are as follows:

**Governmental Funds**

Note receivable from individuals related to the sale of property. Principal and interest payments at a 5% interest rate.	\$	416,636
Total notes receivable – governmental funds	\$	416,636

**Enterprise Funds**

Note receivable from the joint venture (Military Point Advanced Wastewater Treatment Facility). Principal and interest based upon the 2014 Wastewater System Revenue Refunding Bonds and State Revolving Fund Note. Reduction of the principal balance mirrors the principal reduction of the bonds payable and note payable. Interest varies from 1.23% to 3.31%.	\$	2,637,353
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**NOTE 7 – NOTES RECEIVABLE (Continued)**

Note receivable from Stone Container Corporation. Principal and interest based upon the 1997 Water System Revenue Bonds. Reduction of the principal balance of the note receivable is equivalent to 6.40% of the principal balance and reductions for the bonds payable. 293,485

Note receivable from Arizona Chemical Company. Principal and interest based upon the 1997 Water System Revenue Bonds. Reduction of the principal balance of the note receivable is equivalent to 0% of the principal balance and reductions for the bonds payable. 46,787

<b>Total notes receivable – enterprise funds</b>	<b>\$</b>	<b>2,977,625</b>
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**NOTE 8 – CAPITAL ASSETS**

Changes in capital assets of the governmental activities are summarized as follows:

	September 30, 2020 (as restated)	Increases	Decreases	September 30, 2021
<b>Capital assets, not being depreciated</b>				
Land	\$ 18,566,455	\$ 931,933	\$ (36,568)	\$ 19,461,820
Construction in progress	38,024,947	17,995,708	(5,820,358)	50,200,297
<b>Total capital assets, not being depreciated</b>	<b>56,591,402</b>	<b>18,927,641</b>	<b>(5,856,926)</b>	<b>69,662,117</b>
<b>Capital assets, being depreciated</b>				
Books	1,876,779	489,708	(666,884)	1,699,603
Buildings and improvements	168,958,375	6,974,344	(1,252,136)	174,680,583
Furniture and equipment	74,861,682	7,836,327	(8,760,451)	73,937,558
Infrastructure	310,323,808	1,897,812	(2,484)	312,219,136
<b>Total capital assets, being depreciated</b>	<b>556,020,644</b>	<b>17,198,191</b>	<b>(10,681,955)</b>	<b>562,536,880</b>
<b>Less accumulated depreciation</b>				
Books	(924,188)	(264,483)	255,101	(933,570)
Buildings and improvements	(19,973,299)	(5,870,801)	753,509	(25,090,591)
Furniture and equipment	(51,276,740)	(6,653,626)	7,796,468	(50,133,898)
Infrastructure	(189,053,048)	(7,785,289)	2,484	(196,835,853)
<b>Total accumulated depreciation</b>	<b>(261,227,275)</b>	<b>(20,574,199)</b>	<b>8,807,562</b>	<b>(272,993,912)</b>
<b>Total capital assets, being depreciated, net</b>	<b>294,793,369</b>	<b>(3,376,008)</b>	<b>(1,874,393)</b>	<b>289,542,968</b>
<b>Total governmental-type activities' capital assets, net</b>	<b>\$ 351,384,771</b>	<b>\$ 15,551,633</b>	<b>\$ (7,731,319)</b>	<b>\$ 359,205,085</b>

**NOTE 8 – CAPITAL ASSETS (Continued)**

The following schedules summarize the capital assets of the County’s business-type activities at September 30, 2021:

	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Services	Total
Capital assets, not being depreciated					
Land	\$ 261,192	\$ 4,714,000	\$ 752,451	\$ -	\$ 5,727,643
Construction in progress	3,812,112	555,528	-	-	4,367,640
Total capital assets, not being depreciated	4,073,304	5,269,528	752,451	-	10,095,283
Capital assets, being depreciated					
Buildings	2,507,104	49,680	862,912	-	3,419,696
Improvements	2,113,179	527,544	133,400	-	2,774,123
Furniture and equipment	4,601,522	2,078,656	9,051,258	658,247	16,389,683
Infrastructure	118,983,622	37,916,139	88,096,400	-	244,996,161
Total capital assets, being depreciated	\$ 128,205,427	\$ 40,572,019	\$ 98,143,970	\$ 658,247	\$ 267,579,663
Less accumulated depreciation					
Buildings	\$ (2,024,557)	\$ (4,664)	\$ (619,649)	\$ -	\$ (2,648,870)
Improvements	(276,017)	(42,732)	(55,554)	-	(374,303)
Furniture and equipment	(2,677,778)	(1,273,406)	(5,837,083)	(402,007)	(10,190,274)
Infrastructure	(48,728,685)	(23,648,547)	(15,867,190)	-	(88,244,422)
Total accumulated depreciation	(53,707,037)	(24,969,349)	(22,379,476)	(402,007)	(101,457,869)
Total capital assets, being depreciated, net	74,498,390	15,602,670	75,764,494	256,240	166,121,794
Total business-type activities’ capital assets, net	\$ 78,571,694	\$ 20,872,198	\$ 76,516,945	\$ 256,240	\$ 176,217,077

**NOTE 8 – CAPITAL ASSETS (Continued)**

Changes in capital assets of the business-type activities are summarized as follows:

	September 30, 2020 (restated)	Increases	Decreases	September 30, 2021
<b>Capital assets, not being depreciated</b>				
Land	\$ 5,727,643	\$ -	\$ -	\$ 5,727,643
Construction in progress	16,165,928	7,568,503	(19,366,791)	4,367,640
<b>Total capital assets, not being depreciated</b>	<b>21,893,571</b>	<b>7,568,503</b>	<b>(19,366,791)</b>	<b>10,095,283</b>
<b>Capital assets, being depreciated</b>				
Buildings	3,374,782	44,914	-	3,419,696
Improvements	2,134,880	643,922	(4,679)	2,774,123
Furniture and equipment	15,032,745	2,697,143	(1,340,205)	16,389,683
Infrastructure	226,390,682	18,789,254	(183,775)	244,996,161
<b>Total capital assets, being depreciated</b>	<b>246,933,089</b>	<b>22,175,233</b>	<b>(1,528,659)</b>	<b>267,579,663</b>
<b>Less accumulated depreciation</b>				
Buildings	(2,589,705)	(59,165)	-	(2,648,870)
Improvements	(205,966)	(173,014)	4,677	(374,303)
Furniture and equipment	(9,789,135)	(1,309,693)	908,554	(10,190,274)
Infrastructure	(79,283,635)	(9,142,990)	182,203	(88,244,422)
<b>Total accumulated depreciation</b>	<b>(91,868,441)</b>	<b>(10,684,862)</b>	<b>1,095,434</b>	<b>(101,457,869)</b>
<b>Total capital assets, being depreciated, net</b>	<b>155,064,648</b>	<b>11,490,371</b>	<b>(433,225)</b>	<b>166,121,794</b>
<b>Total business-type activities' capital assets, net</b>	<b>\$ 176,958,219</b>	<b>\$ 19,058,874</b>	<b>\$ (19,800,016)</b>	<b>\$ 176,217,077</b>

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

<b>Governmental activities</b>	
General government	\$ 3,059,836
Public safety	5,423,131
Physical environment	530,726
Transportation	7,268,609
Economic environment	2,566,436
Human services	78,872
Culture and recreation	1,490,682
Internal service funds	155,907
<b>Total depreciation expense - governmental activities</b>	<b>\$ 20,574,199</b>
<b>Business-type activities</b>	
Wholesale water system	\$ 4,819,242
Retail water & wastewater	1,701,479
Solid waste	4,116,087
Building services	48,054
<b>Total depreciation expense - business-type activities</b>	<b>\$ 10,684,862</b>

**NOTE 9 – CAPITAL LEASES**

The County has entered into lease agreements to finance equipment. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the inception date.

The cost of assets acquired through capital leases are as follows:

Vehicles	\$ 4,382,078
Equipment	1,286,643
Total	5,668,721
Less: accumulated depreciation	(2,222,871)
Net	\$ 3,445,850

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

Year Ending September 30,	
2022	\$ 1,475,707
2023	649,615
2024	358,994
2025	34,247
2026	3,626
Total minimum lease payments	2,522,189
Less amount representing interest	(67,765)
Present value of minimum lease payments	\$ 2,454,424

**NOTE 10 – RETIREMENT PLANS**

**Defined Benefit Plans**

The County participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, *Florida Statutes*. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in

**NOTE 10 – RETIREMENT PLANS (Continued)**

a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, *Florida Statutes*, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, *Florida Statutes*. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided**

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, *Florida Statutes*.

**Contributions**

The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The City's contribution rates as of September 30, 2021, were as follows:

	October 1, 2020 through June 30, 2021		July 1, 2021 through September 30, 2021	
	FRS	HIS	FRS	HIS
Regular class	8.34%	1.66%	9.16%	1.66%
Senior management	25.63%	1.66%	27.35%	1.66%
Special risk employee class	22.79%	1.66%	24.23%	1.66%
Elected officials	47.52%	1.66%	49.76%	1.66%
DROP plan participants	15.32%	1.66%	16.68%	1.66%



**NOTE 10 – RETIREMENT PLANS (Continued)**

The County’s contributions for the year ended September 30, 2021, were \$9,562,643 to FRS and \$1,120,926 to HIS.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2021, the County reported a liability for its proportionate shares of the net pension liabilities of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2021.

The County’s proportions of the net pension liabilities were based on the County’s share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 18,506,623	\$ 23,289,738
Proportion at:		
Current measurement date	0.244961995%	0.189864523%
Prior measurement date	0.258772467%	0.185446055%
Pension expense (benefit)	(440,632)	1,847,530

At September 30, 2021, the County reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-type Activities	Total
Net pension liability	\$ 39,758,373	\$ 2,037,988	\$ 41,796,361
Deferred outflows of resources related to pensions	\$ 23,649,156	\$ 1,210,904	\$ 24,860,060
Deferred inflows of resources related to pension	\$ 68,721,262	\$ 3,469,487	\$ 72,190,749
Pension expense	\$ 1,310,512	\$ 96,386	\$ 1,406,898

**NOTE 10 – RETIREMENT PLANS (Continued)**

**Deferred Outflows/Inflows of Resources Related to Pensions**

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

	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,171,632	\$ -
Changes of assumptions	12,661,418	-
Net difference between projected and actual earnings on pension plan investments	-	64,556,135
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,227,051	5,859,161
Employer contributions subsequent to the measurement date	2,595,899	-
<b>Total</b>	<b>\$ 20,656,000</b>	<b>\$ 70,415,296</b>

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 779,334	\$ 9,755
Changes of assumptions	1,830,052	959,596
Net difference between projected and actual earnings on pension plan investments	24,279	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,280,162	806,102
Employer contributions subsequent to the measurement date	290,233	-
<b>Total</b>	<b>\$ 4,204,060</b>	<b>\$ 1,775,453</b>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2022. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30,	FRS	HIS
2022	\$ (9,225,743)	\$ 603,309
2023	(10,729,914)	268,683
2024	(14,003,296)	421,431
2025	(17,971,349)	494,281
2026	(424,893)	284,018
Thereafter	-	66,652
<b>Total</b>	<b>\$ (52,355,195)</b>	<b>\$ 2,138,374</b>

**NOTE 10 – RETIREMENT PLANS (Continued)**

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans was measured as of June 30, 2021. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2021. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2020. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.16%
Bond Buyer General Obligation 20-Bond Municipal Bond	N/A	2.16%

Mortality assumptions for both plans were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

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

The following changes in key actuarial assumptions occurred in 2021:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased remained unchanged at 6.80%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 2.21% to 2.16%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate (property)	10.3%	7.1%	6.2%	31.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
	<u>100.0%</u>			

**NOTE 10 – RETIREMENT PLANS (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. FRS’ fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.16% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**Sensitivity Analysis**

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the County’s proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS		
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County’s proportionate share of the net pension liability	\$ 82,751,551	\$ 18,506,623	\$ (35,199,575)

	HIS		
	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
County’s proportionate share of the net pension liability	\$ 26,925,193	\$ 23,289,738	\$ 20,311,296

***Pension Plans’ Fiduciary Net Position***

Detailed information about the pension plans’ fiduciary net position is available in the State’s separately issued financial reports.

**Defined Contribution Plan**

Pursuant to Chapter 121, *Florida Statutes*, the Florida Legislature created the Florida Retirement Investment Plan (“FRS Investment Plan”), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2021, totaled \$2,302,191.

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

The County and the Sheriff’s Office administer a single-employer defined benefit healthcare plan (the “Plan”) that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the County and the Sheriff’s Office are required to provide eligible retirees (as defined in the County’s pension plans) the opportunity to participate in this Plan at the same cost that is applicable to active employees. The County and the Sheriff’s Office do not issue stand-alone financial statements for these Plans. All financial information related to the Plans is accounted for in the County’s basic financial statements.

**Funding Policy**

The County and the Sheriff’s Office are funding the post employee benefits on a pay-as-you-go basis. Contribution rates for the Plan are established by County Board annually during the budget process. The County does not pay for health insurance premiums for retirees. Blended premium rates for active and retired employees combined provide an implicit subsidy for retirees because on an actual basis, their current and future claims are expected to result in higher costs to the Plan than those of active employees. The current year contributions are determined as annualized claims incurred based on the retiree age at the beginning of the fiscal year and the claims table used for liability determination offset by the annual premium paid by the retiree for such coverage. County and Sheriff’s Office contributions are assumed to be equal to benefits paid.

The Sheriff’s Office has made amendments to the plan, providing different benefits depending on the date of retirement. The Sheriff’s Office pays a portion of the retiree premium for the coverage elected by retirees who retired on or before April 24, 2007. The retiree pays the rest of the premium. For retirements following this date, the Sheriff’s Office has frozen the dollar amount upon which the benefit paid on behalf of the retiree at the October 1, 2008, amount. Furthermore, the Sheriff’s Office will only pay for retiree coverage until the retiree becomes eligible for Medicare; any elections for family or spouse will be paid by the participant.

The monthly contribution rates effective for eligible Sheriff plan members during the year are shown below:

Coverage	Retirees blended premium
Retiree	\$ 600

The monthly contribution rates effective for other eligible County plan members during the year are shown below:

Coverage	Plan 3160/3161 HAS/HDHP
Retiree- health plan only	\$ 611
Retiree and Spouse – health plan only	1,484
Retiree - dental plan	15
Retiree and Spouse – dental plan only	28

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Plan Membership**

OPEB membership for the County consisted 772 active members and 24 inactive members at the valuation date of September 30, 2019. OPEB membership for the Sheriff’s office consisted of 514 active members and 25 inactive members at the valuation date of September 30, 2020.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability reported at September 30, 2021 was based on an actuarial valuation dated September 30, 2019 rolled forward to September 30, 2021 for the County and an actuarial valuation dated September 30, 2020 rolled forward to September 30, 2021 for the Sheriff’s Office using the following actuarial assumptions:

**County**

Inflation rate	2.20%
Salary increases	3.25%
Discount rate	2.21%
Health care cost trend rates	3.80%
Retirees’ share of benefit-related costs	100% of projected health insurance premium

**Sheriff’s Office**

Inflation rate	2.50%
Salary increases	4.00%
Discount rate	2.43%
Health care cost trend rates	4.00%
Retirees’ share of benefit-related costs	100% of projected health insurance premium

The discount rate was selected based on a 20-year tax-exempt high-quality general obligation municipal bond yield of index. The Bond Buyer 20-Bond General Obligation Index is the average rating of 20 bonds that are grade ‘Aa2’ (Moody’s) or grade ‘AA’ (S&P 500). The Bond Buyer 20-Bond General Obligation Index at September 30, 2020 and September 30, 2021 was 2.21% and 2.43% respectively.

Mortality rates for the County were based on the Pub-2010 Annuitant Mortality Tables for Males and Females as appropriate with both rates, fully generational with adjustments for mortality improvements using gender-specific improvement scale MP-2020. Mortality rates for the Sheriff’s Office were based on the Pub-2010 Annuitant Mortality Tables for Males and Females as appropriate with both rates, fully generational with adjustments for mortality improvements using gender-specific improvement scale MP-2018.

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

The actuarial assumptions used in the September 30, 2019 and September 30, 2020 valuations were not based on the results of an actuarial experience study.

The County’s total OPEB liability of \$ consists of \$4,451,306 for the County and \$8,740,014 for the Sheriff’s Office. The information has been provided as of the September 30, 2020 reporting date.

Description	Total
Total OPEB liability	\$ 13,191,320
OPEB plan fiduciary net position	-
County’s net OPEB liability	\$ 13,191,320
OPEB plan fiduciary net position as a percentage of total OPEB liability	0%

The components of the changes in the total OPEB liability are as follows:

Total OPEB liability		
Service cost	\$	1,347,822
Interest		306,940
Difference between expected and actual experience		
Change in assumptions		(236,273)
Benefit payments		(356,487)
Net change in total OPEB liability		1,062,002
Total OPEB liability, beginning (restated)		12,129,318
Total OPEB liability, ending	\$	13,191,320

**Sensitivity of OPEB liability to healthcare cost trend rate**

The following presents the total OPEB liability of the County, calculated using the discount rate of 2.21%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate.

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB liability	\$ 4,685,196	\$ 4,451,306	\$ 4,145,788

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

The following presents the total OPEB liability of the County, calculated using the health care cost trend rate of 3.70% as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rate that are 1 percentage point lower (2.70%) or 1 percentage point higher (4.70%) than the current rate:

	1% Decrease 2.70%	Ultimate Trend Rate 3.70%	1% Increase 4.70%
Total OPEB liability	\$ 3,886,427	\$ 4,451,306	\$ 5,066,265

The following presents the total OPEB liability of the Sheriff Office, calculated using the discount rate of 2.43%, as well as what the Sheriff Office's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.43%) or 1 percentage point higher (3.43%) than the current rate.

	1% Decrease 1.43%	Discount Rate 2.43%	1% Increase 3.43%
Total OPEB liability	\$ 9,644,566	\$ 8,740,014	\$ 7,942,300

The following presents the total OPEB liability of the Sheriff Office, calculated using the health care cost trend rate 4.00% as well as what the Sheriff Office's total OPEB liability would be if it were calculated using health care cost trend rate that are 1 percentage point lower (3.00%) or 1 percentage point higher (5.00%) than the current rates:

	1% Decrease 3.00%	Ultimate Trend Rate 4.00%	1% Increase 5.00%
Total OPEB liability	\$ 7,855,593	\$ 8,740,014	\$ 9,793,630

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB**

For the year ended September 30, 2021, the County, including the Sheriff's Office, recognized OPEB expense of \$729,649. At September 30, 2021, the County, including the Sheriff's Office, had deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 322,196	\$ 5,884,295
Differences between expected and actual differences	70,335	1,523,864
Employer contributions subsequent to the measurement date	94,575	-
Total	\$ 487,106	\$ 7,408,159



**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the OPEB liability in the reporting period ending September 30, 2022. Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ended September 30:	
2021	\$ (832,797)
2022	(832,797)
2023	(832,797)
2024	(832,797)
2025	(832,797)
Thereafter	(2,851,643)
Total	\$ (7,015,628)

**NOTE 12 – LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES**

Changes in long-term liabilities for governmental activities are summarized as follows:

	Balance (as restated) September 30, 2020	Additions	Deductions	Balance September 30, 2021	Due Within One Year
Bonds from direct placements	\$ 48,433,413	\$ 100,119,772	\$ (63,982,231)	\$ 84,570,954	\$ 1,903,000
Notes from direct borrowings	160,045,064	33,949,154	(5,119,000)	188,875,218	7,051,000
Capital leases payable	2,928,472	1,119,061	(1,610,478)	2,437,055	1,435,192
OPEB liability	11,450,494	1,009,516	-	12,460,010	-
Accrued compensated absences	5,709,702	1,415,097	(1,347,081)	5,777,718	1,311,725
Estimated liability for self- insured losses	4,480,761	616,591	(616,591)	4,480,761	811,787
Net pension liability	128,374,645	-	(88,616,272)	39,758,373	-
Governmental activities long- term liabilities	\$ 361,422,551	\$ 138,229,191	\$ (161,291,653)	\$ 338,360,089	\$ 12,512,704

Accrued compensated absences and net pension liability for governmental activities are generally liquidated by the fund that reports the liability and pays the related payroll costs. Therefore, the general and transportation funds liquidate a majority of the accrued compensated absences liability and net pension liability. Additions of debt include transfer of debt to governmental activities.

**NOTE 12 – LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES (Continued)**

Notes payable in the governmental activities at September 30, 2021, are summarized below:

**Taxable Series 2014A Revenue Note**

On August 21, 2014, the County issued \$635,000 Taxable Series 2014A Revenue Note to finance certain costs associated with dredging improvements within the Kings Point subdivision. The County had previously issued its Taxable Series 2013A Credit Note, on December 17, 2013. The County refinanced that note to provide permanent financing for the improvements. The note contains a provision that, in the event of a default and 30 days' notice to the County, the lender may declare the outstanding principal and interest to be immediately due and payable.

The interest rate is 3.25%, principal and interest are payable semi-annually, March 1 and September 1, commencing on March 1, 2015. Average remaining annual debt service is \$41,958.

The note is secured by non-ad valorem revenue in accordance with Resolution No. 3243. This pledge remains in effect until extinguishment or maturity of the debt in 2024, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$125,874. Principal and interest payments paid on the note required 0.03% of non-ad valorem revenue. Principal and interest payments paid for the current year and non-ad valorem revenue were \$41,778 and \$131,812,034, respectively.

\$ 119,000

**Taxable Series 2015 Revenue Note**

On August 26, 2015, the County issued \$2,500,000 Taxable Series 2015 Revenue Note to provide long term financing of the short term Taxable Series 2013 Credit Note. The note contains a provision that, in the event of a default and 30 days' notice to the County, the lender may declare the outstanding principal and interest to be immediately due and payable.

Principal and interest is payable semiannually on March 1 and September 1. The note is collateralized by non-ad valorem revenue in accordance with Resolution No. 3308. Interest rate is 3.3%. Average remaining annual debt service is \$295,528.

The remaining principal and interest payments on this debt as of September 30, 2021 totaled \$1,181,111. Annual principal and interest payments on the bond required 0.22% of the total of non-ad valorem revenues. Principal and interest payments paid for the current year and the total of non-ad valorem revenues were \$296,570 and \$131,812,034, respectively.

1,099,000

**NOTE 12 – LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES (Continued)**

**Non-Ad Valorem Revenue Note Series 2018**

On July 19, 2018, the County issued \$13,150,000 Non-Ad Valorem Revenue Note, Series 2018 to finance certain costs associated with an 800 MHz radio system. The note contains a provision that, in the event of a default and 30 days' notice to the County, the lender may declare the outstanding principal and interest to be immediately due and payable.

The interest rate is 3.02%, principal and interest are payable semi-annually, March 1 and September 1, with interest commencing on March 1, 2019 and principal commencing on March 1, 2020. Average remaining annual debt service is \$2,412,385.

The note is secured by non-ad valorem revenue in accordance with Resolution No. 3538. This pledge remains in effect until extinguishment or maturity of the debt in 2025, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$9,649,539. Principal and interest payments paid on the note required 1.83% of non-ad valorem revenue. Principal and interest payments paid for the current year and non-ad valorem revenue were \$2,412,728 and \$131,812,034, respectively.

9,026,000

**Revenue Note, Series 2019C**

On April 2, 2019, the County issued \$50,117,500 Revenue Note, Series 2019C, to provide funds for Hurricane Michael response, recovery, and mitigation. The note is a non-revolving line of credit under which the County may draw funds as needed, up to an aggregate of \$100,000,000. On October 9, 2019, the County drew the remaining \$49,882,500. Of the \$100,000,000 total, \$99,886,218 is related to the County and \$113,782 is related to the TPO component unit. The information detailed here includes only the portion of this note that is related to the County. The note contains a provision that, in the event of a default, the lender may sue to protect and enforce the agreement and shall be entitled to reasonable costs and expenses incurred in enforcing the agreement and the note shall bear interest at the base rate plus 300 basis points (3.00%) until all amounts then due are paid in full.

The note bears interest at a variable rate of interest equal to 79% of the one month LIBOR rate, plus 0.57%, adjusted on and as of the first business day of each month and the effective date of any change in the LIBOR Reserve Percentage. Principal is payable annually, commencing on March 1, 2023. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2019. Average remaining annual debt service is \$9,378,194.

**NOTE 12 – LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES (Continued)**

The note is secured by non-ad valorem revenue in accordance with Resolution No. 3592. This pledge remains in effect until extinguishment or maturity of the debt in 2034, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$121,916,523. No principal payments were paid in the current year. Interest payments paid on the note required 0.51% of non-ad valorem revenue. Interest payments paid for the current year and non-ad valorem revenue were \$669,178 and \$131,812,034, respectively.

99,886,218

**Sales Tax Revenue Refunding Note Series 2020**

On February 20, 2020, the County issued \$38,770,000 Sales Tax Revenue Refunding Note - Series 2020. The proceeds of the note were used to refund the outstanding Sales Tax Refunding Revenue Note – Series 2015 (refunded \$38,760,000) and to pay the cost of issuing the note. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,300,777. This difference is reported as a deferred amount on the refunding. The County completed the refunding to reduce its debt service payments over thirteen years by \$4,287,264 and obtain an economic gain of \$3,760,674. The note is secured by a pledge of the proceeds of the local government half-cent sales tax distributed to the County pursuant to Chapter 218, Part VI, Florida Statutes. The note contains a provision that, in the event of a default, all pledged funds shall be applied to the payment of reasonable and proper charges, expenses and liabilities of the trustee or receiver, to the payment of interest and principal, then to the payment of all fees due any insurer, credit bank, provider of a reserve account insurance policy, or provider of a reserve account letter of credit.

The refunding note interest rate is 2.06%, principal payable annually on September 1, commencing September 1, 2020. Interest is payable semi-annually, September 1 and March 1. Average remaining annual debt service is \$3,941,237.

This pledge remains in effect until extinguishment or maturity of the debt in 2032, whichever occurs first. The remaining principal and interest payments on this note as of September 30, 2021, totaled \$43,353,606. Principal and interest payments paid on the bond required 7.3% of local government half-cent sales tax. Principal and interest payments paid for the current year and pledged half-cent sales tax revenue were \$1,342,379 and \$18,503,876, respectively.

37,915,000

**Tourist Development Tax Revenue Refunding Note Series 2020**

On February 20, 2020, the County issued \$32,120,000 Tourist Development Tax Revenue Refunding Note - Series 2020. The proceeds of the note were used to refund the outstanding Tourist Development Tax Revenue Note – Series 2018 (refunded \$33,435,000) and to pay the cost of issuing the note. The advance

**NOTE 12 – LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES (Continued)**

refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$98,469. This difference is reported as a deferred amount on the refunding. The County completed the refunding to reduce its debt service payments over fourteen years by \$4,612,399 and obtain an economic gain of \$3,994,712. The note is secured by up to four cents of the Tourist Development Tax received by the County within the Panama City Beach Tourist Development Tax Sub-District in accordance with Resolution No. 3420. The note contains a provision that, in the event of a default, all pledged funds shall be applied to the payment of reasonable and proper charges, expenses and liabilities of the trustee or receiver, to the payment of interest and principal, then to the payment of all fees due any insurer, credit bank, provider of a reserve account insurance policy, or provider of a reserve account letter of credit.

The refunding note interest rate is 2.06%, principal payable annually on April 1, commencing April 1, 2020. Interest is payable semi-annually, April 1 and October 1. Average remaining annual debt service is \$2,830,297.

This pledge remains in effect until extinguishment or maturity of the debt in 2033, whichever occurs first. The remaining principal and interest payments on this note as of September 30, 2021, totaled \$33,963,564. Principal and interest payments paid on the bond required 9.69% of Tourist Development Tax revenue. Principal and interest payments paid for the current year and pledged Tourist Development Tax revenue were \$2,826,448 and \$29,176,570, respectively.

29,640,000

**Capital Improvement Revenue Refunding Note, Series 2021**

On June 4, 2021, the County issued \$11,235,000 Capital Improvement Revenue Refunding Note, Series 2021, The proceeds of the note were used to refund the outstanding Capital Improvement Revenue Refunding Bonds – Series 2011 (refunded \$11,235,000) and to pay the cost of issuing the note. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$113,900. This difference is reported as a deferred amount on the refunding. The County completed the refunding to reduce its debt service payments over fourteen years by \$830,973 and obtain an economic gain of \$802,264. The note contains a provision that, in the event of a default, the lender may declare all payments of principal and interest on the bond to be immediately due and payable and the bond shall bear interest at a rate equal to the Stated Rate, plus 3% per annum, not to exceed the maximum rate permitted by law.

The interest rate is 0.91%, principal payable annually on September 1, commencing on September 1, 2021. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2021. Average remaining annual debt service is \$1,924,567.

**NOTE 12 – LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES (Continued)**

The note is secured by non-ad valorem revenue in accordance with Resolution No. 3793. This pledge remains in effect until extinguishment or maturity of the debt in 2037, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$11,547,403. Annual principal and interest payments paid on the bond required 0.05% of non-ad valorem revenue. Principal and interest payments paid for the current year and non-ad valorem revenue were \$69,708 and \$131,812,034, respectively. 11,190,000

Total notes payable – governmental activities	188,875,218
Less: current portion	(7,051,000)
Long-term portion of notes payable – governmental activities	\$ 181,824,218

Year Ending September 30,	Principal	Interest	Total
2022	\$ 7,051,000	\$ 4,813,677	\$ 11,864,677
2023	14,228,984	4,556,962	18,785,946
2024	17,775,745	4,187,954	21,963,699
2025	18,168,495	3,743,236	21,911,731
2026	15,876,239	3,308,523	19,184,762
2027-2031	77,502,093	10,689,877	88,191,970
2032-2036	38,272,662	1,563,174	39,835,836
Total	\$ 188,875,218	\$ 32,863,403	\$ 221,738,621

Governmental activities’ revenue bonds consist of the following at September 30, 2021:

**Capital Improvement Revenue Bonds, Series 2011**

On July 12, 2011, the County issued \$2,340,000 Capital Improvement Revenue Bonds – Series 2011. The proceeds of the bonds to be used for certain capital improvements associated with a new fire station. The bonds contain a provision that, in the event of a default, the lender may declare all payments of principal and interest on the bond to be immediately due and payable and the bond shall bear interest at a rate equal to the Base Rate, plus 4% per annum, not to exceed the maximum rate permitted by law. The Base Rate shall be equal to (i) the Prime Rate or (ii) the Adjusted One Month LIBOR Rate.

The interest rate is 3.96%, principal payable annually on September 1, commencing September 1, 2012. Interest is payable semi-annually, March 1 and September 1. Average remaining annual debt service is \$203,414.

**NOTE 12 – LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES (Continued)**

The bonds are special obligation bonds of the County payable solely from and secured by non-ad valorem revenues in accordance with Resolution No. 3051. This pledge remains in effect until extinguishment or maturity of the debt in 2026, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$1,017,069. Principal and interest payments paid on the bond required 0.16% of non-ad valorem revenue. Principal and interest payments paid for the current year and non-ad valorem revenue were \$207,474 and \$131,812,034, respectively.

907,000

**Capital Improvement Revenue Bonds, Series 2012**

On November 20, 2012, the County issued \$13,700,000 Capital Improvement Revenue Bonds – Series 2012. The proceeds of the bonds to be used for certain capital improvements associated with the county courthouse.

The interest rate is 2.99%, principal payable annually on October 1, commencing October 1, 2013. Interest is payable semi-annually, April 1 and October 1. Average remaining annual debt service is \$784,267.

The bonds are special obligation bonds of the County payable from the greater of (1) the County Revenue Sharing Funds received by the Issuer in any State fiscal year in an amount equal to 50% of the County Revenue Sharing Funds received by the issuer in the prior State fiscal year, or (2) the Guaranteed Entitlement Revenues received by the Issuer in any State fiscal year, in accordance with Resolution 3130. The bonds contain a provision that, in the event of a default, all pledged funds shall be applied to the payment of reasonable and proper charges, expenses and liabilities of the trustee or receiver, to the payment of interest and principal, then to the payment of all fees due any insurer not previously mentioned.

This pledge remains in effect until extinguishment or maturity of the debt in 2037, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$13,332,547. Principal and interest payments paid on the bond required 30.71% of pledged revenues. Principal and interest payments paid for the current year and pledged revenues were \$785,922 and \$2,559,447, respectively.

10,420,000

**NOTE 12 – LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES (Continued)**

**Sales Tax Revenue Refunding Bond, Series 2018A&B**

On February 22, 2018, the County issued \$11,023,000 Sales Tax Revenue Refunding Bonds, Series 2018A&B. The proceeds of the bonds to be used to refund the County's outstanding Sales Tax Revenue Refunding Bonds, Series 2007. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$393,337. This difference is reported as a deferred amount on the refunding. The County completed the refunding to reduce its debt service payments over fifteen years by \$2,828,875 and obtain an economic gain of \$1,142,956. The bonds contain a provision that, in the event of a default, all pledged funds shall be applied to the payment of reasonable and proper charges, expenses and liabilities of the trustee or receiver, to the payment of interest and principal, then to the payment of all fees due any insurer, credit bank, provider of a reserve account insurance policy, or provider of a reserve account letter of credit.

The refunding bonds interest rate is 2.90%, principal payable annually on September 1, commencing on September 1, 2018. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2018. Average remaining annual debt service is \$943,050.

This pledge remains in effect until extinguishment or maturity of the debt in 2032, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$10,373,553. Principal and interest payments paid on the bond required 5.08% of pledged revenues. Principal and interest payments paid for the current year and pledged revenues were \$939,760 and \$18,503,876, respectively.

8,774,000

**Revenue Bond, Series 2020**

On October 19, 2020, the County issued \$50,000,000 Revenue Bond, Series 2020, to provide funds for Hurricane Michael response, recovery, and mitigation. Of the \$50,000,000 total, \$49,423,954 is related to the County and \$576,046 is related to the TPO component unit. The information detailed here includes only the portion of this note that is related to the County. The bond contains a provision that, in the event of a default, the lender may sue to protect and enforce the agreement and shall be entitled to reasonable costs and expenses incurred in enforcing the agreement. In the event of a default, the bond shall bear interest at the lesser of the sum of the Prime Rate plus 5% per annum and the maximum lawful rate until all amounts then due are paid in full.



**NOTE 12 – LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES (Continued)**

The interest rate is 1.06%, principal payable annually on March 1, commencing on March 1, 2024. Interest is payable semi-annually, March 1 and September 1, commencing on March 1, 2021. Average remaining annual debt service is \$3,834,351.

The bond is secured by non-ad valorem revenue in accordance with Resolution No. 3755. This pledge remains in effect until extinguishment or maturity of the debt in 2035, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$53,680,907. No principal payments were paid in the current year. Interest payments paid on the note required 0.35% of non-ad valorem revenue. Interest payments paid for the current year and non-ad valorem revenue were \$459,333 and \$131,812,034, respectively. 49,423,954

**Capital Improvement Revenue Bond, Series 2021A**

On September 23, 2021, the County issued \$15,046,000 Capital Improvement Revenue Bond, Series 2021A to provide funds to finance certain capital improvements within the County. The bond contains a provision that, in the event of a default, the lender may sue to protect and enforce the agreement and shall be entitled to reasonable costs and expenses incurred in enforcing the agreement. In the event of a default, the bond shall bear interest at the lessor of the sum of the Prime Rate plus 5% per annum and the maximum lawful rate until all amounts then due are paid in full.

The interest rate is 2.29%, principal payable annually on September 1, commencing on September 1, 2022. Interest is payable semi-annually, March 1 and September 1, commencing on March 1, 2022. Average remaining annual debt service is \$945,470.

The bond is secured by non-ad valorem revenue in accordance with Resolution No. 3831. This pledge remains in effect until extinguishment or maturity of the debt in 2041, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled 18,909,402. No principal or interest payments were paid in the current year.

	15,046,000
Total bonds payable – governmental activities	84,570,954
Less: current portion	(1,903,000)
Long-term portion governmental activities bonds payable	\$ 82,667,954

**NOTE 12 – LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES (Continued)**

The annual debt service requirements to maturity for the governmental activities' revenue bonds payable at September 30, 2021, are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	\$ 1,903,000	\$ 1,446,434	\$ 3,349,434
2023	1,993,000	1,413,115	3,406,115
2024	5,931,723	1,336,493	7,268,216
2025	6,029,262	1,236,032	7,265,294
2026	6,132,744	1,134,180	7,266,924
2027-2031	31,163,402	4,148,250	35,311,652
2032-2036	25,468,823	1,672,561	27,141,384
2037-2041	5,949,000	355,458	6,304,458
Total	\$ 84,570,954	\$ 12,742,523	\$ 97,313,477

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the County to rebate excess arbitrage earnings from bond proceeds to the federal government. As of September 30, 2021, there was no arbitrage liability for governmental activities.

**NOTE 13 – LONG-TERM LIABILITIES - BUSINESS-TYPE ACTIVITIES**

Notes payable in the enterprise funds at September 30, 2021, are summarized below:

**State Revolving Fund Program**

State Revolving Fund Program (Funding Number 0302E0) consists of approved loans in the original amount of \$1,000,000, with a principal forgiveness of \$750,000, payable to the State of Florida Department of Environmental Protection State Revolving Fund Program. The interest rate is 1.23% per annum. The semi-annual loan payment is \$7,677 and the loan matures on July 15, 2040. The loan is collateralized by the gross revenues derived yearly from operation of the Military Point Advance Wastewater Treatment Facility after payment of the operation and maintenance expense and the satisfaction of all yearly payment obligations on the City of Callaway, Florida and Bay County, Florida Wastewater Revenue Refunding Note, Series 2014. The County is liable for the total obligation. The note contains a provision that, in the event of a default, the State of Florida Department of Environmental Protection may intercept the delinquent amount, plus a penalty of up to 18 percent per annum on the amount due, from any unobligated funds due to the County under any revenue or tax sharing fund established by the State, sue for payment of all amounts due with interest on overdue payments, accelerate the repayment schedule, or increase the interest rate on the unpaid principal to as much as 1.667 times the financing rate.

\$ 258,353

**NOTE 13 – LONG-TERM LIABILITIES - BUSINESS-TYPE ACTIVITIES (Continued)**

**State Revolving Fund Program**

State Revolving Fund Program (Funding Number DW 030200) consists of approved loans in the amount of \$532,776, with a principal forgiveness of \$399,582, payable to the State of Florida Department of Environmental Protection State Revolving Fund Program. The interest rate is 1.25% per annum. The semi-annual loan payment is \$3,655 and the loan matures on July 15, 2040. The loan is collateralized by the gross revenues derived yearly from operation of the water system after payment of the operation and maintenance expense and the satisfaction of all yearly payment obligations on the Bay County, Florida Water System Revenue Note, Series 2014 and the Bay County, Florida Water System Revenue Refunding Bonds, Series 2016. The note contains a provision that, in the event of a default, the State of Florida Department of Environmental Protection may intercept the delinquent amount, plus a penalty of 6 percent per annum on the amount due, from any unobligated funds due to the County under any revenue or tax sharing fund established by the State, sue for payment of all amounts due with interest on overdue payments, accelerate the repayment schedule, or increase the interest rate on the unpaid principal to as much as 1.667 times the financing rate.

120,617

**Wastewater Revenue Refunding Note - Series 2014**

On June 17, 2014, the City of Callaway and the County issued \$10,445,000 Wastewater Revenue Refunding Note - Series 2014 to refund the outstanding Wastewater and System Revenue Refunding Bonds - Series 2004 that was jointly issued with the City of Callaway and the County. This note was used as part of projects required for the Military Point Advanced Wastewater Treatment Facility a joint venture of Bay County. Interest rate is 3.31%. The refunding reduced debt service payments over twelve years by \$810,140 and obtain an economic gain of \$651,743. The Military Point Advanced Wastewater Treatment Facility recognized the gain in their financial statements. The effect of that gain is recorded by the County in their investment in the joint venture. The note contains a provision that, in the event of a default, the Trustee may sue to protect and enforce the agreement. All moneys, securities, and funds received by the Trustee shall be applied to the expenses of the Trustee and Paying Agents, to the payment of amounts required for reasonable and necessary operating expenses, reasonable renewals, repairs, and replacements of the system necessary to prevent loss of gross revenues, to the payment of any rebatable arbitrage then due, then to the interest and principal due. In the event of a default, the interest rate shall be adjusted to a rate equal to 2.50% above the interest rate otherwise applicable.

**NOTE 13 – LONG-TERM LIABILITIES - BUSINESS-TYPE ACTIVITIES (Continued)**

Principal is payable annually on September 1, commencing on September 1, 2015. Interest is payable semiannually on March 1 and September 1. The notes are collateralized by the assets and the anticipated net revenues of the joint venture (Military Point Advanced Wastewater Treatment Facility). The County is liable for one half of the total obligation.

2,379,000

**Water System Revenue Note - Series 2014**

On June 17, 2014 the County issued \$18,925,000 Water System Revenue Note - Series 2014. The proceeds of the note to pay the cost of certain capital improvements to the Wholesale Water System. The bonds contain a provision that, in the event of a default, all pledged funds shall be applied to the payment of reasonable and proper charges, expenses and liabilities of the trustee or receiver, to the payment of the amounts required for operating expenses and for the reasonable renewals, repairs, and replacements of the system necessary to prevent loss of gross revenues, then to the payment of the interest and principal due on the bonds.

The interest rate is 3.70%, principal payable annually on September 1, commencing September 1, 2015. Interest is payable semi-annually, March 1 and September 1. Average remaining annual debt service is \$1,458,291.

The notes secured by a) the net revenues of the wholesale water system, b) impact fees charged by the wholesale water system, c) all cash and investments held in accordance with Resolution No. 3051. This pledge remains in effect until extinguishment or maturity of the debt in 2032, whichever occurs first.

The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$16,041,200. Annual principal and interest payments paid on the note required 17.45% of the total impact fee revenue and wholesale water system net revenue. Principal and interest payments paid for the current year and impact fee revenue and wholesale water system net revenue were \$1,460,410 and \$8,368,673, respectively.

	12,985,000
Total notes payable – enterprise funds	15,742,970
Less: current portion	(1,440,278)
Long-term portion of enterprise funds’ notes payable	\$ 14,302,692

**NOTE 13 – LONG-TERM LIABILITIES - BUSINESS-TYPE ACTIVITIES (Continued)**

Minimum debt service requirements to maturity on the notes are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	1,440,278	562,199	2,002,477
2023	1,493,158	511,140	2,004,298
2024	1,545,383	458,215	2,003,598
2025	1,599,112	403,427	2,002,539
2026	1,655,342	346,707	2,002,049
2027-2031	6,412,774	987,822	7,400,596
2032-2036	1,508,990	57,959	1,566,949
2037-2041	87,933	1,634	89,567
Total	\$ 15,742,970	\$ 3,329,103	\$ 19,072,073

Bonds payable in the enterprise funds at September 30, 2021, are summarized below:

**Solid Waste Capital Improvement Revenue Refunding Bonds – Series 2010**

On August 18, 2010, the County issued \$28,320,000 Capital Improvement Revenue Refunding Bonds – Series 2010. The proceeds of the bonds were used to refund the outstanding Solid Waste Sales Tax Revenue Bonds – Series 1998 (refunded \$30,680,000) and to pay the cost of issuing the bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,703,997. This difference is reported as a deferred amount on refunding. The County completed the refunding to reduce its debt service payments over twenty-five years by \$5,314,359 and obtain an economic gain of \$3,435,305. The bonds are special obligation bonds of the County payable solely from and secured by non-ad valorem revenues in accordance with Resolution No. 2997. The bonds contain a provision that, in the event of a default, the lender may declare all payments of principal and interest on the bond to be immediately due and payable and the bond shall bear interest at a rate equal to the Base Rate, plus 4% per annum, not to exceed the maximum rate permitted by law. The Base Rate shall be equal to (i) the Prime Rate or (ii) the Adjusted One Month LIBOR Rate.

The refunding bonds interest rate is 3.43%, principal payable annually on September 1, commencing September 1, 2011. Interest is payable semi-annually, March 1 and September 1. Average remaining annual debt service is \$2,655,412.

This pledge remains in effect until extinguishment or maturity of the debt in 2023, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$5,310,824. Annual principal and interest payments on the bond required 2.03% of the total of non-ad valorem revenues. Principal and interest payments paid for the current year and the total of non-ad valorem revenues were \$2,676,026 and \$131,812,034 respectively.      \$ 5,050,000

**NOTE 13 – LONG-TERM LIABILITIES - BUSINESS-TYPE ACTIVITIES (Continued)**

**Water and Sewer System Revenue Refunding Bonds – Series 2015**

On November 4, 2015, the County issued \$28,710,000 Water and Sewer System Revenue Refunding Bonds – Series 2015. The proceeds of the bonds were used to refund the outstanding Water and Sewer System Revenue Bonds – Series 2011 (refunded \$27,075,000) and to pay the cost of issuing the bonds. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$391,517. This difference is reported as a deferred amount on the refunding. The County completed the refunding to reduce its annual debt service payments and extend the maturity by fourteen years. The refunding increased total debt service payments over thirty years by \$15,104,388 and resulted in an economic loss of \$1,236,640.

The bonds are limited obligation bonds of the County payable solely from and secured by the net revenues derived from the water and sewer system, connection fees in accordance with Resolution No. 3318 and 3319, and moneys deposited into the reserve and rate stabilization funds as allowed per the bond agreement. In addition, the Resolutions allow the County to budget and appropriate, if necessary, Non-Ad Valorem Revenues, sufficient to pay the fiscal year principal and interest on the bond, in the event amounts available from the Pledged Funds are insufficient. The bonds contain a provision that, in the event of a default, all pledged funds shall be applied to the payment of reasonable and proper charges, expenses and liabilities of the trustee or receiver, to the payment of interest and principal, then to the payment of all fees due any insurer and Credit Bank not previously mentioned.

The refunding bonds interest rate varies from 2.0%-5.0%, principal payable annually on September 1, commencing September 1, 2017. Interest is payable semi-annually, March 1 and September 1, commencing March 1, 2016. Average remaining annual debt service is \$1,695,446.

This pledge remains in effect until extinguishment or maturity of the debt in 2045, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$40,690,713. Principal and interest payments on the bond required 26.46% of the total of the net revenues derived from the water system, connection fees, and allowable deposits. Principal and interest payments paid for the current year and the total net revenues derived from the water system, connection fees, and allowable deposits were \$1,693,769 and \$6,401,754 respectively.

25,570,000

**NOTE 13 – LONG-TERM LIABILITIES - BUSINESS-TYPE ACTIVITIES (Continued)**

**Water System Revenue Refunding Bonds – Series 2016**

On October 12, 2016, the County issued \$30,085,000 Water System Revenue Refunding Bonds – Series 2016. The proceeds of the bonds were used to refund the outstanding Water System Revenue Refunding Bonds – Series 2005 (refunded \$36,615,000) and to pay the cost of issuing the bonds. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$6,233,490. This difference is reported as a deferred amount on the refunding. The County completed the refunding to reduce its annual debt service payments. The refunding decreased total debt service payments over fourteen years by \$9,142,489 and resulted in an economic gain of \$6,886,901.

The bonds are special obligation bonds of the County payable solely from and secured by, a) the net revenues of the wholesale water system, b) impact fees charged by the wholesale water system, c) all cash and investments held in accordance with Ordinance No. 00-04, Resolution No. 2219 and Resolution No. 2625. The bond contains a provision that, in the event of a default, all pledged funds shall be applied to the payment of reasonable and proper charges, expenses and liabilities of the trustee or receiver, to the payment of the amounts required for operating expenses and for the reasonable renewals, repairs, and replacements of the system necessary to prevent loss of gross revenues, then to the payment of the interest and principal due on the bonds.

The bonds are issued on parity with the County's outstanding Water System Revenue Bonds – Series 2014. Interest varies from 4.0% to 5.0%, principal payable annually on September 1, commencing September 1, 2017, interest payable semi-annually on March 1 and September 1, commencing on March 1, 2017. Average remaining annual debt service is \$3,042,639.

This pledge remains in effect until extinguishment or maturity of the debt in 2030, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$27,383,750. Annual principal and interest payments on the bond required 36.38% of the total of impact fee revenue and wholesale water system net revenue. Principal and interest payments paid for the current year and the total of impact fee revenue and wholesale water system net revenue were \$3,044,750 and \$8,368,673, respectively.

21,625,000

**NOTE 13 – LONG-TERM LIABILITIES - BUSINESS-TYPE ACTIVITIES (Continued)**

**Solid Waste System Revenue Bond, Series 2021**

On September 23, 2021, the County issued \$20,340,000 Solid Waste System Revenue Bond, Series 2021, for the purposes of financing and refinancing the acquisition, construction, and equipping of capital improvements to the County’s solid waste system. The bond contains a provision that, in the event of a default, the lender may sue to protect and enforce the agreement. In the event of a default, the bond shall bear interest at the lessor of 18% per annum and the maximum lawful rate until all amounts then due are paid in full.

The interest rate is 1.87%, principal payable annually on September 1, commencing on September 1, 2022. Interest is payable semi-annually, March 1 and September 1, commencing on March 1, 2022. Average remaining annual debt service is \$1,227,696.

These bonds are secured by the net revenues of the Solid Waste Fund in accordance with Resolution No. 3833. This pledge remains in effect until extinguishment or maturity of the debt in 2041, whichever comes first. The remaining principal and interest payments on this debt as of September 30, 2021, totaled \$24,553,914. No principal or interest payments were paid in the current year.

	20,340,000
Total bonds payable – business-type activities	72,585,000
Less: current portion	(5,944,000)
Long-term portion of business-type activities’ bonds payable	\$ 66,641,000

The annual debt service requirements to maturity for bonds payable at September 30, 2021, are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	\$ 5,944,000	\$ 2,611,616	\$ 8,555,616
2023	6,191,000	2,420,939	8,611,939
2024	3,772,000	2,196,504	5,968,504
2025	3,919,000	2,052,848	5,971,848
2026	4,071,000	1,900,037	5,971,037
2027-2031	19,901,000	6,913,762	26,814,762
2032-2036	10,466,000	4,170,131	14,636,131
2037-2041	12,171,000	2,461,365	14,632,365
2042-2046	6,150,000	627,000	6,777,000
Total	\$ 72,585,000	\$ 25,354,202	\$ 97,939,202



**NOTE 13 – LONG-TERM LIABILITIES - BUSINESS-TYPE ACTIVITIES (Continued)**

	Balance (as restated) September 30, 2020	Additions	Deductions	Balance September 30, 2021	Due Within One Year
Revenue bonds	\$ 49,745,000	\$ -	\$ (2,550,000)	\$ 47,195,000	\$2,655,000
Adjusted for deferred amounts on					
Issuance discounts/premiums	4,598,134	-	(456,752)	4,141,382	-
Total revenue bonds	54,343,134	-	(3,006,752)	51,336,382	2,655,000
Bonds from direct placements	43,119,685	20,340,000	(38,069,685)	25,390,000	3,289,000
Notes from direct borrowings	39,807,619	-	(24,064,649)	15,742,970	1,440,278
Capital leases payable	20,552	5,405	(8,588)	17,369	8,259
Other postemployment benefits	678,820	52,490	-	731,310	-
Accrued compensated absences	493,894	192,919	(185,038)	501,775	195,821
Landfill closure and postclosure liability	10,049,778	274,447	-	10,324,225	-
Net pension liability	6,426,348	-	(4,388,360)	2,037,988	-
Business-type activity long-term liabilities	\$154,939,830	\$ 20,865,261	\$ (69,723,072)	\$106,082,019	\$7,588,358

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the County to rebate excess arbitrage earnings from bond proceeds to the Federal Government. As of September 30, 2021, there was no arbitrage liability for business-type activities.

**NOTE 14 – COMPENSATED ABSENCES**

The County's compensated absences at September 30, 2021, are as follows:

	Governmental Activities	Business-type Activities	Total
Current	\$ 1,311,725	\$ 195,821	\$ 1,507,546
Long-term	4,465,993	305,954	4,771,947
Total	\$ 5,777,718	\$ 501,775	\$ 6,279,493

**NOTE 15 – INTERFUND TRANSFERS, RECEIVABLES, PAYABLES, AND  
ADVANCES**

The County's routine transfers include transfers, (a) to match for special revenue grant requirements, (b) to other funds based on budgetary requirements, and (c) for revenues from a fund that by statute or budgetary authority must collect them for funds that are required by statute or budgetary authority to expend them. Interfund transfers during the year ended September 30, 2021, were as follows:

Transfer In	Transfer Out	
General fund	Transportation fund	\$ 3,045
	Hurricane Michael fund	<u>68,617,255</u>
		<u>\$ 68,620,300</u>
Transportation fund	General fund	\$ 12,422,790
	Hurricane Michael fund	<u>63,973,971</u>
		<u>\$ 76,396,761</u>
Tourist Development fund	Hurricane Michael fund	<u>\$ 42,155</u>
		<u>\$ 42,155</u>
Other nonmajor gov't funds	General fund	\$ 1,135,830
	Tourist Development fund	62,578
	Hurricane Michael fund	<u>6,422,731</u>
		<u>\$ 7,621,139</u>
Hurricane Michael fund	General fund	\$ 63,733,546
	Transportation fund	106,692,930
	Other nonmajor governmental funds	6,088,563
	Tourist Development fund	20,671
	Wholesale water fund	4,000,450
	Solid waste fund	220,488,875
	Retail waste fund	1,334,615
	Builder services fund	443,793
	Internal service funds	<u>40,532,703</u>
		<u>\$ 443,336,146</u>
Wholesale water fund	Hurricane Michael fund	<u>\$ 9,078,073</u>
		<u>\$ 9,078,073</u>

(Continued)

**NOTE 15 – INTERFUND TRANSFERS, RECEIVABLES, PAYABLES, AND  
ADVANCES (Continued)**

Transfer In	Transfer Out		
Wholesale water fund	Internal service funds	\$ 413,135	<u>\$ 413,135</u>
Retail waste fund	Hurricane Michael fund	\$ 1,479,984	<u>\$ 1,479,984</u>
Solid waste fund	Hurricane Michael fund	\$ 162,681,312	<u>\$ 162,681,312</u>
Builder services fund	Hurricane Michael fund	\$ 735,292	<u>\$ 735,292</u>
Internal service funds	Hurricane Michael fund	\$ 6,418,639	<u>\$ 6,418,639</u>

Current year transfer include transfers to establish the Hurricane Michael Fund. In addition, transfers in/out between governmental funds and proprietary funds did not agree for transfer activity that is not recorded under modified accrual accounting (i.e capital assets and debt related).

Interfund receivables and payables arise from interfund transactions for operating purposes and are recorded by all funds affected in the period in which transactions are executed. At September 30, 2021, interfund receivables and payables are as follows:

Receivable Fund	Payable Fund		
General fund	Internal service funds	\$ 669,872	
	Other nonmajor governmental funds	1,975,234	
	Solid waste fund	3,487,014	<u>\$ 6,132,120</u>
Transportation fund	Internal service funds	\$ 297,202	<u>\$ 297,202</u>
Tourist development fund	General fund	\$ 749,812	
	Wholesale water fund	7,556	<u>\$ 757,368</u>

(Continued)

**NOTE 15 – INTERFUND TRANSFERS, RECEIVABLES, PAYABLES, AND  
ADVANCES (Continued)**

Receivable Fund	Payable Fund		
Retail waste fund	Internal service fund	\$ 190,133	<u>\$ 190,133</u>
Solid waste fund	Internal service funds	\$ 434,558	<u>\$ 434,558</u>
Internal service funds	General fund	\$ 19,445	
	Transportation fund	68,806	
	Other nonmajor governmental funds	4,889	
	Wholesale water fund	2,404	
	Retail waste fund	6,489	
	Builder services fund	1,786	
	Internal services fund	7,989	
			<u>\$ 111,808</u>
Other nonmajor governmental funds	Internal service funds	\$ 265,623	<u>\$ 265,623</u>

An interfund advance was made to the MSTU fire protection fund from the building services fund in 2012 and 2014 to provide funds for operations. This advance is expected to be repaid within three years of September 30, 2021. The balance of this advance as of September 30, 2021, was \$179,080.

**NOTE 16 – FUND BALANCE**

The detail related to fund balance classifications for governmental funds as of September 30, 2021, consists of the following:

	General	Tourist Development	Transportation	Hurricane Michael	Nonmajor Governmental	Total
Nonspendable						
Not in spendable form for prepaid items	\$ 383,806	\$ 525,442	\$ 46,980	\$ -	\$ 36,808	\$ 993,036
Total nonspendable	383,806	525,442	46,980	-	36,808	993,036
Restricted						
Enabling legislation	2,894,840	66,513,033	595,457	83,784,802	11,953,009	165,741,141
Debt service	1,082,760	1,415,112	-	293,373	243,780	3,035,025
Impact fees	2,208,544	-	-	-	1,189,126	3,397,670
Contractual	2,296,051	-	-	-	-	2,296,051
Unspent bond proceeds	-	-	-	17,674,173	4,301,421	21,975,594
Total restricted	8,482,195	67,928,145	595,457	101,752,348	17,687,336	196,445,481

**NOTE 16 – FUND BALANCE (Continued)**

	General	Tourist Development	Transportation	Hurricane Michael	Nonmajor Governmental	Total
Assigned						
For disaster cleanup	1,000,000	-	-	-	-	1,000,000
For neighborhood infrastructure and improvement	59,127	-	-	-	-	59,127
For future insurance costs	955,201	1,358,062	41,784	-	21,503	2,376,550
For animal control	107,066	-	-	-	-	107,066
For following year expenditures	6,726,728	-	-	-	-	6,726,728
For purpose of special revenue fund	-	-	30,719,664	-	-	30,719,664
<b>Total assigned</b>	<b>8,848,122</b>	<b>1,358,062</b>	<b>30,761,448</b>	<b>-</b>	<b>21,503</b>	<b>40,989,135</b>
Unassigned	46,840,719	-	-	-	-	46,840,719
<b>Total fund balances</b>	<b>\$ 64,554,842</b>	<b>\$ 69,811,649</b>	<b>\$ 31,403,885</b>	<b>\$ 101,752,348</b>	<b>\$ 17,745,647</b>	<b>\$ 285,268,371</b>

**NOTE 17 – COMMITMENTS AND CONTINGENCIES**

**Landfill Costs and Liabilities**

The County has two landfills. The Majette Landfill closed in September 1987. The Steelfield Road Landfill is currently estimated to have sufficient capacity at current waste generation disposal rates to accept waste through 2037. State and federal laws and regulations require that the County place a final cover on its landfills when closed and to perform certain maintenance and monitoring functions at the landfill sites for 20 to 30 years after closure, depending on closure date. As of September 30, 2021, the Majette Landfill completed the required maintenance and monitoring for financial assurance.

Management currently estimates that the cost to close the Steelfield Landfill will be approximately \$12,378,640 and the postclosure costs to maintain and monitor the Steelfield Landfill will be approximately \$120,786 per year. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The Solid Waste Fund has reported a liability for landfill closure and postclosure care at September 30, 2021, in the amount of \$10,324,225, which represents the cumulative amount reported to date, based on 64% of the estimated capacity of the landfill. See note 13 for disclosure of the changes in this estimated liability.

These amounts are based on what it is estimated to cost to perform all closure and postclosure care in 2021. Actual cost may be higher due to inflation, deflation, changes in technology, or changes in applicable laws and regulations.

**NOTE 17 – COMMITMENTS AND CONTINGENCIES (Continued)**

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County was in compliance with these requirements and at September 30, 2021, \$8,009,126 was held for these purposes in a separate general ledger account on deposit in the County’s pooled cash and investments. These are reported as restricted cash and investment assets on the solid waste fund balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined to be necessary, these costs may need to be covered by charges to future landfill users or from future tax revenue.

**Legal Contingencies**

The County is involved in certain litigation and claims, as a defendant or plaintiff, arising in the ordinary course of operations. Legal counsel has indicated that the facts of the cases and the law are not sufficiently developed to allow an accurate prediction of the ultimate outcome of the litigation. As such, no estimate of losses, if any, can be determined. During the course of normal operations, the County entered into various other contractual agreements for which the County would be liable in the event of default. The actual potential amount of loss liability associated with a default for these contracts cannot be reasonably estimated at this time.

**Military Point Advanced Wastewater Treatment Facility**

The County entered into debt financing agreements with the City of Callaway on behalf of the Military Point Advanced Wastewater Treatment Facility. As a result, the County is contingently liable for bonds payable and notes payable guaranteed by the City of Callaway.

As of September 30, 2021, the County was contingently liable for the following amounts:

Wastewater System Revenue Refunding Bonds Series 2004 (see note 13)	\$ 2,379,000
Related interest expense	241,315
Total contingent liability – joint venture	\$ 2,620,315

**Construction Commitments**

At September 30, 2021 the County had open construction contract commitments as follows:

Fund	Contract Amount	Expended to Date	Remaining Commitment
General fund	\$ 20,994,067	\$ 18,993,257	\$ 2,000,810
Transportation fund	26,186,393	20,767,990	5,418,403
Other nonmajor governmental funds	15,802,805	9,002,017	6,800,788
Wholesale Water fund	5,510,143	3,718,691	1,791,452
Total contract commitments	\$ 68,493,408	\$ 52,481,955	\$ 16,011,453

**NOTE 18 – CONDUIT DEBT OBLIGATIONS**

During the course of normal operations, the County has entered into various conduit debt obligations. Conduit debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer’s financial reporting entity. The County has no responsibility for the payment of these debt issues except for the payments received on the underlying lease or loan agreement. The County’s conduit debt obligations at September 30, 2021, are summarized as follows:

Issue	Date of Issue	Amount Outstanding September 30, 2021
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy) Series 2020	October 21, 2020	\$ 9,510,000
Bay County, Florida Industrial Development Revenue Refunding Bonds (Goodwill Industries - Big Bend, Inc.) Series 2017	April 1, 2017	\$ 9,020,732
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy Project) Series 2013 A & B	April 17, 2013	\$ 19,845,000
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy Project) Series 2016	October 1, 2016	\$ 4,570,000
Bay County, Florida Industrial Developmental Revenue Bonds (Gulf Power Company Project) Series 2020	June 1, 2020	\$ 50,000,000

**NOTE 19 – WORKERS’ COMPENSATION – SELF INSURANCE**

During fiscal year 1990, the County established a workers' compensation fund (internal service fund) to account for and finance its uninsured risks of loss relating to workers' compensation claims. Under this program, the workers' compensation fund provides coverage for up to a maximum of \$350,000 for each workers' compensation claim through September 30, 2021. The County purchases commercial insurance for claims in excess of coverage provided by the workers' compensation fund. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds, except those which include certain volunteer fire department personnel of the County, participate in the program and make payments to the workers' compensation fund based on estimates of the amounts needed to pay prior and current year claims. The claims liability of \$4,480,761 reported in the workers' compensation fund at September 30, 2021, is based on the requirements of GASB, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been

**NOTE 19 – WORKERS’ COMPENSATION – SELF INSURANCE (Continued)**

incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. The liability includes an estimate of incurred but not reported losses based on historical experience. Changes in the workers' compensation fund's claims liability amount in fiscal years 2020 and 2021 were as follows:

Year Ending September 30,	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2020	\$ 4,480,761	\$ 629,968	\$ (629,968)	\$ 4,480,761
2021	\$ 4,480,761	\$ 615,591	\$ (616,591)	\$ 4,480,761

**NOTE 20 – INSURANCE**

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The County accounts for its uninsured risk of loss with regard to workers' compensation as explained in note 19. Other types of insurance coverage are explained in the following paragraphs.

The County is a member of the Florida Association of Counties Trust (FACT), a public entity risk pool, which provides general liability insurance coverage. The County pays an annual premium to the Trust and remains liable for the deductible of \$25,000 per claim. The claims liability of \$250,000 reported in the self-insurers' fund is based on the requirements of GASB.

Changes in the self insurers' fund's claims liability amount in fiscal years 2020 and 2021 were as follows:

Year Ending September 30,	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2020	\$ 250,000	\$ 3,976,723	\$ (3,976,723)	\$ 250,000
2021	\$ 250,000	\$ 4,309,251	\$ (4,309,251)	\$ 250,000

The County also purchases commercial insurance for other risks of loss, such as automobile liability. Settled claims have not exceeded this commercial coverage during the past three fiscal years.

**NOTE 21 – JOINT VENTURE**

The County entered into an interlocal agreement with the cities of Callaway, Parker, Springfield and the former Town of Cedar Grove on September 27, 1996, to supply existing and expanded wastewater treatment and disposal services. The mission of this joint venture is to provide these services in an economical, efficient and environmentally appropriate manner to their respective citizenry. This joint venture, known as the Military Point Advanced Wastewater Treatment Facility



**NOTE 21 – JOINT VENTURE (Continued)**

(MPAWTF or System), assumed ownership of the existing wastewater treatment plant and then completed construction of a new seven million gallon per day advanced wastewater treatment facility, which was placed in service on July 20, 1999. Funding for the new facility came through a combination of conventional borrowing and State Revolving Fund loans.

The joint venture is owned and governed by the County; and the cities of Callaway, Parker, and Springfield. One owner is selected by the others to be responsible for operating the System. The owner designated to be the Operator is the County. The Operator of the System, in accordance with the interlocal agreement, prepares the system’s annual budget, sets treatment rates and collects funds sufficient to pay debt service, cost of operations and maintenance, renewal and replacement, and any enhancements to reserves. The results of operations and cash flows are accounted for in total within the financial statements of the joint venture. The County’s interest in equity is reported within the County’s Retail Water and Wastewater Fund. As of September 30, 2021, the County’s investment in the joint venture was \$7,064,468. Complete financial statements for the joint venture may be obtained from the Operator at P.O. Box 2269, Panama City, Florida 32402.

Summary financial statements for the Military Point Advanced Wastewater Treatment Facility are as follows:

Statement of Net Position  
September 30, 2021

Assets	\$	29,005,606
Deferred outflows		410,698
Liabilities		8,351,189
Net position		
Net investment in capital assets		14,889,217
Restricted for owners’ rate reserve		2,016,900
Unrestricted		4,158,998
Total net position	\$	21,065,115

Statement of Activities  
Year Ended September 30, 2021

Operating revenues	\$	5,472,027
Operating expenses		(4,896,268)
Operating income		(575,759)
Nonoperating revenues (expenses), net		430,176
Income before distributions		1,005,935
Distributions to owners		(326,200)
Change in net position		679,735
Net position, beginning of year,		20,385,380
Net position, end of year	\$	21,065,115

**NOTE 21 – JOINT VENTURE (Continued)**

As of September 30, 2021, the County’s portion of contributions and net position in the joint venture is as follows:

County investment, at September 30, 2020	\$ 6,899,762
Add: 2021 County share of net income	323,369
Less: 2021 distributions payable	(158,663)
County investment in joint venture at September 30, 2021	\$ 7,064,468

**NOTE 22 – RELATED PARTY TRANSACTIONS**

During the year ended September 30, 2021, the MPAWTF provided services to the County’s Retail Water & Wastewater Fund. For the year ended September 30, 2021, the billings for these services totaled \$2,016,902.

As described in note 21, the County is an owner of the Military Point Advanced Wastewater Treatment Facility. The County incurs operational expenses on behalf of the joint venture. Reimbursement for these expenses amounted to \$2,503,477 for the year ended September 30, 2021.

Receivables/payables arising from all non-billing transactions with MPAWTF are recorded as “due from” or “due to” amounts. MPAWTF has recorded \$1,128,073 in “due from” the County and \$1,160,899 in “due to” the County.

In addition, during the current year the County recognized \$91,884 in interest income from the joint venture, which was subsequently used to satisfy interest expense of \$91,884, related to the State Revolving Fund Loan Program as discussed in note 13.

**NOTE 23 – COUNTY TAX ABATEMENTS**

County property tax revenues were reduced by \$70,264 under an agreement entered into by the County through the Economic Development Program allowable under Florida Statute 196.012, for the purposes of increasing business activity and employment in the state. The County, through ordinance, provides abatements to new businesses or expansions of existing businesses that commit to creating jobs. These abatements temporarily reduce the assessed value of the real or personal property involved. The County program specifies a percentage reduction in property taxes for the recipients, up to 100 percent. As of September 30, 2021, ten County abatement agreements were with County businesses, all of which were entered into prior to the fiscal year.

**NOTE 24 – RESTATEMENT AND PRIOR PERIOD ADJUSTMENT**

*Restatement*

- 1) In 2014, Bay County entered into an agreement to provide services as a fiscal agent for certain, primarily grant related, activities for the Bay County Transportation Planning Organization (TPO). The activity provided as a fiscal agent was included in the general fund of Bay County, this activity did not include all activity of the TPO entity. That agreement

**NOTE 24 – RESTATEMENT AND PRIOR PERIOD ADJUSTMENT (Continued)**

has evolved over the years. In the current fiscal year, the County determined, through their evaluation of GASB 61, the TPO has become fiscally dependent and a financial burden on Bay County and should be recognized as a discretely presented component unit effective fiscal year September 30, 2021 and would require a restatement to properly reflect the balances. The restatement resulted in decrease of fund balance of the general fund and net position of governmental activities of and \$77,215 and \$561,882, respectively. The beginning balance of the TPO of \$7,730,349 includes activity that was not previously recorded by Bay County.

- 2) Effective October 1, 2020, the County elected to move the activity of the Emergency Medical Service Fund from an enterprise fund to a governmental fund included in the General Fund. This election resulted in a restatement of net position which consisted of a decrease in governmental activities and an increase in business-type activities of \$3,798,915, and a restatement which consisted of an increase in the fund balance of the General Fund of \$2,675,794.

*Prior Period Adjustment*

- 3) Subsequent to the issuance of the prior year audited financial statements, the County determined that revenues related to grant funding were not properly recorded between the general fund and the MSTU Fire Protection Fund. As a result, as of September 30, 2020, an increase in the beginning fund balance for the General Fund and a decrease in MSTU Fire Protection Fund of \$1,994,082 has been reflected in these financial statements.
- 4) Subsequent to the issuance of the prior year audited financial statements, the County determined that capital asset activity was not properly recorded as a result of retainage calculations, valuation of a donated asset and not identifying a disposal of a capital asset. The result was overstatement of capital assets in governmental activities of \$267,688, including an understatement of capital assets of the Other Internal Services Fund and the Utilities Administration Fund of capital assets of \$11,525 and \$867, respectively. There was also an understatement of capital assets in business type activities of \$296,652, including an understatement of the solid waste fund of \$665,154 and an overstatement of the retail water and wastewater fund of \$368,502. As a result, a decrease in beginning net position of governmental activities, Retail Water and Wastewater Fund, and an increase in the business type activities, Solid Waste Fund, Other Internal Services Fund and the Utilities Administration Fund as of September 30, 2020, has been reflected in these financial statements.
- 5) Subsequent to the issuance of the prior year audited financial statements, the County determined that the Family Mediation special revenue fund should have been treated as a fiduciary fund. As a result, a decrease in the beginning fund balance of the Family Mediation Fund and of governmental activities net position as of September 30, 2020, of \$17,054 has been reflected in these financial statements.

**NOTE 24 – RESTATEMENT AND PRIOR PERIOD ADJUSTMENT (Continued)**

- 6) Subsequent to the issuance of the prior year audited financial statements, the County determined that amount due from other governments was understated for the governmental activities and the Transportation Fund of \$450,000. As a result, an increase of beginning net position for governmental activities and fund balance of the Transportation Fund as of September 30, 2020, has been reflected in these financial statements.
- 7) Subsequent to the issuance of the prior year audited financial statements, the County determined that prepaid expenses for governmental activities and the Insurance Fund were understated by \$364,905. As a result, an increase of beginning net position for governmental activities and fund balance of the Insurance Fund as of September 30, 2020, has been reflected in these financial statements.
- 8) Subsequent to the issuance of the prior year audited financial statements, the County determined that deferred revenues for business type activities and the Retail Water and Wastewater Fund and were overstated by \$237,348. As a result, a decrease of beginning net position for business type activities and the Retail Water and Wastewater Fund as of September 30, 2020, has been reflected in these financial statements.

The following table summarizes the restatement and prior period adjustments:

	Governmental Activities	Business Type	General	Transportation	MSTU
Beginning Net position/Fund balance	\$ 257,561,525	\$ 137,283,056	\$ 37,722,259	\$ 73,742,190	\$ 4,914,443
Adjustment 1	(561,882)	-	(777,215)	-	-
Adjustment 2	(3,798,915)	3,798,915	2,675,794	-	-
Adjustment 3	-	-	1,994,082	-	(1,994,082)
Adjustment 4	(267,688)	296,652	-	-	-
Adjustment 5	(17,054)	-	-	-	-
Adjustment 6	450,000	-	-	450,000	-
Adjustment 7	364,905	-	-	-	-
Adjustment 8	-	(237,348)	-	-	-
Beginning Net position/Fund balance (restated)	\$ 253,730,891	\$ 141,141,275	\$ 41,614,920	\$ 74,192,190	\$ 2,920,361
	Retail Water and Wastewater	Solid Waste	Other Internal Services	Insurance	Utilities Administration
Beginning Net position/Fund balance	\$ 16,443,867	\$ 50,960,885	\$ (692,302)	\$ 35,075,071	\$ 290,035
Adjustment 4	(368,502)	665,154	11,525	-	867
Adjustment 7	-	-	-	364,905	-
Adjustment 8	(237,348)	-	-	-	-
Beginning Net position/Fund balance (restated)	\$ 15,838,017	\$ 51,626,039	\$ (680,777)	\$ 35,439,976	\$ 290,902

**NOTE 25 – UNCERTAINTY**

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

**NOTE 26 – HURRICANE MICHAEL**

The total amount of damages related to Hurricane Michael has not yet been determined; therefore, the actual costs for hurricane repairs could be higher than estimated. This is due, in part, to the expansive timeline required to make full recovery and the changing cost scenarios faced by the County. The County continues to work closely with the Federal Emergency Management Agency (FEMA) to help offset the costs associated with Hurricane Michael that were not covered by insurance. The County has approximately 110 projects in various stages of completion and FEMA review and approval. Through fiscal year end 2021, the County has documented costs in excess of \$327 million in recovery efforts, of which roughly 83% has been obligated to be paid by FEMA.

## REQUIRED SUPPLEMENTARY INFORMATION

Bay County, Florida  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years

<b>Florida Retirement System</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
County's proportion of the net pension liability (asset)	0.2449620%	0.2587725%	0.2689660%	0.2556707%	0.2529244%	0.2550759%	0.2425663%
County's proportionate share of the net pension liability (asset)	\$ 18,504,094	\$ 112,156,832	\$ 92,628,150	\$ 77,009,353	\$ 74,839,008	\$ 64,406,863	\$ 31,330,693
County's covered payroll (2)	\$ 67,258,461	\$ 64,385,848	\$ 64,712,266	\$ 60,273,701	\$ 58,101,593	\$ 56,321,792	\$ 54,944,720
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	27.51%	174.19%	143.14%	127.77%	128.81%	114.36%	57.02%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
<b>Health Insurance Subsidy Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
County's proportion of the net pension liability (asset)	0.1898645%	0.1854461%	0.1933694%	0.1844422%	0.1821278%	0.1822235%	0.1808524%
County's proportionate share of the net pension liability (asset)	\$ 23,289,738	\$ 22,644,161	\$ 21,636,098	\$ 19,521,574	\$ 19,473,943	\$ 21,237,389	\$ 18,444,101
County's covered payroll (2)	\$ 67,258,461	\$ 64,385,848	\$ 64,712,266	\$ 60,273,701	\$ 58,101,593	\$ 56,321,792	\$ 54,944,720
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	34.63%	35.17%	33.43%	32.39%	33.52%	37.71%	33.57%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

**Notes to schedules:**

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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

Bay County, Florida  
Schedule of the County's Contributions  
Last 10 Fiscal Years

<b>Florida Retirement System</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 9,562,643	\$ 8,816,675	\$ 8,511,906	\$ 7,416,042	\$ 6,712,153	\$ 6,485,810	\$ 5,913,973	\$ 5,192,563
Contributions in relation to the contractually required contribution	(9,562,643)	(8,816,675)	(8,511,906)	(7,416,042)	(6,712,153)	(6,485,810)	(5,913,973)	(5,192,563)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
County's covered payroll (1)	\$ 67,621,769	\$ 65,324,533	\$ 65,324,533	\$ 60,485,168	\$ 50,114,760	\$ 49,207,939	\$ 47,022,239	\$ 45,615,661
Contributions as a percentage of covered payroll	14.14%	13.50%	13.03%	12.26%	13.39%	13.18%	12.58%	11.38%
<b>Health Insurance Subsidy Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 1,120,926	\$ 1,084,563	\$ 1,084,094	\$ 1,003,122	\$ 975,599	\$ 959,484	\$ 691,330	\$ 608,663
Contributions in relation to the contractually required contribution	(1,120,926)	(1,084,563)	(1,084,094)	(1,003,122)	(975,599)	(959,484)	(691,330)	(608,663)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
County's covered payroll (1)	\$ 67,621,769	\$ 65,335,113	\$ 65,324,533	\$ 60,485,168	\$ 50,114,760	\$ 49,207,939	\$ 47,022,239	\$ 45,615,661
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.95%	1.95%	1.47%	1.33%

**Notes to schedules:**

(1) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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



Bay County, Florida  
 Schedule of Changes in the County's Total Other Postemployment Benefits Liability and Related Ratios  
 Year Ended September 30, 2021

<i>As of and for the year ended September 30,</i>	<b>2021</b>	2020	2019	2018
<b>Total OPEB liability</b>				
Service cost	\$ 1,347,822	\$ 1,075,210	\$ 1,485,216	\$ 1,592,740
Interest	306,940	753,846	694,272	581,292
Differences between expected and actual experiences	-	(1,918,450)	96,096	-
Changes of assumptions	(236,273)	(5,882,790)	(47,426)	(915,074)
Benefit payments	(356,487)	(311,632)	(564,122)	(593,463)
Net change in total OPEB liability	<b>1,062,002</b>	(6,283,816)	1,664,036	665,495
Total OPEB liability - beginning (restated 2021)	<b>12,129,318</b>	18,404,522	16,740,486	16,307,935
Total OPEB liability - ending	<b>13,191,320</b>	12,120,706	18,404,522	16,973,430
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	356,486	311,632	564,122	593,463
Benefit payments	(356,486)	(311,632)	(564,122)	(593,463)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending	-	-	-	-
Total OPEB liability	<b>\$ 13,191,320</b>	\$ 12,120,706	\$ 18,404,522	\$ 16,973,430
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>	<b>0.00%</b>	0.00%	0.00%	0.00%
<b>Covered payroll</b>	<b>54,952,529</b>	53,653,130	52,657,577	51,896,540
<b>Net OPEB liability as a percentage of covered payroll</b>	<b>24.00%</b>	22.59%	34.95%	32.71%

**Notes to Schedule:**

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

\* GASB Codification P52 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented for only the years for which information is available.

COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

*Public Safety* – to account for the operations of the 911 emergency telephone system in the County. Funding is provided from telephone user charges.

*Intergovernmental Radio Communications* – to account for fees collected for the operation of an intergovernmental radio communications network. Funding is provided by traffic surcharges and charges to users of the system.

*District Mosquito Control* – to account for the operations of the mosquito control department. Funding is provided by ad valorem taxes and state funds.

*Municipal Services Tax Unit (MSTU) Fire Protection* – to account for the operations of the fire departments within the County. Funding is provided by ad valorem taxes.

*Court* – to account for court related activities as provided for in Article V section 14(b) of the Florida State Constitution.

*Records Modernization - Records* – to account for funds to be used for modern technology for the storage, retrieval and public access of valuable court and government public records. Funding is provided by Florida Statute 28.24(15)(d).

*Records Modernization - Court* – to account for funds to be used for modern technology for the storage, retrieval and public access of valuable court and government public records. Funding is provided for in Article V of the Florida State Constitution.

*10% Fine Records Modernization* – to account for funds to be used for modern technology for the storage, retrieval and public access of valuable court and government public records. Funding is provided for in Article V of the Florida State Constitution.

*Law Enforcement Training* – to account for law enforcement training projects funded by fines collected on traffic violations.

*Special Law Enforcement Trust* – to account for law enforcement related projects, funded by the proceeds from confiscated property forfeitures.

*Special Contribution* – to account for special projects and activities, funded by private sector donations.

*Crime Prevention* – to account for expenditures to fund crime prevention programs in the County in accordance with Florida Statute 775.083, funded through fines paid by offenders.

*Chapter 705 Fund* – to account for law enforcement related projects, funded by the proceeds from nonfederal confiscated property forfeitures.

*Inmate Welfare* – to account for expenditures related to inmate welfare, funded by the proceeds from jail activities.

	Public Safety	Intergovernmental Radio Communications	District Mosquito Control
<b>ASSETS</b>			
Cash and cash equivalents	\$ 240,677	\$ -	\$ 75,785
Accounts receivable, net	2,235	401,953	-
Accrued interest receivable	2,427	2,148	847
Investments	3,431,111	-	1,080,389
Prepays	698	-	-
Due from other funds	-	-	-
Due from other governments	417,310	81,565	17,950
Restricted assets			
Cash and cash equivalents	-	295,211	-
Investments	-	4,208,546	-
<b>Total assets</b>	<b>\$ 4,094,458</b>	<b>\$ 4,989,423</b>	<b>\$ 1,174,971</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$ 123,712	\$ 15,235	\$ 59,996
Unearned revenues	-	-	9
Due to other funds	-	1,975,234	2,902
Advance from other funds	-	-	-
<b>Total liabilities</b>	<b>123,712</b>	<b>1,990,469</b>	<b>62,907</b>
<b>Fund balance</b>			
Nonspendable	698	-	-
Restricted	3,969,282	2,998,954	1,107,740
Committed	-	-	-
Assigned	766	-	4,324
<b>Total fund balance</b>	<b>3,970,746</b>	<b>2,998,954</b>	<b>1,112,064</b>
<b>Total liabilities and fund balance</b>	<b>\$ 4,094,458</b>	<b>\$ 4,989,423</b>	<b>\$ 1,174,971</b>

Bay County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2021

Special Revenue

MSTU Fire Protection	Court	Family Mediation	Records Modernization - Records	Records Modernization - Court
\$ 256,671	\$ 418,505	\$ -	\$ 609,671	\$ 1,149,311
2,618	129,868	-	-	-
4,899	-	-	-	-
3,659,112	-	-	-	-
-	16,424	-	4,375	15,311
265,623	-	-	-	-
201,564	-	-	-	-
80,656	-	-	-	-
1,149,852	-	-	-	-
<u>\$ 5,620,995</u>	<u>\$ 564,797</u>	<u>\$ -</u>	<u>\$ 614,046</u>	<u>\$ 1,164,622</u>
\$ 277,325	\$ 119,530	\$ -	\$ -	\$ 14,431
-	-	-	-	-
1,987	-	-	-	-
179,080	-	-	-	-
<u>458,392</u>	<u>119,530</u>	<u>-</u>	<u>-</u>	<u>14,431</u>
-	16,424	-	4,375	15,311
5,146,190	428,843	-	609,671	1,134,880
-	-	-	-	-
16,413	-	-	-	-
<u>5,162,603</u>	<u>445,267</u>	<u>-</u>	<u>614,046</u>	<u>1,150,191</u>
<u>\$ 5,620,995</u>	<u>\$ 564,797</u>	<u>\$ -</u>	<u>\$ 614,046</u>	<u>\$ 1,164,622</u>

Continued

	Law Enforcement Training	Special Law Enforcement Trust	Special Contribution	Crime Prevention
<b>ASSETS</b>				
Cash and cash equivalents	\$ 61,009	\$ 42,030	\$ 11,250	\$ 318,447
Accounts receivable, net	29,270	-	-	-
Accrued interest receivable	-	-	-	-
Investments	-	-	-	-
Prepays	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
<b>Total assets</b>	<b>\$ 90,279</b>	<b>\$ 42,030</b>	<b>\$ 11,250</b>	<b>\$ 318,447</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Accounts payable	\$ 3,750	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	-
<b>Total liabilities</b>	<b>3,750</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance				
Nonspendable	-	-	-	-
Restricted	86,529	42,030	11,250	318,447
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total fund balance</b>	<b>86,529</b>	<b>42,030</b>	<b>11,250</b>	<b>318,447</b>
<b>Total liabilities and fund balance</b>	<b>\$ 90,279</b>	<b>\$ 42,030</b>	<b>\$ 11,250</b>	<b>\$ 318,447</b>

Bay County, Florida  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
September 30, 2021

Special Revenue

Federal Seizure Account	Seizure Trust	Inmate Welfare	Total Nonmajor Governmental Funds
\$ -	\$ 89,298	\$ 1,588,851	\$ 4,861,505
-	-	155,371	721,315
-	-	-	10,321
-	-	-	8,170,612
-	-	-	36,808
-	-	-	265,623
-	-	-	718,389
-	-	-	375,867
-	-	-	5,358,398
<u>\$ -</u>	<u>\$ 89,298</u>	<u>\$ 1,744,222</u>	<u>\$ 20,518,838</u>
\$ -	\$ -	\$ -	\$ 613,979
-	-	-	9
-	-	-	1,980,123
-	-	-	179,080
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,773,191</u>
-	-	-	36,808
-	89,298	1,744,222	17,687,336
-	-	-	-
-	-	-	21,503
<u>-</u>	<u>89,298</u>	<u>1,744,222</u>	<u>17,745,647</u>
<u>\$ -</u>	<u>\$ 89,298</u>	<u>\$ 1,744,222</u>	<u>\$ 20,518,838</u>



	Public Safety	Intergovernmental Radio Communications	District Mosquito Control
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 1,199,868
Intergovernmental	104,342	-	55,113
Charges for services	920,820	1,004,835	-
Investment earnings	7,729	(2,823)	2,508
Contributions and donations	-	401,185	-
Miscellaneous	-	-	-
Total revenues	1,032,891	1,403,197	1,257,489
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Public safety	816,062	573,136	-
Human services	-	-	1,298,175
Capital outlay			
Public safety	264,820	4,563,823	-
Economic environment	-	-	-
Debt service			
Principal	586	2,093,000	88
Interest	132	321,916	8,846
Total expenditures	1,081,600	7,551,875	1,307,109
Excess (deficit) of revenues over (under) expenditures	(48,709)	(6,148,678)	(49,620)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	47,031	2,205,530	1,080,750
Transfers out	(40,411)	(853,501)	(1,262,738)
Total other financing sources	6,620	1,352,029	(181,988)
Net change in fund balance	(42,089)	(4,796,649)	(231,608)
Fund balance - beginning	4,012,835	7,795,603	1,343,672
Restatement and/or prior period adjustment	-	-	-
Fund balance - beginning (restated)	4,012,835	7,795,603	1,343,672
Fund balance - ending	\$ 3,970,746	\$ 2,998,954	\$ 1,112,064

Bay County, Florida  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Nonmajor Governmental Funds  
Year Ended September 30, 2021

Special Revenue					
MSTU Fire Protection	Court	Family Mediation	Records Modernization - Records	Records Modernization - Court	
\$ 9,318,294	\$ -	\$ -	\$ -	\$ -	\$ -
1,381,218	-	-	-	-	-
670,789	3,628,538	-	206,675	636,734	-
13,300	-	-	-	-	-
-	-	-	-	-	-
201,491	-	-	-	-	-
11,585,092	3,628,538	-	206,675	636,734	-
-	3,586,331	-	55,749	282,379	-
9,170,095	-	-	-	-	-
-	-	-	-	-	-
19,665	-	-	-	-	-
-	-	-	-	-	-
372,946	-	-	-	-	-
136,059	-	-	-	-	-
9,698,765	3,586,331	-	55,749	282,379	-
1,886,327	42,207	-	150,926	354,355	-
4,287,828	-	-	-	-	-
(3,931,913)	-	-	-	-	-
355,915	-	-	-	-	-
2,242,242	42,207	-	150,926	354,355	-
4,914,443	403,060	17,054	463,120	795,836	-
(1,994,082)	-	(17,054)	-	-	-
2,920,361	403,060	-	463,120	795,836	-
\$ 5,162,603	\$ 445,267	\$ -	\$ 614,046	\$ 1,150,191	-

Continued

	Law Enforcement Training	Special Law Enforcement Trust	Special Contribution	Crime Prevention
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	74,433	54,164	6,350	240,000
Charges for services	-	-	-	-
Investment earnings	-	-	-	31
Contributions and donations	-	-	-	-
Miscellaneous	-	13,728	-	-
<b>Total revenues</b>	<b>74,433</b>	<b>67,892</b>	<b>6,350</b>	<b>240,031</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	74,389	55,724	6,249	82,550
Human services	-	-	-	-
Capital outlay				
Public safety	-	20,000	-	500
Economic environment	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>74,389</b>	<b>75,724</b>	<b>6,249</b>	<b>83,050</b>
Excess (deficit) of revenues over (under) expenditures	44	(7,832)	101	156,981
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	44	(7,832)	101	156,981
Fund balance - beginning	86,485	49,862	11,149	161,466
Prior period adjustment	-	-	-	-
Fund balance - beginning (restated)	86,485	49,862	11,149	161,466
<b>Fund balance - ending</b>	<b>\$ 86,529</b>	<b>\$ 42,030</b>	<b>\$ 11,250</b>	<b>\$ 318,447</b>

Bay County, Florida  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance (Continued)  
Nonmajor Governmental Funds  
Year Ended September 30, 2021

Special Revenue				
Federal Seizure Account	Seizure Trust	Inmate Welfare	Total Nonmajor Governmental Funds	
\$	-	\$	-	\$
3,700	60,792	-	-	10,518,162
-	-	1,637,282	-	1,980,112
-	-	-	-	8,705,673
-	-	-	-	20,745
-	-	-	-	401,185
-	-	-	-	215,219
3,700	60,792	1,637,282		21,841,096
-	-	-	-	3,924,459
8,916	72,795	868,533	-	11,728,449
-	-	-	-	1,298,175
-	9,935	30,470	-	4,909,213
-	-	-	-	-
-	-	-	-	2,466,620
-	-	-	-	466,953
8,916	82,730	899,003		24,793,869
(5,216)	(21,938)	738,279		(2,952,773)
-	-	-	-	7,621,139
-	-	-	-	(6,088,563)
-	-	-	-	1,532,576
(5,216)	(21,938)	738,279		(1,420,197)
5,216	111,236	1,005,943		21,176,980
-	-	-	-	(2,011,136)
5,216	111,236	1,005,943		19,165,844
\$	-	\$	89,298	\$
			1,744,222	\$
				17,745,647

Bay County, Florida  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Public Safety  
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 520,500	\$ 104,342	\$ (416,158)
Charges for services	825,000	825,000	920,820	95,820
Investment earnings	25,000	25,000	7,729	(17,271)
Total revenues	850,000	1,370,500	1,032,891	(337,609)
<b>EXPENDITURES</b>				
Current				
Public safety	1,818,066	2,338,566	816,062	1,522,504
Capital outlay				
Public safety	-	-	264,820	(264,820)
Debt service				
Principal	-	-	586	(586)
Interest	90	90	132	(42)
Total expenditures	1,818,156	2,338,656	1,081,600	1,257,056
Excess (deficit) of revenues over (under) expenditures	(968,156)	(968,156)	(48,709)	919,447
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	47,031	47,031
Transfers out	-	-	(40,411)	(40,411)
Total other financing sources	-	-	6,620	6,620
Net change in fund balance	\$ (968,156)	\$ (968,156)	(42,089)	\$ 926,067
Fund balance - beginning			4,012,835	
Fund balance - ending			\$ 3,970,746	

Bay County, Florida  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Intergovernmental Radio Communications  
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 2,537,984	\$ 2,537,984	\$ 1,004,835	\$ (1,533,149)
Investment earnings	-	-	(2,823)	(2,823)
Contributions and donations	-	-	401,185	401,185
<b>Total revenues</b>	<b>2,537,984</b>	<b>2,537,984</b>	<b>1,403,197</b>	<b>(1,134,787)</b>
<b>EXPENDITURES</b>				
Current				
Public safety	824,433	824,433	573,136	251,297
Capital outlay				
Public safety	50,000	5,811,564	4,563,823	1,247,741
Debt service				
Principal	2,407,303	2,407,303	2,093,000	314,303
Interest	327,167	327,167	321,916	5,251
<b>Total expenditures</b>	<b>3,608,903</b>	<b>9,370,467</b>	<b>7,551,875</b>	<b>1,818,592</b>
Excess (deficit) of revenues over (under) expenditures	(1,070,919)	(6,832,483)	(6,148,678)	683,805
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,070,919	1,070,919	2,205,530	1,134,611
Transfers out	-	-	(853,501)	(853,501)
<b>Total other financing sources</b>	<b>1,070,919</b>	<b>1,070,919</b>	<b>1,352,029</b>	<b>281,110</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (5,761,564)</b>	<b>(4,796,649)</b>	<b>\$ 964,915</b>
Fund balance - beginning			<u>7,795,603</u>	
Fund balance - ending			<u>\$ 2,998,954</u>	

Bay County, Florida  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
District Mosquito Control  
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,178,159	\$ 1,178,159	\$ 1,199,868	\$ 21,709
Intergovernmental	47,310	47,310	55,113	7,803
Investment earnings	15,000	15,000	2,508	(12,492)
Total revenues	1,240,469	1,240,469	1,257,489	17,020
<b>EXPENDITURES</b>				
Current				
Human services	1,473,089	1,473,089	1,298,175	174,914
Debt service				
Principal	-	-	88	(88)
Interest	23,922	23,922	8,846	15,076
Total expenditures	1,497,011	1,497,011	1,307,109	189,902
Excess (deficit) of revenues over (under) expenditures	(256,542)	(256,542)	(49,620)	206,922
<b>OTHER FINANCING SOURCES</b>				
Transfers in	36,097	36,097	1,080,750	1,044,653
Transfers out	-	-	(1,262,738)	(1,262,738)
Total other financing sources	36,097	36,097	(181,988)	(218,085)
Net change in fund balance	\$ (220,445)	\$ (220,445)	\$ (231,608)	\$ (11,163)
Fund balance - beginning			1,343,672	
Fund balance - ending			\$ 1,112,064	

Bay County, Florida  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
MSTU Fire Protection  
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 9,155,196	\$ 9,155,196	\$ 9,318,294	\$ 163,098
Intergovernmental	-	24,328	1,381,218	1,356,890
Charges for services	290,000	290,000	670,789	380,789
Investment earnings	60,000	60,000	13,300	(46,700)
Miscellaneous	-	-	201,491	201,491
Total revenues	9,505,196	9,529,524	11,585,092	2,055,568
<b>EXPENDITURES</b>				
Current				
Public safety	9,404,583	9,988,842	9,170,095	818,747
Capital outlay				
Public safety	20,000	99,226	19,665	79,561
Debt service				
Principal	56,630	56,630	372,946	(316,316)
Interest	502,797	503,940	136,059	367,881
Total expenditures	9,984,010	10,648,638	9,698,765	949,873
Excess (deficit) of revenues over (under) expenditures	(478,814)	(1,119,114)	1,886,327	3,005,441
<b>OTHER FINANCING SOURCES</b>				
Transfers in	28,814	91,392	4,287,828	4,196,436
Transfers out	-	-	(3,931,913)	(3,931,913)
Total other financing sources	28,814	91,392	355,915	264,523
Net change in fund balance	\$ (450,000)	\$ (1,027,722)	2,242,242	\$ 3,269,964
Fund balance - beginning			4,914,443	
Prior period adjustment			(1,994,082)	
Fund balance - beginning (restated)			2,920,361	
Fund balance - ending			\$ 5,162,603	



Bay County, Florida  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Court  
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 4,876,104	\$ 3,586,331	\$ 3,628,538	\$ 42,207
Total revenues	4,876,104	3,586,331	3,628,538	42,207
<b>EXPENDITURES</b>				
Current				
General government	4,876,104	3,586,331	3,586,331	-
Total expenditures	4,876,104	3,586,331	3,586,331	-
Excess (deficit) of revenues over (under) expenditures	\$ -	\$ -	42,207	\$ 42,207
Fund balance - beginning			403,060	
Fund balance - ending			\$ 445,267	

Bay County, Florida  
Statement of Revenues, Expenses, and Changes in Net Position  
Bay County Transportation Planning Organization  
Year Ended September 30, 2021

	Total
<b>OPERATING REVENUES</b>	
Charges for services	\$ 402,084
Miscellaneous	110,467
Total operating revenues	512,551
<b>OPERATING EXPENSES</b>	
Personal services	302,820
Contracted services	3,654,103
Repairs and maintenance	44,139
Utilities	49,608
Depreciation	806,466
Other operating expenses	1,040,441
Total operating expenses	5,897,577
Operating income (loss)	(5,385,026)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Intergovernmental revenues-grants	4,285,833
Investment earnings (loss)	1
Interest and fiscal charges	(12,942)
Gain(Loss) on disposal of capital assets	(40,223)
Contributions	613,364
Insurance proceeds	509,888
Total nonoperating revenues (expenses)	5,355,921
Income (loss) before capital contributions and transfers	(29,105)
Capital contributions	741,980
Change in net position	712,875
Total net position (deficit) - beginning	7,730,438
Total net position (deficit) - ending	\$ 8,443,313

Bay County, Florida  
Statement of Cash Flows  
Bay County Transportation Planning Organization  
Year Ended September 30, 2021

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$	1,261,650
Cash received from miscellaneous operating activities		110,467
Cash paid to suppliers for goods and services		(4,891,505)
Cash paid to employees for services		(308,133)
Net cash provided by (used in) operating activities		(3,827,521)

**CASH FLOWS FROM NONCAPITAL  
FINANCING ACTIVITIES**

Contributions received		4,899,197
Net cash provided by (used in) noncapital financing activities		4,899,197

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES**

Interest paid on long-term debt		(12,336)
Principal paid on long-term debt		(502,277)
Capital contributions received		741,980
Insurance proceeds		509,888
Purchase of capital assets		(961,273)
Net cash provided by (used in) capital and related financing activities		(224,018)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from sale and maturities of investment securities		1,061,421
Purchase of investments		(1,874,455)
Net cash provided by (used in) investing activities		(813,034)

Net change in cash and cash equivalents 34,624

Cash and cash equivalents - beginning 23

Cash and cash equivalents - ending \$ 34,647

Classified as

Current assets	\$	33,674
Restricted assets		973
Total	\$	34,647

Continued

Bay County, Florida  
Statement of Cash Flows (Continued)  
Bay County Transportation Planning Organization  
Year Ended September 30, 2021

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**RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES**

<u>Operating income</u>	<u>\$</u>	<u>(5,385,026)</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation		806,466
(Increase) decrease in assets		
Accounts receivable, net		19,360
Prepaid expenses		7,317
Due from primary government		100,254
Due from other governments		739,910
Other postemployment benefits		2,306
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities		(110,528)
Unearned revenue		42
Accrued compensated absences		(3,567)
Due to primary government		(3)
Decrease (increase) in deferred outflows: related to OPEB		(181)
Decrease (increase) in deferred inflows related to OPEB		(3,871)
<u>Total adjustments</u>		<u>1,557,505</u>
Net cash provided by (used in) operating activities	<u>\$</u>	<u>(3,827,521)</u>

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

*Other Internal Services fund* – to account for the costs of providing a maintenance facility and other goods and services used by other departments.

*Workers' Compensation fund* – to account for the costs of providing a workers' compensation program for the payment of workers' compensation claims.

*Insurance fund* – to account for the costs of providing a self-insured program for the payment of general liability claims.

*Utilities Administration fund* – to account for the costs of providing utility services used by other departments.

Bay County, Florida  
Combining Statement of Net Position  
Internal Service Funds  
September 30, 2021

	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 61,201	\$ 460,477	\$ 69,862	\$ 74,696	\$ 666,236
Accounts receivable, net	156,793	77,961	-	5,848	240,602
Accrued interest	366	4,213	2,505	561	7,645
Prepaid expenses	2,967	50,316	2,062,054	4,011	2,119,348
Investments	861,791	6,564,596	995,962	1,064,867	9,487,216
Due from component units	63	-	-	-	63
Due from other governments	23	-	-	-	23
Due from other funds	100,331	-	-	11,477	111,808
<b>Total current assets</b>	<b>1,183,535</b>	<b>7,157,563</b>	<b>3,130,383</b>	<b>1,161,460</b>	<b>12,632,941</b>
Noncurrent assets					
Capital assets					
Construction in progress	-	-	-	8,678	8,678
Buildings	181,542	-	-	335,157	516,699
Improvements	222,946	-	-	-	222,946
Furniture and equipment	423,763	12,185	41,380	518,279	995,607
Less: accumulated depreciation	(477,987)	(4,693)	(38,861)	(451,013)	(972,554)
<b>Total noncurrent assets</b>	<b>350,264</b>	<b>7,492</b>	<b>2,519</b>	<b>411,101</b>	<b>771,376</b>
<b>Total assets</b>	<b>1,533,799</b>	<b>7,165,055</b>	<b>3,132,902</b>	<b>1,572,561</b>	<b>13,404,317</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to OPEB	5,045	626	124	3,210	9,005
Deferred outflows related to pension	165,125	7,239	12,716	153,938	339,018
<b>Total deferred outflows of resources</b>	<b>170,170</b>	<b>7,865</b>	<b>12,840</b>	<b>157,148</b>	<b>348,023</b>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued liabilities	158,871	10,486	263,205	68,335	500,897
Accrued interest payable	602	33	30	29	694
Accrued compensated absences	43,840	7,027	4,906	43,143	98,916
Due to other funds	195,897	702,918	1,209,922	177,331	2,286,068
Capital leases payable	5,152	1,407	728	6,082	13,369
Estimated liability for self insured losses, current	-	811,787	-	-	811,787
<b>Total current liabilities</b>	<b>404,362</b>	<b>1,533,658</b>	<b>1,478,791</b>	<b>294,920</b>	<b>3,711,731</b>
Noncurrent liabilities					
Capital leases payable	8,575	3,372	2,043	5,628	19,618
Estimated liability for self insured losses	-	3,668,974	-	-	3,668,974
Accrued compensated absences	82,166	13,253	7,059	72,312	174,790
Other postemployment benefits	94,489	2,975	1,979	32,764	132,207
Net pension liability	101,209	-	-	186,240	287,449
<b>Total noncurrent liabilities</b>	<b>286,439</b>	<b>3,688,574</b>	<b>11,081</b>	<b>296,944</b>	<b>4,283,038</b>
<b>Total liabilities</b>	<b>690,801</b>	<b>5,222,232</b>	<b>1,489,872</b>	<b>591,864</b>	<b>7,994,769</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pension	796,988	187,311	136,712	650,524	1,771,535
Deferred inflows related to OPEB	201,495	22,005	8,656	131,867	364,023
<b>Total deferred inflows of resources</b>	<b>998,483</b>	<b>209,316</b>	<b>145,368</b>	<b>782,391</b>	<b>2,135,558</b>
<b>NET POSITION</b>					
Net investment in capital assets	336,537	2,713	(252)	399,391	738,389
Unrestricted	(321,852)	1,738,659	1,510,754	(43,937)	2,883,624
<b>Total net position</b>	<b>\$ 14,685</b>	<b>\$ 1,741,372</b>	<b>\$ 1,510,502</b>	<b>\$ 355,454</b>	<b>\$ 3,622,013</b>

Bay County, Florida  
Combining Statement of Revenues, Expenses,  
and Changes in Fund Net Position  
Internal Service Funds  
Year Ended September 30, 2021

	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,099,228	\$ 1,241,065	\$ 4,509,049	\$ 1,943,673	\$ 12,793,015
Miscellaneous	-	62,218	-	-	62,218
<b>Total operating revenues</b>	<b>5,099,228</b>	<b>1,303,283</b>	<b>4,509,049</b>	<b>1,943,673</b>	<b>12,855,233</b>
<b>OPERATING EXPENSES</b>					
Personal services	1,418,912	416,382	196,918	1,280,909	3,313,121
Contracted services	36,525	41,008	8,707	284,486	370,726
Repairs and maintenance	1,185,318	646	-	(4,841)	1,181,123
Utilities	355,732	-	-	15,170	370,902
Depreciation	64,114	2,594	987	88,212	155,907
Materials	1,738,223	-	-	-	1,738,223
Insurance claims	-	795,286	-	-	795,286
Other operating expenses	333,001	42,708	4,312,878	293,733	4,982,320
<b>Total operating expenses</b>	<b>5,131,825</b>	<b>1,298,624</b>	<b>4,519,490</b>	<b>1,957,669</b>	<b>12,907,608</b>
Operating income (loss)	(32,597)	4,659	(10,441)	(13,996)	(52,375)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues-grants	16,564	-	-	3,840	20,404
Interest and fiscal charges	(23,164)	(313)	-	(702)	(24,179)
Investment earnings (loss)	1,761	13,839	85,987	1,552	103,139
<b>Total nonoperation revenues (expenses)</b>	<b>(4,839)</b>	<b>13,526</b>	<b>85,987</b>	<b>4,690</b>	<b>99,364</b>
Net income (loss)	(37,436)	18,185	75,546	(9,306)	46,989
<b>TRANSFERS</b>					
Transfers in	2,408,626	49,584	3,842,972	117,457	6,418,639
Transfers out	(1,675,728)	-	(37,847,992)	(43,599)	(39,567,319)
Change in net position	695,462	67,769	(33,929,474)	64,552	(33,101,691)
Total net position (deficit) - beginning beginning (as originally stated)	(692,302)	1,673,603	35,075,071	290,035	36,346,407
Restatement and/or prior period adjustment	11,525	-	364,905	867	377,297
Total net position (deficit) - beginning (as restated)	(680,777)	-	-	290,902	(389,875)
<b>Total net position (deficit) - ending</b>	<b>\$ 14,685</b>	<b>\$ 1,741,372</b>	<b>\$ 1,510,502</b>	<b>\$ 355,454</b>	<b>\$ 3,622,013</b>

Bay County, Florida  
Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended September 30, 2021

	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and others	\$ 5,593,628	\$ 1,166,552	\$ 4,509,109	\$ 1,997,150	\$ 13,266,439
Cash received from miscellaneous operating activities	-	62,218	-	-	62,218
Cash paid to suppliers for goods and services	(3,822,750)	(822,313)	(6,904,473)	(449,385)	(11,998,921)
Cash paid to employees for services	(1,570,638)	(354,235)	(200,334)	(1,348,414)	(3,473,621)
Net cash provided by (used in) operating activities	200,240	52,222	(2,595,698)	199,351	(2,143,885)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	2,347,566	49,584	3,842,972	117,457	6,357,579
Transfers out	(1,636,206)	-	(37,847,992)	(43,599)	(39,527,797)
Contributions received	16,564	-	-	3,840	20,404
Net cash provided by (used in) noncapital financing activities	727,924	49,584	(34,005,020)	77,698	(33,149,814)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal paid on long-term debt	(3,592)	(423)	(105)	(5,985)	(10,105)
Interest paid on long-term debt	(24,823)	(313)	-	(701)	(25,837)
Purchase of capital assets	(124,638)	-	(735)	(53,374)	(178,747)
Cash paid for transfer of related debt to Hurricane Michael Fund	(919,657)	(20,100)	(14,481)	(11,146)	(965,384)
Net cash provided by (used in) capital and related financing activities	(1,072,710)	(20,836)	(15,321)	(71,206)	(1,180,073)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale and maturities of investment securities	926,375	5,469,804	49,988,940	629,431	57,014,550
Purchase of investments	(775,943)	(5,450,983)	(15,229,242)	(808,592)	(22,264,760)
Interest and dividends on investments	3,406	26,410	112,986	3,044	145,846
Net cash provided by (used in) investing activities	153,838	45,231	34,872,684	(176,117)	34,895,636
Net increase (decrease) in cash and cash equivalents	9,292	126,201	(1,743,355)	29,726	(1,578,136)
Cash and cash equivalents - beginning	51,909	334,276	1,813,217	44,970	2,244,372
Cash and cash equivalents - ending	\$ 61,201	\$ 460,477	\$ 69,862	\$ 74,696	\$ 666,236
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
Assets acquired via capital lease	\$ 7,738	\$ 4,157	\$ 2,771	\$ 7,567	\$ 22,233
Transfer of capital assets	\$ 61,060	\$ -	\$ -	\$ -	\$ 61,060

Continued



Bay County, Florida  
Combining Statement of Cash Flows (Continued)  
Internal Service Funds  
Year Ended September 30, 2021

	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income	\$ (32,597)	\$ 4,659	\$ (10,441)	\$ (13,996)	\$ (52,375)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	64,114	2,594	987	88,212	155,907
(Increase) decrease in assets					
Accounts receivable, net	(91,631)	(77,961)	-	1,789	(167,803)
Prepaid expenses	-	-	824,734	(2,060)	822,674
Due from other funds	563,032	3,266	-	8,105	574,403
Due from other governments	22,999	-	60	43,583	66,642
Increase (decrease) in liabilities					
Accounts payable and accrued liabilities	(61,300)	(18,019)	(370,945)	(372)	(450,636)
Accrued compensated absences	6,609	(2,676)	(3,335)	16,290	16,888
Due to other funds	(112,651)	119,699	(3,028,373)	141,595	(2,879,730)
Other postemployment benefits	14,049	1,491	657	9,246	25,443
Net pension liability	(1,082,294)	(199,997)	(167,113)	(831,873)	(2,281,277)
Decrease (increase) in deferred outflows:					
related to net pension	182,554	43,321	31,101	147,489	404,465
related to OPEB	(1,105)	(117)	(51)	(728)	(2,001)
Decrease (increase) in deferred inflows					
related to OPEB	(23,580)	(2,503)	(1,101)	(15,518)	(42,702)
related to net pension	752,041	178,465	128,122	607,589	1,666,217
Total adjustments	232,837	47,563	(2,585,257)	213,347	(2,091,510)
Net cash provided by (used in) operating activities	\$ 200,240	\$ 52,222	\$ (2,595,698)	\$ 199,351	\$ (2,143,885)

*Fines, Forfeitures and Other Fees* – to account for funds collected and disbursed pursuant to statutes, administrative orders and ordinances.

*Jury and Witness* – to account for the receipt and disbursement of funds to jurors and witnesses on behalf of county and state agencies.

*Tax Deed Assets* – to account for the collections and disbursements related to property foreclosures.

*Support* – to account for the collection of child support payments, which are disbursed to the State Depository Unit (SDU).

*Court Registry* – to account for the collection and disbursement of deposits required by circuit and county court legal actions.

*Cash Bond* – to account for funds received from defendants of criminal and civil arrests required to assure that the defendant would meet the requirement to appear in court. Disposition of these bond funds is made as ordered by the court.

*Crime Scene* – to account for cash collected during crime scenes, not considered evidence, as an agent for individuals until investigation is finalized.

*Restitution* – to account for the collections and disbursements related to court ordered restitution.

*Property Tax* – to account for the assets held by the Tax Collector as an agent for individuals, private organizations and other governments.

*Tag* – to account for the receipt and distribution of collections such as vehicle tags, titles, sales tax and registration fees on behalf of various state agencies.

*Other Suspense* – to account for the receipt and disbursement of funds received from various sources such as purges from child support, transportation restitution, miscellaneous contracts, proceeds from court ordered sale of abandoned property, etc. Disbursement of these funds is made in accordance with the purpose of the receipt.

*Forfeitures* – to account for the assets held by the Bay County Sheriff's Office as an agent for individuals until court proceedings are finalized.

*Sheriff's Fees* – to account for the fees charged by the Bay County Sheriff's Office for the service of process in civil cases.

*Search & Rescue* – to account for fees collected and expenses incurred for Search & Rescue training programs as an agent for individuals teaching the program.

Custodial Funds

	Fines and Forfeitures	Jury and Witness	Tax Deed	Support	Court Registry	Cash Bond	Restitution
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,594,607	\$ 51,947	\$ 1,214,701	\$ 25,096	\$ 2,290,140	\$ 1,130,485	\$ 78,110
Accounts receivable, net	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,594,607</b>	<b>\$ 51,947</b>	<b>\$ 1,214,701</b>	<b>\$ 25,096</b>	<b>\$ 2,290,140</b>	<b>\$ 1,130,485</b>	<b>\$ 78,110</b>
<b>LIABILITIES</b>							
Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to others	10,831	-	-	5,925	-	-	11,486
Due to other governments	2,148,805	1,260	10,563	19,171	32,194	7,869	66,624
<b>Total liabilities</b>	<b>\$ 2,159,636</b>	<b>\$ 1,260</b>	<b>\$ 10,563</b>	<b>\$ 25,096</b>	<b>\$ 32,194</b>	<b>\$ 7,869</b>	<b>\$ 78,110</b>
<b>NET POSITION</b>							
Restricted							
Held for others	\$ 3,434,971	\$ 50,687	\$ 1,204,138	\$ -	\$ 2,257,946	\$ 1,122,616	\$ -
<b>Total net position</b>	<b>\$ 3,434,971</b>	<b>\$ 50,687</b>	<b>\$ 1,204,138</b>	<b>\$ -</b>	<b>\$ 2,257,946</b>	<b>\$ 1,122,616</b>	<b>\$ -</b>

Bay County, Florida  
 Combining Statement of Fiduciary Net Position  
 Fiduciary Funds  
 September 30, 2021

Custodial Funds

Property Tax Fund	Tag Fund	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene	Total
\$ 2,555,795	\$ 400,765	\$ 3,991	\$ 570,562	\$ 76,772	\$ 22,211	\$ 136,048	\$14,151,230
-	46	-	-	-	-	-	46
<u>\$ 2,555,795</u>	<u>\$ 400,811</u>	<u>\$ 3,991</u>	<u>\$ 570,562</u>	<u>\$ 76,772</u>	<u>\$ 22,211</u>	<u>\$ 136,048</u>	<u>\$14,151,276</u>
\$ 2,010,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,010,990
350,500	400,811	-	-	-	-	-	779,553
194,305	-	-	-	76,772	22,211	-	2,579,774
<u>\$ 2,555,795</u>	<u>\$ 400,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,772</u>	<u>\$ 22,211</u>	<u>\$ -</u>	<u>\$ 5,370,317</u>
\$ -	\$ -	\$ 3,991	\$ 570,562	\$ -	\$ -	\$ 136,048	\$ 8,780,959
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,991</u>	<u>\$ 570,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,048</u>	<u>\$ 8,780,959</u>

Custodial Funds

	Fines and Forfeitures	Jury and Witness	Tax Deed	Support	Court Registry	Cash Bond
<b>Additions</b>						
Funds held for others	\$ 63,518,059	\$ -	\$ 2,206,522	\$ 648,595	\$ 13,841,626	\$ 2,571,582
Court costs	-	35,967	-	-	-	-
Property taxes collected for other governments	-	-	-	-	-	-
Seizures	-	-	-	-	-	-
Bonds, purges, and levies	-	-	-	-	-	-
<b>Total additions</b>	<b>63,518,059</b>	<b>35,967</b>	<b>2,206,522</b>	<b>648,595</b>	<b>13,841,626</b>	<b>2,571,582</b>
<b>Deductions</b>						
Funds held for others	61,145,020	-	2,095,805	648,595	12,614,516	3,225,726
Court costs	-	13,644	-	-	-	-
Property taxes distributed to other governments	-	-	-	-	-	-
Seizures	-	-	-	-	-	-
Bonds, purges, and levies	-	-	-	-	-	-
<b>Total deductions</b>	<b>61,145,020</b>	<b>13,644</b>	<b>2,095,805</b>	<b>648,595</b>	<b>12,614,516</b>	<b>3,225,726</b>
<b>Changes in Net Position</b>	<b>2,373,039</b>	<b>22,323</b>	<b>110,717</b>	<b>-</b>	<b>1,227,110</b>	<b>(654,144)</b>
Net position - beginning of year, as originally reported	-	-	-	-	-	-
Prior period adjustment	17,054	-	-	-	-	-
Restatement	1,044,878	28,364	1,093,421	-	1,030,836	1,776,760
Net position - beginning of year, as restated	1,061,932	28,364	1,093,421	-	1,030,836	1,776,760
<b>Net position - end of year</b>	<b>\$ 3,434,971</b>	<b>\$ 50,687</b>	<b>\$ 1,204,138</b>	<b>\$ -</b>	<b>\$ 2,257,946</b>	<b>\$ 1,122,616</b>

Bay County, Florida  
 Combining Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 Year ended September 30, 2021

Custodial Funds

Restitution	Property Tax Fund	Tag Fund	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene	Total
\$ 519,229	\$ -	\$ 28,623,264	\$ -	\$ -	\$ 185,518	\$ 15,228	\$ -	\$ 112,129,623
-	-	-	-	-	-	-	-	35,967
-	246,272,680	-	-	-	-	-	-	246,272,680
-	-	-	-	590,574	-	-	26,014	616,588
-	-	-	82,407	-	-	-	-	82,407
519,229	246,272,680	28,623,264	82,407	590,574	185,518	15,228	26,014	359,137,265
519,229	-	28,623,264	-	-	185,518	15,228	-	109,072,901
-	-	-	-	-	-	-	-	13,644
-	246,272,680	-	-	-	-	-	-	246,272,680
-	-	-	-	246,721	-	-	27,061	273,782
-	-	-	88,196	-	-	-	-	88,196
519,229	246,272,680	28,623,264	88,196	246,721	185,518	15,228	27,061	355,721,203
-	-	-	(5,789)	343,853	-	-	(1,047)	3,416,062
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	17,054
-	-	-	9,780	226,709	-	-	137,095	5,347,843
-	-	-	9,780	226,709	-	-	137,095	5,364,897
\$ -	\$ -	\$ -	\$ 3,991	\$ 570,562	\$ -	\$ -	\$ 136,048	\$ 8,780,959

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*This part of Bay County’s 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.*

	Page
FINANCIAL TRENDS	C-2
<i>These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</i>	
REVENUE CAPACITY	C-12
<i>These schedules contain information to help the reader assess the factors affecting the County’s ability to generate its property and sales taxes.</i>	
DEBT CAPACITY	C-18
<i>These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.</i>	
DEMOGRAPHIC AND ECONOMIC INFORMATION	C-27
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place and to help make comparisons over time and with other governments.</i>	
OPERATING INFORMATION	C-30
<i>These schedules contain information about the County’s operations and resources to help the reader understand how the county’s financial information relates to the services the County provides and the activities it performs.</i>	

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*



	<b>Fiscal Year</b>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 176,901,127	\$ 159,938,052	\$ 171,575,742	\$ 170,031,683
Restricted	49,440,926	65,276,675	68,225,355	64,930,455
Unrestricted	<u>7,666,565</u>	<u>10,127,270</u>	<u>(11,964,402)</u>	<u>(48,500,836)</u>
<b>Total governmental activities net position</b>	<b><u>\$ 234,008,618</u></b>	<b><u>\$ 235,341,997</u></b>	<b><u>\$ 227,836,695</u></b>	<b><u>\$ 186,461,302</u></b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 76,152,474	\$ 69,321,153	\$ 77,905,570	\$ 85,630,990
Restricted	11,142,041	11,160,273	12,794,516	14,775,326
Unrestricted	<u>21,719,503</u>	<u>34,693,980</u>	<u>35,598,707</u>	<u>25,641,282</u>
<b>Total business-type activities net position</b>	<b><u>\$ 109,014,018</u></b>	<b><u>\$ 115,175,406</u></b>	<b><u>\$ 126,298,793</u></b>	<b><u>\$ 126,047,598</u></b>
<b>Primary Government</b>				
Net investment in capital assets	\$ 253,053,601	\$ 229,259,205	\$ 249,481,312	\$ 255,662,673
Restricted	60,647,493	76,436,948	81,019,871	79,705,781
Unrestricted	<u>29,321,542</u>	<u>44,821,250</u>	<u>23,634,305</u>	<u>(22,859,554)</u>
<b>Total primary government net position</b>	<b><u>\$ 343,022,636</u></b>	<b><u>\$ 350,517,403</u></b>	<b><u>\$ 354,135,488</u></b>	<b><u>\$ 312,508,900</u></b>

Bay County, Florida  
Net Position by Component  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)

Schedule 1

Fiscal Year					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 174,625,157	\$ 185,942,825	\$ 197,386,933	\$ 193,766,314	\$ 236,648,268	\$ 120,938,759
62,482,780	52,028,548	89,936,688	75,496,876	77,167,310	174,469,887
<u>(39,893,820)</u>	<u>(37,426,236)</u>	<u>(69,050,293)</u>	<u>(63,690,229)</u>	<u>(56,254,053)</u>	<u>(26,191,204)</u>
<b><u>\$ 197,214,117</u></b>	<b><u>\$ 200,545,137</u></b>	<b><u>\$ 218,273,328</u></b>	<b><u>\$ 205,572,961</u></b>	<b><u>\$ 257,561,525</u></b>	<b><u>\$ 269,217,442</u></b>
\$ 77,098,606	\$ 76,389,185	\$ 76,550,659	\$ 70,196,300	\$ 94,423,482	\$ 85,408,521
16,126,502	14,690,995	16,031,428	18,132,682	19,762,480	23,506,603
<u>28,101,073</u>	<u>30,278,469</u>	<u>27,227,589</u>	<u>22,925,271</u>	<u>23,097,094</u>	<u>42,687,082</u>
<b><u>\$ 121,326,181</u></b>	<b><u>\$ 121,358,649</u></b>	<b><u>\$ 119,809,676</u></b>	<b><u>\$ 111,254,253</u></b>	<b><u>\$ 137,283,056</u></b>	<b><u>\$ 151,602,206</u></b>
\$ 251,723,763	\$ 262,332,010	\$ 273,937,592	\$ 263,962,614	\$ 331,071,750	\$ 206,347,280
78,609,282	66,719,543	105,968,116	93,629,558	96,929,790	197,976,490
<u>(11,792,747)</u>	<u>(7,147,767)</u>	<u>(41,822,704)</u>	<u>(40,764,958)</u>	<u>(33,156,959)</u>	<u>16,495,878</u>
<b><u>\$ 318,540,298</u></b>	<b><u>\$ 321,903,786</u></b>	<b><u>\$ 338,083,004</u></b>	<b><u>\$ 316,827,214</u></b>	<b><u>\$ 394,844,581</u></b>	<b><u>\$ 420,819,648</u></b>

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>				
<b>Governmental activities:</b>				
General government	\$ 37,957,601	\$ 40,761,101	\$ 39,201,075	\$ 39,149,936
Public safety	36,745,373	36,924,438	38,289,031	40,034,847
Physical environment	1,304,081	337,498	1,659,241	859,398
Transportation	19,844,229	21,028,210	24,938,922	28,918,058
Economic environment	20,951,183	26,608,771	22,137,297	31,517,039
Human services	5,321,884	5,045,532	5,272,176	5,774,723
Culture/recreation	5,856,186	5,523,037	5,608,860	5,944,644
Interest on long-term debt	3,292,291	3,593,361	3,593,220	3,315,923
Total governmental activities expenses	<u>131,272,828</u>	<u>139,821,948</u>	<u>140,699,822</u>	<u>155,514,568</u>
<b>Business-type activities:</b>				
Wholesale water system	11,271,371	11,412,183	11,942,948	12,258,486
Retail water and wastewater	11,164,990	11,013,285	11,153,219	10,572,655
Industrial wastewater	3,602,863	1,611,176	-	-
Solid waste fund	17,622,969	15,225,489	16,283,995	21,281,558
Building services	1,215,319	1,118,630	1,283,093	1,388,854
Emergency medical services	-	116,886	6,936,224	6,605,406
Total business-type activities expenses	<u>44,877,512</u>	<u>40,497,649</u>	<u>47,599,479</u>	<u>52,106,959</u>
<b>Total primary government expenses</b>	<b><u>\$ 176,150,340</u></b>	<b><u>\$ 180,319,597</u></b>	<b><u>\$ 188,299,301</u></b>	<b><u>\$ 207,621,527</u></b>
<b>Program Revenues</b>				
<b>Governmental activities:</b>				
Charges for services:				
General government	\$ 14,100,604	\$ 14,846,161	\$ 15,126,991	\$ 14,937,260
Public safety	1,377,953	1,153,326	1,121,128	1,118,265
Physical environment	44,533	36,980	44,827	204,132
Transportation	2,094,221	2,037,167	2,346,351	2,769,342
Economic Environment	-	-	-	-
Human services	-	-	500	670
Culture and recreation	618,455	669,447	682,133	644,267
Operating grants and contributions	6,756,304	6,094,392	6,337,973	7,955,071
Capital grants and contributions	5,073,251	3,067,383	9,439,100	10,653,053
Total governmental activities program revenue	<u>30,065,321</u>	<u>27,904,856</u>	<u>35,099,003</u>	<u>38,282,060</u>
<b>Business-type activities:</b>				
Charges for services:				
Water system revenue	15,652,776	16,038,992	15,816,100	16,456,994
Retail water and wastewater	6,665,219	7,187,654	8,620,964	10,521,926
Industrial wastewater	3,535,687	959,148	-	-
Solid waste fund	10,181,513	11,816,503	13,203,200	11,127,783
Building services	968,947	909,443	1,231,381	1,009,679
Emergency medical services	-	-	6,822,477	6,869,420
Operating grants and contributions	315,000	-	1,759,674	4,052,543
Capital grants and contributions	706,041	988,605	738,232	1,004,435
Total business-type activities program revenue	<u>38,025,183</u>	<u>37,900,345</u>	<u>48,192,028</u>	<u>51,042,780</u>
<b>Total primary government program revenues</b>	<b><u>\$ 68,090,504</u></b>	<b><u>\$ 65,805,201</u></b>	<b><u>\$ 83,291,031</u></b>	<b><u>\$ 89,324,840</u></b>

Bay County, Florida  
Changes in Net Position  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)

Schedule 2

		<b>Fiscal Year</b>									
		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>				
\$	47,032,293	\$	52,467,733	\$	48,503,172	\$	78,986,762	\$	61,187,391	\$	60,318,488
	41,041,309		43,679,953		48,589,600		60,835,929		64,341,274		63,386,157
	734,092		894,857		1,321,473		55,390,912		2,866,863		7,337,452
	25,079,518		34,898,777		37,826,331		39,136,958		54,852,605		45,958,641
	25,070,779		22,692,937		25,346,097		30,229,959		25,407,109		35,212,367
	6,280,176		6,506,744		6,795,314		10,701,839		9,550,736		9,999,680
	6,428,430		8,242,201		7,721,631		8,029,123		16,520,956		7,540,895
	3,096,600		3,001,553		3,883,725		5,169,215		5,341,928		4,192,989
	<u>154,763,197</u>		<u>172,384,755</u>		<u>179,987,343</u>		<u>288,480,697</u>		<u>240,068,862</u>		<u>233,946,669</u>
	18,861,132		15,169,886		17,679,973		17,259,688		14,902,015		16,575,079
	11,834,678		11,965,300		12,362,477		12,398,623		12,586,365		13,035,165
	-		-		-		-		-		-
	18,820,367		17,118,847		18,611,836		161,271,639		33,209,638		15,111,930
	1,418,602		1,729,303		1,721,266		2,542,238		2,145,009		2,388,445
	7,534,405		8,341,115		7,503,778		8,985,778		9,783,291		-
	58,469,184		54,324,451		57,879,330		202,457,966		72,626,318		47,110,619
<b>\$</b>	<b><u>213,232,381</u></b>	<b>\$</b>	<b><u>226,709,206</u></b>	<b>\$</b>	<b><u>237,866,673</u></b>	<b>\$</b>	<b><u>490,938,663</u></b>	<b>\$</b>	<b><u>312,695,180</u></b>	<b>\$</b>	<b><u>281,057,288</u></b>
\$	15,185,508	\$	15,874,222	\$	16,862,500	\$	17,658,780	\$	17,526,143	\$	24,064,424
	1,105,411		1,131,986		1,111,888		2,385,314		3,009,865		3,942,395
	52,747		54,853		53,480		51,765		53,466		54,060
	3,961,322		3,838,239		4,416,377		3,718,393		6,544,563		4,329,649
	-		-		-		174,509		1,344,272		2,055,762
	740		34,055		885		780		700		1,050
	681,635		732,517		790,868		748,323		967,009		563,441
	7,067,621		8,241,334		6,549,827		64,469,343		80,462,659		34,183,855
	12,615,670		6,904,530		18,508,077		14,473,955		15,347,227		3,801,596
	40,670,654		36,811,736		48,293,902		103,681,162		125,255,904		72,996,232.00
	16,541,878		16,175,074		16,368,156		16,590,875		16,908,666		16,838,892
	11,439,766		12,516,809		12,325,470		11,851,146		12,958,573		13,561,300
	-		-		-		-		-		-
	12,329,777		13,305,785		13,748,203		26,744,257		14,975,174		11,376,795
	996,913		1,122,403		1,577,734		3,392,383		3,600,931		3,938,803
	6,545,020		6,585,072		6,391,539		4,830,323		3,940,583		-
	476,979		150,000		203,482		126,015,464		33,034,028		341,186
	1,204,633		2,351,683		1,761,121		2,372,524		2,845,817		4,444,947
	49,534,966		52,206,826		52,375,705		191,796,972		88,263,772		50,501,923
<b>\$</b>	<b><u>90,205,620</u></b>	<b>\$</b>	<b><u>89,018,562</u></b>	<b>\$</b>	<b><u>100,669,607</u></b>	<b>\$</b>	<b><u>295,478,134</u></b>	<b>\$</b>	<b><u>213,519,676</u></b>	<b>\$</b>	<b><u>123,498,155</u></b>

Continued

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	(101,207,507)	\$ (111,917,092)	\$ (105,600,819)	\$ (117,232,508)
Business-type activities	<u>(6,852,329)</u>	<u>(2,597,304)</u>	<u>592,549</u>	<u>(1,064,179)</u>
Total primary government net expenses	<u>(108,059,836)</u>	<u>(114,514,396)</u>	<u>(105,008,270)</u>	<u>(118,296,687)</u>
<b>General Revenue and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	56,937,944	54,779,271	55,438,164	72,337,961
Sales taxes	33,318,347	35,163,910	37,248,717	41,461,764
State shared revenues	3,211,349	3,413,917	3,607,298	3,916,783
Investment earnings	454,346	501,906	142,401	843,450
Miscellaneous	2,989,285	17,279,394	2,816,892	2,157,506
Transfers	<u>(50,000)</u>	<u>2,112,073</u>	<u>-</u>	<u>27,680</u>
Total governmental activities	<u>96,861,271</u>	<u>113,250,471</u>	<u>99,253,472</u>	<u>120,745,144</u>
Business-type activities:				
Sales tax	1,400	2,100	3,000	2,500
State shared revenues	-	-	-	-
Investment earnings	1,320,560	1,673,405	1,613,968	1,556,455
Miscellaneous	2,497,703	9,195,260	9,920,373	5,415,800
Transfers	<u>50,000</u>	<u>(2,112,073)</u>	<u>-</u>	<u>(27,680)</u>
Total business-type activities	<u>3,869,663</u>	<u>8,758,692</u>	<u>11,537,341</u>	<u>6,947,075</u>
<b>Total primary government</b>	<b><u>\$ 100,730,934</u></b>	<b><u>\$ 122,009,163</u></b>	<b><u>\$ 110,790,813</u></b>	<b><u>\$ 127,692,219</u></b>
<b>Change in Net Position, before extraordinary item</b>				
Governmental activities	(4,346,236)	\$ 1,333,379	\$ (6,347,347)	\$ 3,512,636
Business-type activities	<u>(2,982,666)</u>	<u>6,161,388</u>	<u>12,129,890</u>	<u>5,882,896</u>
<b>Total primary government, before extraordinary item</b>	<b><u>\$ (7,328,902)</u></b>	<b><u>\$ 7,494,767</u></b>	<b><u>\$ 5,782,543</u></b>	<b><u>\$ 9,395,532</u></b>
<b>Extraordinary item</b>				
Governmental activities	-	\$ -	\$ -	\$ -
Business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total extraordinary item</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Change in Net Position, after extraordinary item</b>				
Governmental activities	(4,346,236)	1,333,379	(6,347,347)	3,512,636
Business-type activities	<u>(2,982,666)</u>	<u>6,161,388</u>	<u>12,129,890</u>	<u>5,882,896</u>
<b>Total primary government, after extraordinary item</b>	<b><u>\$ (7,328,902)</u></b>	<b><u>\$ 7,494,767</u></b>	<b><u>\$ 5,782,543</u></b>	<b><u>\$ 9,395,532</u></b>

Bay County, Florida  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 (Unaudited)

Schedule 2

Fiscal Year					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ (114,092,543)	\$ (135,573,019)	\$ (131,693,441)	\$ (184,799,535)	\$ (114,812,958)	\$ (160,950,437)
(8,934,218)	(2,117,625)	(5,503,625)	(10,660,994)	15,637,454	3,391,304
<u>(123,026,761)</u>	<u>(137,690,644)</u>	<u>(137,197,066)</u>	<u>(195,460,529)</u>	<u>(99,175,504)</u>	<u>(157,559,133)</u>
74,587,688	77,143,203	76,315,124	83,829,900	78,486,505	85,706,636
42,572,741	54,634,864	60,723,275	66,131,285	59,458,898	84,964,163
4,034,294	4,234,003	4,446,400	4,650,451	4,347,686	5,118,893
716,243	907,602	1,708,726	3,894,275	3,380,139	520,522
2,934,392	1,984,367	2,185,037	24,196,176	25,280,329	6,197,675
-	-	(2,143,650)	(2,689,977)	(4,152,035)	(6,070,901)
<u>124,845,358</u>	<u>138,904,039</u>	<u>143,234,912</u>	<u>180,012,110</u>	<u>166,801,522</u>	<u>176,436,988</u>
2,000	1,700	1,700	1,200	1,503	1,100
-	-	-	-	-	-
1,416,516	-	1,668,127	4,299,425	2,647,998	468,836
3,327,188	1,687,573	697,981	954,242	3,589,813	528,790
-	460,820	2,143,650	2,689,977	4,152,035	6,070,901
<u>4,745,704</u>	<u>2,150,093</u>	<u>4,511,458</u>	<u>7,944,844</u>	<u>10,391,349</u>	<u>7,069,627</u>
<b><u>\$ 129,591,062</u></b>	<b><u>\$ 141,054,132</u></b>	<b><u>\$ 147,746,370</u></b>	<b><u>\$ 187,956,954</u></b>	<b><u>\$ 177,192,871</u></b>	<b><u>\$ 183,506,615</u></b>
\$ 10,752,815	\$ 3,331,020	\$ 11,541,471	\$ (4,787,425)	\$ 51,988,564	\$ 15,486,551
(4,188,514)	32,468	(992,167)	(2,716,150)	26,028,803	10,460,931
<b><u>\$ 6,564,301</u></b>	<b><u>\$ 3,363,488</u></b>	<b><u>\$ 10,549,304</u></b>	<b><u>\$ (7,503,575)</u></b>	<b><u>\$ 78,017,367</u></b>	<b><u>\$ 25,947,482</u></b>
\$ -	\$ -	\$ -	\$ (11,537,225)	\$ -	\$ -
-	-	-	(5,839,273)	-	-
<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (17,376,498)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
10,752,815	3,331,020	11,541,471	(16,324,650)	51,988,564	15,486,551
(4,188,514)	32,468	(992,167)	(8,555,423)	26,028,803	10,460,931
<b><u>\$ 6,564,301</u></b>	<b><u>\$ 3,363,488</u></b>	<b><u>\$ 10,549,304</u></b>	<b><u>\$ (24,880,073)</u></b>	<b><u>\$ 78,017,367</u></b>	<b><u>\$ 25,947,482</u></b>

	<b>Fiscal Year</b>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Fund</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	265,846	334,272	202,696	225,262
Restricted	12,074,604	26,443,120	25,007,377	21,698,079
Assigned	7,782,034	8,064,058	2,333,790	3,890,036
Unassigned	2,715,250	9,241,995	10,653,467	10,538,830
<b>Total general fund</b>	<b><u>\$ 22,837,734</u></b>	<b><u>\$ 44,083,445</u></b>	<b><u>\$ 38,197,330</u></b>	<b><u>\$ 36,352,207</u></b>
 <b>All Other Governmental Funds</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved:				
Special revenue funds	-	-	-	-
Nonspendable	599,664	672,881	125,156	112,387
Restricted	37,366,322	39,364,522	42,671,978	43,259,246
Assigned	8,476,899	6,589,298	5,448,333	6,893,278
Unassigned	(13,772)	-	-	(20,587)
<b>Total all other governmental funds</b>	<b><u>\$ 46,429,113</u></b>	<b><u>\$ 46,626,701</u></b>	<b><u>\$ 48,245,467</u></b>	<b><u>\$ 50,244,324</u></b>

**Note:** With the implementation of GASB 54 in Fiscal Year 2011, fund balance classifications are not comparable to prior years' classifications.

Bay County, Florida  
Fund Balance, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)

Schedule 3

Fiscal Year					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,611,560	1,451,579	1,311,571	1,249,322	194,560	383,806
11,788,083	11,861,948	11,414,198	15,003,479	12,612,735	8,482,195
3,586,221	3,383,981	2,030,176	5,472,669	2,233,168	8,848,122
13,084,012	13,969,729	11,823,770	8,252,362	22,681,796	46,840,719
<b><u>\$ 30,069,876</u></b>	<b><u>\$ 30,667,237</u></b>	<b><u>\$ 26,579,715</u></b>	<b><u>\$ 29,977,832</u></b>	<b><u>\$ 37,722,259</u></b>	<b><u>\$ 64,554,842</u></b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
712,143	860,173	616,207	722,876	1,169,214	609,230
50,694,697	40,166,602	78,522,490	70,033,326	73,375,273	187,963,286
8,435,005	17,303,832	20,029,225	44,260,717	72,824,177	32,141,013
(581,660)	-	-	-	-	-
<b><u>\$ 59,260,185</u></b>	<b><u>\$ 58,330,607</u></b>	<b><u>\$ 99,167,922</u></b>	<b><u>\$ 115,016,919</u></b>	<b><u>\$ 147,368,664</u></b>	<b><u>\$ 220,713,529</u></b>



	<b>Fiscal Year</b>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>				
Taxes	\$ 77,083,648	\$ 76,104,051	\$ 77,988,344	\$ 98,305,773
Licenses and permits	3,565	1,875	1,190	2,130
Intergovernmental revenue	29,076,699	26,324,579	34,376,446	38,527,525
Charges for services	17,597,517	18,561,382	19,031,979	19,219,347
Fines and forfeitures	179,329	67,026	223,463	170,018
Special assessments	44,481	75,164	57,233	281,876
Investment earnings	640,684	508,724	160,594	830,159
Contributions and donations	252,085	544,633	214,295	443,476
Miscellaneous	1,394,864	16,369,418	1,477,872	900,547
Total revenues	<u>126,272,872</u>	<u>138,556,852</u>	<u>133,531,416</u>	<u>158,680,851</u>
<b>Expenditures</b>				
General government	18,423,773	19,409,615	18,945,602	20,932,005
Public safety	49,133,878	49,291,837	56,483,530	59,748,975
Physical environment	703,832	767,718	1,338,866	466,235
Transportation	14,414,376	13,875,623	14,272,182	14,006,805
Economic environment	20,158,270	25,780,421	21,333,649	33,353,190
Human services	5,202,919	4,911,590	5,138,392	5,639,354
Culture and recreation	4,232,151	4,179,973	4,294,971	4,532,509
Capital Outlay	11,492,329	9,977,603	10,796,658	15,395,555
Debt service				
Principal retirement	3,057,073	2,437,123	2,596,381	2,762,184
Interest and fiscal charges	3,269,241	3,571,506	3,574,117	2,967,116
Bond issuance costs	-	83,306	-	-
Total expenditures	<u>130,087,842</u>	<u>134,286,315</u>	<u>138,774,348</u>	<u>159,803,928</u>
Excess of revenues over (under) expenditures	<u>(3,814,970)</u>	<u>4,270,537</u>	<u>(5,242,932)</u>	<u>(1,123,077)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	3,752,030	3,706,362	2,712,974	3,770,224
Operating transfers out	(3,815,602)	(1,644,186)	(2,712,974)	(3,742,544)
Debt issuance	-	13,753,519	832,077	41,254,325
Payment to refunded bond escrow agent	(612)	(458)	-	(40,125,166)
Premium on bonds issued	-	-	-	-
Reversion to State of Florida	-	-	-	-
Proceeds from sale of capital assets	747,575	1,357,525	143,506	119,972
Total other financing sources (uses)	<u>683,391</u>	<u>17,172,762</u>	<u>975,583</u>	<u>1,276,811</u>
<b>Net change in fund balance</b>	<b><u>\$ (3,131,579)</u></b>	<b><u>\$ 21,443,299</u></b>	<b><u>\$ (4,267,349)</u></b>	<b><u>\$ 153,734</u></b>
Debt service as a percentage of noncapital expenditures	5.33%	4.83%	4.82%	3.97%

**Note:** 2005 - 2011, Debt service as a percentage of noncapital expenditures has been adjusted to included only principal and interest; issuance costs are excluded.

Bay County, Florida  
 Changes in Fund Balance, Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 (Unaudited)

Schedule 4

<b>Fiscal Year</b>					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 100,785,637	\$ 115,035,942	\$ 120,024,081	\$ 130,750,695	\$ 120,088,645	\$ 148,505,828
460	1,095	2,815	2,770	2,555	4,509
37,529,977	36,791,038	46,171,944	87,368,951	117,601,549	63,089,558
19,562,691	20,742,328	21,586,101	22,551,494	24,385,992	31,569,799
331,800	225,728	313,645	279,904	315,735	626,258
52,747	54,853	55,182	51,765	53,466	54,060
747,971	926,264	1,670,988	3,739,452	3,239,224	417,574
1,407,714	567,619	1,687,661	11,548,389	1,060,865	1,366,222
1,364,082	607,936	909,244	5,791,674	7,226,898	6,398,218
<u>161,783,079</u>	<u>174,952,803</u>	<u>192,421,661</u>	<u>262,085,094</u>	<u>273,974,929</u>	<u>252,032,026</u>
21,162,373	22,295,589	23,258,808	46,193,805	38,332,102	33,518,621
61,838,320	63,049,920	65,883,500	78,295,705	80,538,734	87,094,376
375,620	523,899	813,413	54,532,108	2,624,906	6,821,055
12,949,706	24,007,106	25,649,626	26,832,825	39,257,688	39,305,491
24,411,239	22,020,464	24,377,905	29,224,121	24,667,792	33,969,821
6,151,154	6,427,087	6,728,281	10,605,163	9,450,103	9,904,220
4,957,231	5,740,804	5,897,373	6,049,738	7,813,714	6,108,051
21,074,039	27,821,652	33,364,368	55,975,171	39,916,217	28,745,233
4,178,784	3,504,228	3,745,186	9,812,355	57,941,060	59,609,306
3,190,413	2,706,371	2,847,826	4,916,810	5,464,380	4,023,799
-	-	193,200	127,288	214,888	184,030
<u>160,288,879</u>	<u>178,097,120</u>	<u>192,759,486</u>	<u>322,565,089</u>	<u>306,221,584</u>	<u>309,284,003</u>
<u>1,494,200</u>	<u>(3,144,317)</u>	<u>(337,825)</u>	<u>(60,479,995)</u>	<u>(32,246,655)</u>	<u>(57,251,977)</u>
3,253,337	13,927,938	9,653,749	11,243,950	14,521,295	596,016,501
(3,253,337)	(13,961,758)	(11,797,399)	(13,016,907)	(15,784,957)	(506,507,917)
791,395	969,986	51,840,840	81,601,475	107,026,883	76,800,894
-	-	(12,416,559)	-	(33,533,489)	(11,320,087)
-	-	-	-	-	-
-	-	-	-	-	-
447,935	1,875,934	4,097	108,407	113,095	108,509
<u>1,239,330</u>	<u>2,812,100</u>	<u>37,284,728</u>	<u>79,936,925</u>	<u>72,342,827</u>	<u>155,097,900</u>
<u>\$ 2,733,530</u>	<u>\$ (332,217)</u>	<u>\$ 36,946,903</u>	<u>\$ 19,456,930</u>	<u>\$ 40,096,172</u>	<u>\$ 97,845,923</u>
5.29%	4.13%	4.14%	5.53%	23.81%	22.68%

Bay County, Florida  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(in thousands of dollars)  
(Unaudited)

Schedule 5

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>	<u>Industrial Property</u>	<u>Agricultural Property</u>	<u>Centrally Assessed Property</u>	<u>Other Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
2012	12,528,433	2,600,654	2,001,351	289,885	71,788	29,237	2,369,385	(6,097,275)	13,793,458	4.8025	20,560,360	67.09%
2013	12,335,675	2,223,664	2,042,849	290,308	63,468	29,326	2,545,867	(5,575,692)	13,955,465	4.8025	20,224,100	69.00%
2014	12,437,406	2,218,058	2,093,359	292,298	64,039	33,954	2,538,382	(5,472,317)	14,205,179	6.2300	20,432,796	69.52%
2015	12,735,501	2,234,753	2,145,365	285,470	70,806	32,318	2,504,227	(5,370,461)	14,637,979	6.2300	20,764,763	70.49%
2016	13,164,847	-	2,133,814	300,358	73,613	35,981	2,510,448	(5,350,906)	12,868,155	6.0162	21,100,218	60.99%
2017	13,636,538	2,314,981	2,033,207	311,657	73,419	40,068	2,525,566	(5,355,141)	15,580,295	6.0162	21,614,021	72.08%
2018	14,417,141	2,438,053	2,065,234	330,364	77,103	33,174	2,514,408	(5,442,458)	16,433,019	6.0162	22,559,006	72.84%
2019	13,966,283	2,308,862	2,133,588	302,229	73,396	30,723	2,349,302	(5,113,394)	16,050,989	6.0162	21,901,531	73.29%
2020	15,530,642	2,501,113	2,172,596	354,199	73,879	30,366	2,430,193	(5,557,924)	17,535,064	6.0162	24,032,126	72.97%
2021	17,609,665	2,766,318	2,253,285	403,010	74,883	33,105	2,557,306	(6,251,857)	19,445,715	6.0162	26,866,459	72.38%

**Source:** Bay County Property Appraiser

**Notes:** Property in Bay County is reassessed once every five years on average.

Bay County, Florida  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(Unaudited)

Schedule 6

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>County Direct Rates:</b>										
General	3.6500	3.6500	4.6500	4.6500	4.6500	4.4362	4.4362	4.4362	4.4362	4.4362
Mosquito Control	0.1525	0.1525	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
MSTU	<u>1.0000</u>	<u>1.0000</u>	<u>1.3800</u>	<u>1.3800</u>	<u>1.3800</u>	<u>1.3800</u>	<u>1.3800</u>	<u>1.3800</u>	<u>1.3800</u>	<u>1.3800</u>
<b>Total Direct Rate</b>	<b>4.8025</b>	<b>4.8025</b>	<b>6.2300</b>	<b>6.2300</b>	<b>6.2300</b>	<b>6.0162</b>	<b>6.0162</b>	<b>6.0162</b>	<b>6.0162</b>	<b>6.0162</b>
<b>Municipalities:</b>										
City of Panama City	3.8723	3.8723	3.8570	3.9740	3.9740	3.9740	4.3500	5.5469	4.9999	4.8999
Panama City Downtown Improvement Board	2.7578	2.8918	2.8918	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
City of Lynn Haven	3.0887	3.0887	3.9000	3.9000	3.9000	3.9000	3.9000	3.9000	4.3000	4.1000
City of Mexico Beach	5.0290	5.0290	5.0290	4.9270	5.1840	5.3510	5.3270	8.0000	8.0000	7.0000
City of Callaway	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	1.9900	2.7500	2.7500	2.7500
City of Springfield	--	--	3.3950	3.4650	3.4650	3.4650	3.4650	3.4650	3.4650	3.4650
<b>School Districts</b>	6.8580	6.7610	6.8890	6.9070	6.4750	6.3410	6.1220	5.9476	5.9860	5.8470
<b>Northwest Florida Water Management District</b>										
	0.0400	0.0400	0.0390	0.0378	0.0366	0.0353	0.0338	0.0327	0.0311	0.0294
<b>Special District:</b>										
Beach Mosquito Control	0.1438	0.2270	0.2230	0.2230	0.2955	0.4100	0.5450	0.5240	0.3500	0.3000

*Source: Bay County Property Appraiser*

Bay County, Florida  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)

Schedule 7

	Fiscal Year 2021			Fiscal Year 2012		
	Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power & Light (formerly Gulf Power)	\$ 595,403,008	1	3.06%	\$ 249,419,234	1	1.81%
St. Joe Land & Development	127,640,490	2	0.66%	150,082,684	2	1.09%
Westrock-Stone Container	98,094,034	3	0.50%	-	-	-
Hilton Companies	79,881,470	4	0.41%	38,027,243	8	0.28%
Pier Park LLC	68,968,497	5	0.35%	65,882,365	4	0.48%
Cardone Ashley Member LLC	66,734,798	6	0.34%	-	-	-
Hospital Corp of America	58,714,293	7	0.30%	-	-	-
BW 79 West Owners, LLC	56,495,357	8	0.29%	-	-	-
Retreat 360, LLC	51,806,367	9	0.27%	-	-	-
Wal-Mart Stores	44,321,998	10	0.23%	-	-	-
Laketown Wharf Marketing Corp	-	-	-	66,622,640	3	0.48%
RockTenn (Smurfit-Stone Container)	-	-	-	62,076,590	5	0.45%
Arizona Chemical Company	-	-	-	46,164,001	6	0.33%
Marriott Ownership Resorts	-	-	-	42,061,767	7	0.30%
Gulf Coast Electric Co-op	-	-	-	37,650,347	9	0.27%
Wyndham Vacation Resorts, Inc.	-	-	-	36,482,818	10	0.26%
<b>Total</b>	<b>\$ 1,248,060,312</b>		<b>6.42%</b>	<b>\$ 794,469,689</b>		<b>5.76%</b>

Total Taxable Assessed Value 2021 19,445,713,928  
Total Taxable Assessed Value 2012 13,793,458,002

*Source: Bay County Property Appraiser*

Bay County, Florida  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)

Schedule 8

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2012	58,802,491	211,920	59,014,411	56,727,927	96%	175,572	56,903,499	97%
2013	56,856,057	93,429	56,949,486	54,644,204	96%	200,510	54,844,714	96%
2014	57,338,492	89,124	57,427,616	55,272,110	96%	280,550	55,552,660	97%
2015	73,675,856	109,040	73,784,896	72,179,783	98%	159,289	72,339,072	98%
2016	77,098,474	99,925	77,198,399	74,313,038	96%	274,648	74,587,686	97%
2017	79,638,490	105,969	79,744,459	76,887,098	97%	224,673	77,111,771	97%
2018	78,894,148	110,651	79,004,799	76,161,529	97%	123,930	76,285,459	97%
2019	83,051,734	121,991	83,173,725	80,192,782	97%	120,932	80,313,714	97%
2020	81,115,929	133,439	81,249,368	78,283,599	97%	146,094	78,429,693	97%
2021	88,659,798	126,086	88,785,884	85,597,905	97%	122,170	85,720,075	97%

*Source: Tax Collector's Office and Bay County Finance Office*

State of Florida and Bay County  
 Total Historical Half-Cent Sales Tax Distributions  
 For Ten Year Period 2012-2021  
 (Unaudited)

Schedule 9

The following table shows the historical sales tax collection and their annual percentage increases (decreases) for the State of Florida and Bay County.

<b>Fiscal Year Ending</b>	<b>Total Distributions To Cities and Counties</b>	<b>Percentage Change</b>	<b>Total Distributions Bay County</b>	<b>Percentage Change</b>
2012	\$ 1,533,688,015	8.49%	\$ 9,751,593	7.61%
2013	\$ 1,572,856,674	2.55%	\$ 10,165,160	4.24%
2014	\$ 1,678,701,571	6.73%	\$ 10,963,389	7.85%
2015	\$ 1,790,139,397	6.64%	\$ 11,670,772	6.45%
2016	\$ 1,894,340,933	5.82%	\$ 12,302,015	5.41%
2017	\$ 1,961,298,703	3.53%	\$ 13,102,752	6.51%
2018	\$ 2,062,325,900	5.15%	\$ 13,274,001	1.31%
2019	\$ 2,149,374,051	4.22%	\$ 14,594,506	9.95%
2020	\$ 2,081,445,805	-3.16%	\$ 14,416,103	-1.22%
2021	\$ 2,157,660,588	3.66%	\$ 16,457,306	14.16%

*Source: Florida Department of Revenue*

Distribution of Half-Cent  
Sales Tax in Bay County, Florida  
For Ten Year Period 2012-2021  
(Unaudited)

Schedule 10

**Fiscal Year 2012 - 2021 distribution of Sales Tax Revenues is represented in the following chart.**

<b>Fiscal Year Ending</b>	<b>Distributions To The County</b>	<b>Percentage Of County to Total</b>	<b>Distributions To The Cities</b>	<b>Percentage Of Cities to Total</b>
2012	\$ 9,751,593	59%	\$ 6,887,764	41%
2013	\$ 10,165,160	59%	\$ 7,094,845	41%
2014	\$ 10,963,389	59%	\$ 7,614,034	41%
2015	\$ 11,670,772	59%	\$ 8,112,631	41%
2016	\$ 12,302,015	59%	\$ 8,568,946	41%
2017	\$ 13,102,752	59%	\$ 9,088,369	41%
2018	\$ 13,274,001	59%	\$ 9,327,080	41%
2019	\$ 14,594,506	59%	\$ 10,303,125	41%
2020	\$ 14,416,103	59%	\$ 10,151,298	41%
2021	\$ 16,457,306	59%	\$ 11,205,621	41%

**Source:** Florida Department of Revenue



	<b>Fiscal Year</b>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities</b>				
Revenue bonds	\$ 80,010,219	\$ 91,312,541	\$ 89,194,188	\$ 48,849,178
Capital leases	87,472	91,869	232,427	765,740
Notes payable	-	-	635,000	40,715,000
<b>Total Governmental Activities</b>	<u>80,097,691</u>	<u>91,404,410</u>	<u>90,061,615</u>	<u>90,329,918</u>
<b>Business-type Activities</b>				
Revenue bonds	\$ 103,722,170	\$ 99,934,584	\$ 90,552,459	\$ 85,461,023
Capital leases	-	-	27,564	29,812
Notes payable	7,011,219	8,051,989	31,115,546	29,485,087
<b>Total Business-type Activities</b>	<u>110,733,389</u>	<u>107,986,573</u>	<u>121,695,569</u>	<u>114,975,922</u>
<b>Total Primary Government</b>	<u>\$ 190,831,080</u>	<u>\$ 199,390,983</u>	<u>\$ 211,757,184</u>	<u>\$ 205,305,840</u>
<b>Debt as a Percentage of Personal Income</b>	3.0%	3.1%	3.1%	2.8%
<b>Amount of Debt per Capita</b>	\$ 1,170	\$ 1,109	\$ 1,139	\$ 1,184

\*Information not available

**Note:** Details regarding the County's debt can be found in Notes 12 and 13 of the financial statements.  
 See Schedule 16 for personal income and population data.  
 Revenue bonds are maintained to include issuance discounts, premiums and refunding.

Bay County, Florida  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
 (Unaudited)

Schedule 11

		Fiscal Year					
		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	45,864,991	\$ 43,625,804	\$ 39,877,000	\$ 64,927,344	\$ 48,507,314	\$ 84,570,954	
	983,547	1,066,501	1,209,207	1,114,348	1,334,091	2,437,055	
	40,099,000	39,726,000	79,095,000	127,745,191	158,787,416	188,875,218	
	86,947,538	84,418,305	120,181,207	193,786,883	208,628,821	275,883,227	
\$	83,298,094	\$ 77,083,388	\$ 72,146,636	\$ 170,932,654	\$ 96,462,820	\$ 76,726,382	
	26,772	14,962	1,412,235	2,175,892	1,614,933	17,369	
	27,075,284	24,584,285	22,011,712	27,705,653	41,179,049	15,742,970	
	110,400,150	101,682,635	95,570,583	200,814,199	139,256,802	92,486,721	
	<b>\$ 197,347,688</b>	<b>\$ 186,100,940</b>	<b>\$ 215,751,790</b>	<b>\$ 394,601,082</b>	<b>\$ 347,885,623</b>	<b>\$ 368,369,948</b>	
	2.6%	2.4%	2.7%	5.2%	4.7%	*	
\$	1,128	\$ 1,073	\$ 1,041	\$ 1,191	\$ 2,359	\$ 2,066	

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Water System Revenue Bonds</b>										
<b>Series 2005</b>										
Revenue - sale of goods and services	\$ 16,216,643	\$ 16,811,167	\$ 16,441,561	\$ 17,293,612	\$ 17,342,106					
Less: Operating expenses	(6,184,222)	(6,433,186)	(6,889,538)	(7,270,249)	(12,137,362)					
<b>Net available revenue</b>	<b>\$ 10,032,421</b>	<b>\$ 10,377,981</b>	<b>\$ 9,552,023</b>	<b>\$ 10,023,363</b>	<b>\$ 5,204,744</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service										
Principal	\$ 1,515,000	\$ 1,565,000	\$ 1,615,000	\$ 1,700,000	\$ 1,780,000	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 2,161,078	\$ 2,110,325	\$ 2,055,550	\$ 1,974,800	\$ 1,889,800	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage*	2.7	2.8	2.6	2.7	1.4	N/A	N/A	N/A	N/A	N/A
<b>Sales Tax Revenue Refunding Bonds</b>										
<b>Series 2007</b>										
Revenue - proceeds of the Local Government										
Half-Cent Sales Tax	\$ 9,916,743	\$ 10,594,619	\$ 11,325,809	\$ 12,039,862	\$ 12,775,077	\$ 13,090,888				
Less: Operating expenses	-	-	-	-	-	-				
<b>Net available revenue</b>	<b>\$ 9,916,743</b>	<b>\$ 10,594,619</b>	<b>\$ 11,325,809</b>	<b>\$ 12,039,862</b>	<b>\$ 12,775,077</b>	<b>\$ 13,090,888</b>	\$ -	\$ -	\$ -	\$ -
Debt service										
Principal	\$ 55,000	\$ 500,000	\$ 515,000	\$ 540,000	\$ 560,000	\$ 580,000	\$ -	\$ -	\$ -	\$ -
Interest	\$ 642,044	\$ 640,050	\$ 620,050	\$ 599,450	\$ 577,850	\$ 555,450	\$ -	\$ -	\$ -	\$ -
Coverage*	14.2	9.3	10.0	10.6	11.2	11.5	N/A	N/A	N/A	N/A
<b>Water and Sewer System Revenue Bonds</b>										
<b>Series 2015</b>										
Revenue - sales of goods and services					\$ 11,603,844	\$ 12,712,062	\$ 12,484,423	\$ 14,307,758	\$ 16,115,197	\$ 16,685,141
Less: Operating expenses					(8,731,126)	(8,912,053)	(9,473,050)	(9,667,672)	(9,882,997)	(10,250,824)
<b>Net available revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,872,718</b>	<b>\$ 3,800,009</b>	<b>\$ 3,011,373</b>	<b>\$ 4,640,086</b>	<b>\$ 6,232,200</b>	<b>\$ 6,434,317</b>
Debt service										
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 585,000	\$ 600,000	\$ 625,000	\$ 650,000	\$ 680,000
Interest	\$ -	\$ -	\$ -	\$ -	\$ 918,075	\$ 1,112,819	\$ 1,095,268	\$ 1,071,268	\$ 1,046,268	\$ 1,013,769
Coverage*	N/A	N/A	N/A	N/A	3.1	2.2	1.8	2.7	3.7	3.8
<b>Capital Improvement Revenue Bond</b>										
<b>Series 2012</b>										
Revenue - County Revenue Sharing Funds (50%)	\$ 1,706,958	\$ 1,803,649	\$ 1,958,391	\$ 2,017,147	\$ 2,117,002	\$ 2,223,200	\$ 2,325,226	\$ 2,173,843	\$ 2,559,447	\$ 2,559,447
Less: Operating expenses	-	-	-	-	-	-	-	-	-	-
<b>Net available revenue</b>	<b>\$ 1,706,958</b>	<b>\$ 1,803,649</b>	<b>\$ 1,958,391</b>	<b>\$ 2,017,147</b>	<b>\$ 2,117,002</b>	<b>\$ 2,223,200</b>	<b>\$ 2,325,226</b>	<b>\$ 2,173,843</b>	<b>\$ 2,559,447</b>	<b>\$ 2,559,447</b>
Debt service										
Principal	\$ -	\$ 309,000	\$ 388,000	\$ 399,000	\$ 809,000	\$ 410,000	\$ 424,000	\$ 437,000	\$ 450,000	\$ 463,000
Interest	\$ -	\$ 339,083	\$ 405,591	\$ 394,190	\$ 580,775	\$ 383,141	\$ 363,256	\$ 350,205	\$ 337,665	\$ 322,922
Coverage*	N/A	2.6	2.3	2.5	1.5	2.7	2.8	3.0	2.8	3.3
<b>Water System Revenue Note</b>										
<b>Series 2014</b>										
Revenue - sale of goods and services				\$ 17,293,612	\$ 17,342,106	\$ 16,186,689	\$ 16,702,256	\$ 18,690,490	\$ 18,679,955	\$ 18,901,581
Less: Operating expenses				(7,270,249)	(12,137,362)	(8,948,101)	(11,857,100)	(11,645,521)	(9,207,462)	(10,532,908)
<b>Net available revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,023,363</b>	<b>\$ 5,204,744</b>	<b>\$ 7,238,588</b>	<b>\$ 4,845,156</b>	<b>\$ 7,044,969</b>	<b>\$ 9,472,493</b>	<b>\$ 8,368,673</b>
Debt service										
Principal	\$ -	\$ -	\$ -	\$ 760,000	\$ 785,000	\$ 815,000	\$ 845,000	\$ 880,000	\$ 910,000	\$ 945,000
Interest	\$ -	\$ -	\$ -	\$ 700,225	\$ 672,105	\$ 643,060	\$ 612,906	\$ 581,640	\$ 549,080	\$ 515,410
Coverage*	N/A	N/A	N/A	6.9	3.6	5.0	3.3	4.8	6.5	5.7
<b>Sales Tax Refunding Revenue Note</b>										
<b>Series 2015</b>										
Revenue - proceeds of the Local Government				\$ 12,039,862	\$ 12,775,077	\$ 13,090,888	\$ 13,320,982	\$ 15,467,835		
Half-Cent Sales Tax										
Less: Operating expenses				-	-	-	-	-		
<b>Net available revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,039,862</b>	<b>\$ 12,775,077</b>	<b>\$ 13,090,888</b>	<b>\$ 13,320,982</b>	<b>\$ 15,467,835</b>	<b>\$ -</b>	<b>\$ -</b>
Debt service										
Principal	\$ -	\$ -	\$ -	\$ 195,000	\$ 330,000	\$ 340,000	\$ 345,000	\$ 360,000	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ 514,969	\$ 1,356,563	\$ 1,345,409	\$ 1,333,886	\$ 1,322,256	\$ -	\$ -
Coverage*	N/A	N/A	N/A	17.0	7.6	7.8	7.9	9.2	NA	NA

**Water System Revenue Bonds**

**Series 2016**

Revenue - sale of goods and services						\$ 16,186,689	\$ 16,702,256	\$ 18,690,490	\$ 18,679,955	\$ 18,901,581
Less: Operating expenses						(8,948,101)	(11,857,100)	(11,645,521)	(9,207,462)	(10,532,908)
<b>Net available revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,238,588</b>	<b>\$ 4,845,156</b>	<b>\$ 7,044,969</b>	<b>\$ 9,472,493</b>	<b>\$ 8,368,673</b>
Debt service										
Principal						\$ 1,450,000	\$ 1,650,000	\$ 1,710,000	\$ 1,780,000	\$ 1,870,000
Interest						\$ 1,290,311	\$ 1,398,150	\$ 1,332,150	\$ 1,263,750	\$ 1,174,750
Coverage*	N/A	N/A	N/A	N/A	N/A	2.6	1.6	2.3	3.1	2.7

**Sales Tax Revenue Refunding Bonds**

**Series 2018 A&B**

Revenue - proceeds of the Local Government							\$ 13,320,982	\$ 15,467,835	\$ 14,459,113	\$ 18,503,876
Half-cent Sales Tax										
Less: Operating expenses							-	-	-	-
<b>Net available revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,320,982</b>	<b>\$ 15,467,835</b>	<b>\$ 14,459,113</b>	<b>\$ 18,503,876</b>
Debt service										
Principal							\$ 303,000	\$ 631,000	\$ 649,000	\$ 666,000
Interest							\$ 167,825	\$ 310,880	\$ 292,581	\$ 273,760
Coverage*	N/A	N/A	N/A	N/A	N/A	N/A	28.3	16.4	15.4	19.7

**Tourist Development Tax Revenue Note**

**Series 2018**

Revenue -proceeds of up to four cents of the							\$ 20,894,847	\$ 20,597,672		
Tourist Development Tax ***										
Less: Operating expenses							-	-		
<b>Net available revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,894,847</b>	<b>\$ 20,597,672</b>	<b>\$ -</b>	<b>\$ -</b>
Debt service										
Principal							\$ -	\$ 1,710,000	\$ -	\$ -
Interest							\$ -	\$ 1,469,764	\$ -	\$ -
Coverage* ,**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.5	NA	NA

**Sales Tax Revenue Refunding Bonds**

**Series 2020**

Revenue - proceeds of the Local Government									\$ 14,459,113	\$ 18,503,876
Half-cent Sales Tax										
Less: Operating expenses									-	-
<b>Net available revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,459,113</b>	<b>\$ 18,503,876</b>
Debt service										
Principal									\$ 305,000	\$ 550,000
Interest									\$ 423,735	\$ 792,379
Coverage*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19.8	13.8

**Tourist Development Tax Revenue Note**

**Series 2020**

Revenue -proceeds of up to four cents of the									\$ 16,804,364	\$ 29,176,570
Tourist Development Tax ***										
Less: Operating expenses									-	-
<b>Net available revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,804,364</b>	<b>\$ 29,176,570</b>
Debt service										
Principal									\$ 340,000	\$ 2,140,000
Interest									\$ 79,015	\$ 686,448
Coverage* ,**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	40.1	10.3

**Solid Waste System Revenue Bond**

**Series 2021**

Revenue - sales of goods and services										\$ 11,559,753
Less: Operating expenses										(9,514,687)
<b>Net available revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,045,066</b>
Debt service										
Principal										\$ -
Interest										\$ -
Coverage* ,**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*Coverage equals net available revenue divided by debt service.

\*\* Coverage not applicable due to no debt service payment in current year; first debt service payment due 3/1/2022

\*\*\* Revenue calculated in 2018 was calculated at 6 cents in 2018 financial statements. This was corrected in 2019 financial statements

	<b>Fiscal Year</b>			
	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Operating Revenues	\$ 15,679,760	\$ 16,130,582	\$ 15,875,773	\$ 16,486,712
Interest	163,407	185,336	104,892	340,622
Other Revenue	-	-	-	-
<b>Gross Revenues</b>	<b><u>\$ 15,843,167</u></b>	<b><u>\$ 16,315,918</u></b>	<b><u>\$ 15,980,665</u></b>	<b><u>\$ 16,827,334</u></b>
Operating Expenses	<u>\$ 6,184,216</u>	<u>\$ 6,424,037</u>	<u>\$ 6,889,538</u>	<u>\$ 7,270,244</u>
<b>Net Revenue</b>	<b><u>\$ 9,658,951</u></b>	<b><u>\$ 9,891,881</u></b>	<b><u>\$ 9,091,127</u></b>	<b><u>\$ 9,557,090</u></b>
Debt Service 1997 Issue	\$ -	\$ -	\$ -	\$ -
Debt Service 2000 Issue	-	-	-	-
Debt Service 2005 Issue	3,676,078	3,675,325	3,633,529	3,674,800
Debt Service 2014 Issue	-	-	285,525	1,460,225
Debt Service 2016 Issue	-	-	-	-
Advance from Other Funds	526,400	2,168,406	-	-
<b>Total Debt Service</b>	<b><u>\$ 4,202,478</u></b>	<b><u>\$ 5,843,731</u></b>	<b><u>\$ 3,919,054</u></b>	<b><u>\$ 5,135,025</u></b>
<b>Coverage Factor</b>	<b><u>2.298</u></b>	<b><u>1.693</u></b>	<b><u>2.320</u></b>	<b><u>1.861</u></b>

**Note:** Advance from other funds was paid out in 2013.

Bay County, Florida  
Wholesale Water System  
Historical Revenues, Expenses and Debt Service Coverage  
Last Ten Fiscal Years  
(Unaudited)

Schedule 13

<b>Fiscal Year</b>					
<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
\$ 16,543,379	\$ 16,186,689	\$ 16,702,256	\$ 17,592,185	\$ 18,182,584	\$ 18,835,308
249,936	419,970	502,426	1,098,305	497,371	66,273
-	-	-	-	-	-
<b>\$ 16,793,315</b>	<b>\$ 16,606,659</b>	<b>\$ 17,204,682</b>	<b>\$ 18,690,490</b>	<b>\$ 18,679,955</b>	<b>\$ 18,901,581</b>
\$ 12,137,362	\$ 8,948,101	\$ 11,857,100	\$ 11,645,521	\$ 9,207,462	\$ 10,532,908
<b>\$ 4,655,953</b>	<b>\$ 7,658,558</b>	<b>\$ 5,347,582</b>	<b>\$ 7,044,969</b>	<b>\$ 9,472,493</b>	<b>\$ 8,368,673</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,669,800	-	-	-	-	-
1,457,105	1,458,060	1,457,906	1,461,640	1,459,080	1,460,410
-	2,740,311	3,048,150	3,042,150	3,043,750	3,044,750
-	-	-	-	-	-
<b>\$ 5,126,905</b>	<b>\$ 4,198,371</b>	<b>\$ 4,506,056</b>	<b>\$ 4,503,790</b>	<b>\$ 4,502,830</b>	<b>\$ 4,505,160</b>
<b>0.908</b>	<b>1.824</b>	<b>1.187</b>	<b>1.564</b>	<b>2.104</b>	<b>1.858</b>

	<b>Fiscal Year</b>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Half-Cent Sales Tax Receipts (1)	\$ 9,916,743	\$ 10,594,619	\$ 11,325,809	\$ 12,039,862
Series 1998 Bond (2)	\$ -	\$ -	\$ -	\$ -
Series 2002 Bond (3)	-	-	-	-
Series 2006 Bond (4)	5,134,488	5,134,488	5,134,488	-
Series 2007 Bond (5)	1,141,450	1,141,450	1,141,450	1,141,450
Series 2015 Note (6)	-	-	-	4,875,187
Series 2018 A&B Note (7)	-	-	-	-
Series 2020 Note (8)	-	-	-	-
<b>Total Maximum Annual Debt Service</b>	<b>\$ 6,275,938</b>	<b>\$ 6,275,938</b>	<b>\$ 6,275,938</b>	<b>\$ 6,016,637</b>
<b>Coverage of Maximum Annual Debt Service by Sales Tax Revenues</b>	<b>1.58</b>	<b>1.69</b>	<b>1.80</b>	<b>2.00</b>

(1) *Source: Bay County Finance Department.*

(2) Bond refunded in FY2010 by Solid Waste Capital Improvement Revenue Refunding Bonds-Series 2010

(3) Maximum debt service is in year 2011 - Partially refunded by Series 2007 Bond

(4) Maximum debt service is in year 2030 - Refunded by the Series 2015 Note

(5) Maximum debt service is in year 2018-Refunded by the Series 2018 A&B Note

(6) Maximum debt service is in year 2030

(7) Maximum debt service is in year 2028

(8) Maximum debt service is in year 2030

Historical Coverage of Projected  
Maximum Annual Debt Service  
By Sales Tax Revenues  
Last Ten Fiscal Years  
(Unaudited)

Schedule 14

Fiscal Year						
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	
\$ 12,775,077	\$ 13,090,888	\$ 13,320,982	\$ 15,467,835	\$ 14,459,113	\$ 18,503,876	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,141,450	1,141,450	-	-	-	-	
4,875,187	4,875,187	4,875,187	4,875,187	-	-	
-	-	944,657	944,657	944,657	944,657	
-	-	-	-	4,532,388	4,532,647	
<b>\$ 6,016,637</b>	<b>\$ 6,016,637</b>	<b>\$ 5,819,844</b>	<b>\$ 5,819,844</b>	<b>\$ 5,477,045</b>	<b>\$ 5,477,304</b>	
<b>2.12</b>	<b>2.18</b>	<b>2.29</b>	<b>2.66</b>	<b>2.64</b>	<b>3.38</b>	



Bay County, Florida  
 Direct and Overlapping Governmental Activities Debt  
 (In Thousands of Dollars)  
 (Unaudited)

Schedule 15

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Bay County School Board:			
Revenue Anticipation Note	\$ 2,079	100.00%	\$ 2,079
Community Disaster Loan	5,000	100.00%	5,000
Certificates of Participation	114,240	100.00%	114,240
	121,319		121,319
Bay County direct debt	275,883		275,883
<b>Total direct and overlapping debt</b>			<b>\$ 397,202</b>

Sources: Bay County Finance Office and Bay County School Board

Note: Overlapping governments are those that lie within the geographic boundaries of the County. This schedule represents the portion of outstanding debt of the overlapping governments that is beared by residents and businesses of Bay County. This does not imply that every taxpayer is a resident and responsible for repaying the debt of the over-lapping governments. However, the entire debt burden beared by the residents and businesses should be taken into account when considering the County's ability to issue and repay long-term debt.

Bay County, Florida  
Demographic and Economic Statistics  
Last Ten Years  
(Unaudited)

Schedule 16

Year	Estimated Population	Personal Income in '000's	Per Capita Personal Income	Unemployment Rate
2012	172,029	6,436,815	37,476	8.0%
2013	174,994	6,524,445	37,369	7.8%
2014	178,860	6,916,093	38,791	5.7%
2015	181,947	7,322,428	40,347	5.0%
2016	183,974	7,552,595	41,129	4.8%
2017	178,820	7,695,669	41,658	3.3%
2018	181,199	8,043,321	43,188	4.0%
2019	167,283	7,982,208	45,690	3.9%
2020	175,216	8,685,322	50,696	6.3%
2021	178,282	*	*	3.9%

\* Information not yet available

*Note:* Information updated annually based on most current data.

**Source:** University of Florida, College of Liberal Arts & Sciences, Bureau of Economic & Business Research (BEBR) and US Bureau of Economic Analysis

**Source:** US Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Program

Bay County, Florida  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)

Schedule 17

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Bay District Schools	4,181	1	4.79%	4,411	3	4.84%
Tyndall Air Force Base	2,540	2	2.91%	7,352	1	8.07%
LHP Bay County (formerly Bay Medical Center)	1,436	3	1.65%	2,000	4	2.20%
Maximus Federal (formerly General Dynamics)	1,376	4	1.58%	-	-	-
Gulf Coast Medical Center	988	5	1.13%	631	6	0.69%
Trane	698	6	0.80%	-	-	-
Publix Supermarkets	671	7	0.77%	-	-	-
Gulf Coast State College	633	8	0.73%	600	7	0.66%
Bay County Board of County Commissioners	633	8	0.73%	506	9	-
Royal American Management	612	10	0.70%	-	-	-
Naval Support Activity	-	-	-	4,791	2	5.26%
Eastern Shipbuilding	-	-	-	1,061	5	1.17%
City of Panama City	-	-	-	537	8	0.59%
BookIt.com	-	-	-	500	10	0.55%
	<u>13,768</u>		<u>15.78%</u>	<u>22,389</u>		<u>24.03%</u>
<b>Total Bay County Labor Force</b>	<u>87,245</u> *			<u>91,053</u>		

*Source: FloridaJobs.org*

\* *Source: Bay County Economic Development Alliance*

Bay County, Florida  
 Full-time Equivalent County Employees by Function  
 Last Ten Fiscal Years  
 (Unaudited)

Schedule 18

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Government	59	55	59	60	61	89	73	73	72	71
Public Safety	102	176	189	200	203	202	238	201	212	220
Physical Environment	128	122	129	125	131	138	138	130	129	130
Transportation	118	111	114	112	112	118	121	119	113	107
Economic Environment	2	2	2	2	2	2	2	1	1	3
Human Services	14	14	14	14	13	14	13	13	12	13
Culture/Recreation	73	72	74	74	79	90	90	83	72	78
Judicial System	10	8	8	9	10	11	12	9	11	11
<b>Total</b>	<b>506</b>	<b>560</b>	<b>589</b>	<b>596</b>	<b>611</b>	<b>664</b>	<b>687</b>	<b>629</b>	<b>622</b>	<b>633</b>

*Source: County personnel department*

Bay County, Florida  
 Operating Indicators by Function  
 Last Ten Fiscal Years  
 (Unaudited)

Schedule 19

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>General Government</b>										
Assessed properties	113,260	113,364	113,640	114,147	114,556	114,810	116,155	117,208	118,531	120,087
Court cases:										
Circuit Criminal	4,600	4,384	4,764	5,529	5,716	5,739	6,017	6,074	5,302	5,296
County Criminal	9,840	9,225	9,336	8,629	8,056	7,856	7,792	7,964	6,095	5,989
<b>Public Safety</b>										
E-911 calls***	153,129	144,567	151,850	227,484	240,482	213,008	216,511	207,119	485,905	139,100
Building permits issued*										
Commercial	214	163	172	128	78	85	87	125	215	200
Residential	613	825	992	853	899	951	960	3,646	3,286	2,568
<b>Physical Environment</b>										
Landfill and incinerator Collections in tonage	213,402	237,779	266,930	251,260	258,758	290,493	233,025	596,176	258,835	268,016
<b>Transportation</b>										
Roads miles maintained	741.07	728.53	728.53	721.31	724.85	724.20	725.76	726.84	720.29	722.00
<b>Economic Environment</b>										
Tourist Development Tax Registered Units**	17,356	16,787	16,907	19,231	19,324	19,717	19,747	19,839	20,416	20,887
<b>Human Services</b>										
Baker Act admissions	574	470	376	430	377	457	394	359	351	340

\* Permits include new construction, additions, renovations and alterations

Beginning FY16, Bay County no longer issues commercial permits for the cities.

\*\*Beginning FY09, reporting calculated on number of units. Prior years were reported by registrant.

Beginning FY15, Panama City CDC was established.

\*\*\*Beginning FY20, reporting included "other 911 calls" that was not included in the prior years.

**Sources:** County finance office and individual county departments

Bay County, Florida  
 Capital Asset Statistics by Function  
 Last Ten Fiscal Years  
 (Unaudited)

Schedule 20

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Public Safety</b>										
Correction facility capacities	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,134	1,134
Emergency responder facilities*	13	13	17	19	19	19	19	16	15	15
<b>Culture &amp; Recreation</b>										
Parks	30	31	31	31	31	32	32	32	24	32
Park acreage	318	331.5	331.5	331.5	331.5	731.41	731.41	731.41	827	807.51
Boat ramps	19	20	20	20	20	21	21	21	21	22
<b>Transportation</b>										
Road miles	741.07	728.53	728.53	721.31	724.85	724.20	725.76	726.84	720.29	722.00
Bridges	53	51	51	51	51	51	51	50	48	48
Traffic signals	16	16	17	17	17	17	17	17	10	11
<b>Physical Environment</b>										
Water mains (miles)**	293	293	293	299	299	300	317	324.22	339.53	361.07

\*2014 & 2015 Includes fire and EMS facilities

\*\*In fiscal year 2016, there was a restatement of the previous year in order to report actual miles.

*Sources:* County finance office and individual county departments

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**INDEPENDENT AUDITORS’ MANAGEMENT LETTER**

The Honorable County Commissioners  
 Bay County, Florida

**Report on the Financial Statements**

We have audited the financial statements of Bay County, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; 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 and schedule, which are dated March 29, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report, except as noted below:

<b>Tabulation of Uncorrected Audit Findings</b>		
<b>Current Year Finding #</b>	<b>2019-20 FY Finding #</b>	<b>2018-19 FY Finding #</b>
2021-001	2020-002	N/A
2021-002	2020-003	N/A



### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Bay County, Florida met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Bay 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 for Bay County, Florida. It is management's responsibility to monitor Bay County, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and 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, the Commissioners of Bay County, 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.*

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable County Commissioners  
Bay County, Florida

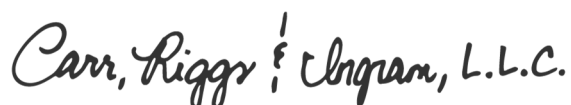
We have examined Bay County, Florida's (County) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*; Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*; and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*; for the year ended September 30, 2021. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the 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 requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*; Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*; and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*; for the year ended September 30, 2021

This report is intended solely for the information and use of County 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.



Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

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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*

The Honorable County Commissioners  
Bay 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 business-type activities, each major discretely presented component unit, each major fund, and the aggregate remaining fund information of Bay County, Florida, as of and for the year ended September 30, 2021, and the related notes to basic financial statements, which collectively comprise Bay County, Florida's basic financial statements and have issued our report thereon dated March 29, 2022.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bay County, Florida'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 Bay County, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of Bay County, Florida'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 sections and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, 2021-003 and 2021-004, that we consider to be material weaknesses.

The Honorable County Commissioners  
Bay County, Florida  
Page Two

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bay County, Florida'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*.

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

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

### **Purpose of This Report**

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

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

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

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

The Honorable County Commissioners  
Bay County, Florida

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

We have audited Bay County, Florida's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2021. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *State of Florida Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *State of Florida Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

### **Opinion on Each Major Federal Program and 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 state projects for the year ended September 30, 2021.

### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *State of Florida 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 a 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 Honorable County Commissioners  
Bay County, Florida  
Page Three

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, *State of Florida Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

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

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022



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Bay County, Florida  
 Schedule of Findings and Questioned Costs  
 Federal Awards and State Financial Assistance  
 Year Ended September 30, 2021

***Section I - Summary of Auditors' Results***

*Financial Statements*

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weaknesses identified?  Yes  No

Significant deficiencies identified?  Yes  None noted

Noncompliance material to financial statements noted?  Yes  No

*Federal Awards and State Financial Assistance*

Internal control over major programs

Material weaknesses identified?  Yes  No

Significant deficiencies identified?  Yes  None reported

Type of auditors' report issued on compliance for major federal programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a) or Section 10.557, Rules of the Auditor General?  Yes  None reported

Identification of major federal programs and state projects:

<u>Assistance Listing Number</u>	<u>Major Federal Program or Cluster</u>
20.507 and 20.526	Federal Transit Cluster
21.019	Coronavirus Relief Fund
97.030	Community Disaster Loan
97.036	Disaster Grants – Public Assistance

Bay County, Florida  
 Schedule of Findings and Questioned Costs  
 Federal Awards and State Financial Assistance (Continued)  
 Year Ended September 30, 2021

<u>CFSA Number</u>	<u>Major State Projects</u>
<u>40.901</u>	<u>State Housing Initiatives Partnership Program (SHIP)</u>
<u>40.902</u>	<u>Hurricane Housing Recovery Program</u>
<u>71.038</u>	<u>Bay County Sheriff's Office New Building</u>
<u>77.007</u>	<u>Artificial Reef Grants Program</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>Federal</u> \$ 1,504,971	<u>State</u> \$ 750,000
Auditee qualified as a low-risk auditee for federal purposes?	<u>    </u> Yes	<u>  √  </u> No

***Section II - Financial Statement Findings***

**Finding**

**Bay County 2021-001**

Condition/Criteria: The County issued permits that were not in accordance with the permit fee schedule established by the County through Resolution 3647.

Cause: Issues in the permit system resulted in permits being incorrectly calculated for certain permit types.

Effect: The County issues permits that were not in accordance with Resolution 3647.

Recommendation: We recommend that the County correct issues in the permit system to ensure permits are properly calculated.

Response: See attached Corrective Action Plan.

Bay County, Florida  
Schedule of Findings and Questioned Costs  
Federal Awards and State Financial Assistance (Continued)  
Year Ended September 30, 2021

**Bay County 2021-002**

Condition: Administrative user access to the County's building permit system was provided to the majority of the building department's employees.

Criteria: Administrative access to computer applications should be limited to the furthest extent possible. Improper or excessive assignment of administrative access can allow users to perform system functions outside of their actual job roles and responsibilities. Inappropriate access negates proper segregation of duties provided in the system and allows users to alter records without detection or accountability.

Cause: The County did not limit administrative access to key employees.

Effect: Certain segregation of duties that the system provides, when user access is properly established, were negated as a majority of employees were provided administrative access. In addition, there were identified instances where official records related to permits and inspections were altered by department employees.

Recommendation: We determined that the administrative access issue has been corrected. We would recommend that the County establish procedures for administrative access to computer systems across the County's various departments and systems.

Response: See attached Corrective Action Plan.

**Bay County 2021-003**

Condition: Capital asset activity, including related construction retainage activity, were not always recorded in conformity with generally accepted accounting principles.

Criteria: Internal controls over capital asset activity should prevent, or detect and correct errors to ensure capital assets are recorded in conformity with generally accepted accounting principles.

Cause: The County's internal controls did not ensure that capital asset activity conformed to generally accepted accounting principles.

Effect: Adjustments were required for capital asset activity to conform to generally accepted accounting principles.

Recommendation: We recommend that the County staff review and revise their controls around capital asset activity to ensure that capital assets are recorded in conformity with generally accepted accounting principles.

Response: See attached Corrective Action Plan.

Bay County, Florida  
Schedule of Findings and Questioned Costs  
Federal Awards and State Financial Assistance (Continued)  
Year Ended September 30, 2021

**Bay County 2021-004**

Condition: Prepaid activity and its related expenses, were not always recorded in conformity with generally accepted accounting principles.

Criteria: Internal controls over prepaid activity should prevent, or detect and correct errors to ensure prepaid items are recorded in conformity with generally accepted accounting principles.

Cause: The County internal controls did not ensure that prepaid activity conformed to generally accepted accounting principles.

Effect: Adjustments were required for prepaid activity to conform to generally accepted accounting principles.

Recommendation: We recommend that the County staff review and revise their controls around prepaid activity to ensure that prepaid items are recorded in conformity with generally accepted accounting principles.

Response: See attached Corrective Action Plan.

Bay County, Florida  
Schedule of Findings and Questioned Costs  
Federal Awards and State Financial Assistance (Continued)  
Year Ended September 30, 2021

***Section III – Findings and Questioned Costs – Major Federal Award Programs and State Financial Assistance Projects***

There were no findings.

Bay County, Florida  
Summary Schedule of Prior Year Audit Findings  
Year Ended September 30, 2021

**The County has taken corrective action for the finding included in the prior year audit report.**

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing No./CFSA	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
<b>FEDERAL AWARDS</b>				
<b>Federal Transit Cluster-Cluster</b>				
Department of Transportation				
Federal Transit Formula Grants				
Federal Transit Formula Grants	20.507	FL-2021-047-00	\$ -	\$ 375,000
COVID-19 - Federal Transit Formula Grants	20.507	COVID-19 CARES ACT Capital, Planning, & Operating TPO Urbanized Area Grant--FL-2021-074-00	-	757,771
Federal Transit Formula Grants	20.507	5307 Capital Urbanized Area Grant--FL- 2021-058-00	-	269,453
Federal Transit Formula Grants	20.507	5307 Operating, Capital, and Planning for Bay County TPO--FL-2020-064-00	-	513,529
Federal Transit Formula Grants	20.507	Federal Grant X086--FL-2018-86-00	-	234,943
Federal Transit Formula Grants	20.507	Federal Grant X086--FL-2019-070-00	-	763,378
<b>Total Federal Transit Formula Grants</b>			-	<b>2,914,074</b>
Bus and Bus Facilities Formula Grants				
Passed through Florida Department of Transportation				
Bus and Bus Facilities Formula Grants	20.526	Federal Grant X030--FL-2018-030-00	-	1,490
<b>Total Bus and Bus Facilities Formula Grants</b>			-	<b>1,490</b>
<b>Total Department of Transportation</b>			-	<b>2,915,564</b>
<b>Total Federal Transit Cluster-Cluster</b>			-	<b>2,915,564</b>
<b>Highway Planning and Construction Cluster-Cluster</b>				
Department of Transportation				
Passed through Florida Department of Transportation				
Highway Planning and Construction				
Highway Planning and Construction	20.205	CR30 Front Beach Road Sidewalk Design - Phase III--G1E16	-	88,036
Highway Planning and Construction	20.205	CR30 FBR Sidewalk Construction PH II (LAP)--G1Z35	-	324
Highway Planning and Construction	20.205	CR2297 Cooks Bayou Bridge Replacement--GOA42	-	348,862
<b>Total Highway Planning and Construction</b>			-	<b>437,222</b>
<b>Total Department of Transportation</b>			-	<b>437,222</b>
<b>Total Highway Planning and Construction Cluster-Cluster</b>			-	<b>437,222</b>
<b>Highway Safety Cluster-Cluster</b>				
Department of Transportation				
Passed through Florida Department of Transportation				
State and Community Highway Safety				
State and Community Highway Safety	20.600	Speed and Aggressive Driving Enforcement--SC-2021-00017	-	50,000
<b>Total State and Community Highway Safety</b>			-	<b>50,000</b>
Passed through Florida Department of Transportation				
National Priority Safety Programs				
National Priority Safety Programs	20.616	Enhanced Impaired Driving Enforcement, Equipment & OT--M5HVE-2021-00016	-	12,249
<b>Total National Priority Safety Programs</b>			-	<b>12,249</b>
<b>Total Department of Transportation</b>			-	<b>62,249</b>
<b>Total Highway Safety Cluster-Cluster</b>			-	<b>62,249</b>
<b>Other Programs</b>				
Gulf Coast Ecosystem Restoration Council Oil (RESTORE)				
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	St. Andrew Bay Stormwater Improvement Program-St. Andrew Bay Watch--GNTSP20FL0098	-	75,631
<b>Total Gulf Coast Ecosystem Restoration Council (RESTORE)</b>			-	<b>75,631</b>
Department of Homeland Security				
Community Disaster Loans				
Community Disaster Loans	97.030	Community Disaster--4399FL09	-	5,000,000
<b>Total Community Disaster Loans</b>			-	<b>5,000,000</b>

(Continued)



Bay County, Florida  
Schedule of Expenditures of Federal Awards  
and State Financial Assistance (Continued)  
Year Ended September 30, 2021

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing No./CFSA	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
Passed through State of Florida Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA -Michael- DR4399--Z0915	-	74,985
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA -Michael- DR4399--Z0884	-	28,973,915
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA - DR4564 Hurricane Sally--Z2646	-	527,475
<b>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</b>				<b>29,576,375</b>
Passed through State of Florida Division of Emergency Management				
Emergency Management Performance Grants				
Emergency Management Performance Grants	97.042	Emergency Management Performance Grant (EMPG) FY22--EMA-2021-EP-00007/G0	-	19,177
COVID-19 - Emergency Management Performance Grants	97.042	COVID-19 Emergency Management Performance Grant - COVID Supplement--G0132	-	13,985
<b>Total Emergency Management Performance Grants</b>				<b>33,162</b>
Passed through State of Florida Division of Emergency Management				
Homeland Security Grant Program				
Homeland Security Grant Program	97.067	State Homeland Security--R0073	-	6,000
Homeland Security Grant Program	97.067	Emergency Management Performance Grant 2021 (EMPG)--G0163	-	63,710
Homeland Security Grant Program	97.067	State Homeland Security--19-DS-01-13-02-329	-	169,270
Homeland Security Grant Program	97.067	State Homeland Security--R0057	-	111,461
Homeland Security Grant Program	97.067	Homeland Security--EMW-2019-SS-00049	-	66,429
Homeland Security Grant Program	97.067	2017-2019 Homeland Security Grant--18-DS-X1-01-13-01-34	-	13,477
<b>Total Homeland Security Grant Program</b>				<b>430,347</b>
Passed through State of Florida Division of Emergency Management				
Staffing for Adequate Fire and Emergency Response (SAFER)				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Staffing for Adequate Fire and Emergency Response Grant (SAFER)--EMW-2019-FF-001635	-	160,741
<b>Total Staffing for Adequate Fire and Emergency Response (SAFER)</b>				<b>160,741</b>
<b>Total Department of Homeland Security</b>				<b>35,200,625</b>
Department of Defense				
Passed through the Florida Office of Economic Adjustment				
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies				
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	TAFB - Joint Land Use Study--EN1514-17-01	-	9,905
<b>Total Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies</b>				<b>9,905</b>
<b>Total Department of Defense</b>				<b>9,905</b>
United States Department of Justice				
Passed through State of Florida Department of Legal Affairs				
Crime Victim Assistance				
Crime Victim Assistance	16.575	Victims of Crime Act (VOCA)--VOCA-2020-Bay County	-	108,618
<b>Total Crime Victim Assistance</b>				<b>108,618</b>
Passed through the Florida Department of Children and Families				
Violence Against Women Formula Grants				
Violence Against Women Formula Grants	16.588	Intimate Violence Enhanced Service Team (InVEST)--LN 179	-	146,606
Violence Against Women Formula Grants	16.588	Intimate Violence Enhanced Service Team (InVEST)--21-8045-LE-INV	-	55,654
<b>Total Violence Against Women Formula Grants</b>				<b>202,260</b>
Passed through the Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Edward Bryne Memorial Justice--O-BJA-2021-3004	-	22,327
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BCSO Disaster Preparedness--2020-JAGC-Bay-8-5R-0	-	3,600
<b>Total Edward Byrne Memorial Justice Assistance Grant Program</b>				<b>25,927</b>
Passed through the Seminole County Sheriff's Office				
Comprehensive Opioid, Stimulant, and Substance Abuse Program				
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	ODMAP (Overdose Detection Mapping Application Program)--2019-ODMAP-026	-	22,842
<b>Total Comprehensive Opioid, Stimulant, and Substance Abuse Program</b>				<b>22,842</b>
<b>Total United States Department of Justice</b>				<b>359,647</b>

(Continued)

Bay County, Florida  
Schedule of Expenditures of Federal Awards  
and State Financial Assistance (Continued)  
Year Ended September 30, 2021

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing No./CFSA	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
Department of Transportation Passed through the Florida Department of Transportation Formula Grants for Rural Areas				
COVID-19 Formula Grants for Rural Areas	20.509	COVID-19 FTA Section 5311 funding through the CARES Act G1M13	-	395,820
Total Formula Grants for Rural Areas			-	395,820
Passed through the Florida Department of Management Services E-911 Grant Program				
E-911 Grant Program	20.615	Next Generation 911 (NG-911)--S17-21- 02-03	-	183,119
Total E-911 Grant Program			-	183,119
Total Department of Transportation			-	578,939
Department of Education Passed through the Florida Department of Education Education Stabilization Fund Under The Coronavirus Aid, Relief,And Economic Security Act				
COVID-19 - Education Stabilization Fund Under The Coronavirus Aid, Relief,And Economic Security Act	84.425C	Program - COVID-19--96C-1230J- 1PG01	-	114,246
Total Education Stabilization Fund Under The Coronavirus Aid, Relief,And Economic Security Act			-	114,246
Total Department of Education			-	114,246
United States Environmental Protection Agency Passed through the Florida Department of Environmental Protection Nonpoint Source Implementation Grants				
Nonpoint Source Implementation Grants	66.460	Sweetwater Branch Rd Sediment Reduction Project--NF074	-	1,996
Total Nonpoint Source Implementation Grants			-	1,996
Total United States Environmental Protection Agency			-	1,996
Department of Health and Human Services Passed through the Florida Department of Revenue Child Support Enforcement				
Child Support Enforcement	93.563	Bay County Clerk of Court/ Child Support Enforcement --COC03	-	129,318
Total Child Support Enforcement			-	129,318
Passed through the Northwest Florida Health Network Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools				
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981	NW FL Health Network--HM011	-	46,600
Total Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools			-	46,600
Total Department of Health and Human Services			-	175,918
National Endowment for the Humanities Grants to States				
COVID-19 - Grants to States	45.310	COVID-19 Dept of State-Division of Library Info. & Services (DLIS) - NWRLS FL CARES --20-CARES-13	-	35,018
Total Grants to States			-	35,018
Total National Endowment for the Humanities			-	35,018
Department of the Treasury Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	St. Andrew/St. Joseph Bays Estuary Program--1RDCGR030140-01-00	-	14,677
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	Bay County East Pass Environmental Impact Statement and Inlet and Beach Mgm--1 RDCGR030119-01-00	-	143,068
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	Porter Park Improvements--8 RDCGR030063-01-01	-	392,639
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	Bay Cty Stormwater Master Plan--1 RDCGR 0300039-01-0	-	129,693
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	AMI Kids PCMI Dock--1 RDCGR 0300040-01-0	-	34,500
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	Carl Gray Park Boat Ramp--1 RDCGR030053-01-00	-	499,945
Total Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States			-	1,214,522
Passed through the Florida Division of Emergency Management Coronavirus Relief Fund				
COVID-19 - Coronavirus Relief Fund	21.019	COVID-19 Florida CARES Act Funding Agreement - Pandemic COVID--Y2280 COVID-19 Coronavirus Relief Fund (CRF) Subrecipient Agreement -City of	-	7,870,795
COVID-19 - Coronavirus Relief Fund	21.019	PC--037-2020	667,704	667,704
Total Coronavirus Relief Fund			667,704	8,538,499

(Continued)

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing No./CFSA	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
<b>Coronavirus State and Local Fiscal Recovery Funds</b>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19 American Rescue Plan Act of 2021--OMB Approved N. 1505	-	411,954
<b>Total Coronavirus State and Local Fiscal Recovery Funds</b>			-	411,954
<i>Total Department of the Treasury</i>			667,704	10,164,975
Various Agencies - 2				
Passed through the Florida State Division of Elections				
2018 HAVA Election Security Grants				
2018 HAVA Election Security Grants	90.404	Supervisor of Elections - HAVA Funds-- MOA 2021-001BAY856	-	26,019
COVID-19 - 2018 HAVA Election Security Grants	90.404	COVID-19 SOE-HAVA CARES Act- Fed Funds Grant 2020--Y2281	-	7,758
<b>Total 2018 HAVA Election Security Grants</b>			-	33,777
<i>Total Various Agencies - 2</i>			-	33,777
<b>Total Other Programs</b>			667,704	46,750,677
<b>Total Expenditures of Federal Awards</b>			\$ 667,704	\$ 50,165,712

**STATE FINANCIAL ASSISTANCE**

<b>Executive Office of the Governor</b>				
Emergency Management Programs	31.063	A0112	\$ -	\$ 91,074
Emergency Management Programs	31.063	A0162	-	25,500
Hurricane Shelter Retrofit Project	31.068	F0082	-	36,132
<b>Total Executive Office of the Governor</b>			-	152,706
<b>Department of Environmental Protection</b>				
Beach Management Funding Assistance Program	37.003	19BA2	-	33,695
Beach Management Funding Assistance Program	37.003	19BA3	-	1,908
Office of Water Policy and Ecosystem Restoration	37.110	OWP01	-	500,000
<b>Total Department of Environmental Protection</b>			-	535,603
<b>Department of Economic Opportunity</b>				
Economic Development Partnerships	40.040	SO1100	-	4,735
Economic Development Partnerships	40.040	DTF 20-104	-	228,489
Economic Development Partnerships	40.040	DTF 21-106	109,518	109,518
<b>Total Department of Economic Opportunity</b>			109,518	342,742
<b>Florida Housing Finance Corporation</b>				
Hurricane Housing Recovery Program	40.902	DR4399 HHRP	3,661,956	3,661,956
State Housing Initiatives Partnership (SHIP) Program	40.901	LHAP 2018-2021	942,521	942,521
<b>Total Florida Housing Finance Corporation</b>			4,604,477	4,604,477
<b>Department of Agriculture and Consumer Services</b>				
Mosquito Control	42.003	27309	-	50,688
<b>Total Department of Agriculture and Consumer Services</b>			-	50,688
<b>Department of Financial Services</b>				
Fire Decontamination Equipment Grant Project	43.013	FM582	-	19,648
<b>Total Department of Financial Services</b>			-	19,648
<b>Department of State, Division of Library and Information Services</b>				
State Aid to Libraries	45.030	20-ST-41	-	50,796
State Aid to Libraries	45.030	20-ST-42	-	836
State Aid to Libraries	45.030	20-ST-43	-	26,324
State Aid to Libraries	45.030	20-ST-44	-	13,076
State Aid to Libraries	45.030	21-ST-41	-	285,106
State Aid to Libraries	45.030	21-ST-42	-	34,534
State Aid to Libraries	45.030	21-ST-43	-	30,062
State Aid to Libraries	45.030	21-ST-44	-	35,116
<b>Total Department of State, Division of Library and Information Services</b>			-	475,850
<b>Department of Transportation</b>				
Florida Commission for the Transportation Disadvantaged	55.001	G1N02	-	305,183
Florida Commission for the Transportation Disadvantaged	55.001	G1X47	-	103,691
Small County Outreach Program	55.009	G1J45	-	216,842
Small County Outreach Program	55.009	G1Q77	-	108,891
Public Transit Block Grant	55.010	G1T43	-	420,365
Public Transit Service Development Program	55.012	G1F19	-	741,980
Transit Corridor Development Program	55.013	G1T88	-	145,620
Local Transportation Projects	55.039	G1C49	-	654,492
<b>Total Department of Transportation</b>			-	2,697,064
<b>Department of Health</b>				
County Grant Awards	64.005	C8003	-	18,317
County Grant Awards	64.005	C9003	-	4,377
<b>Total Florida Housing Finance Corporation</b>			-	22,694

(Continued)

Bay County, Florida  
Schedule of Expenditures of Federal Awards  
and State Financial Assistance (Continued)  
Year Ended September 30, 2021

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing No./CFSA	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
<b>Department of Law Enforcement</b>				
Bay County Sheriff's Office New Building	71.038	2020-SFA-FCO-03-K5-001	-	1,106,762
<b>Total Department of Law Enforcement</b>			-	1,106,762
<b>Department of Highway Safety and Motor Vehicles</b>				
Florida Arts License Plates Project	76.041	2020Tags	-	96
<b>Total Department of Highway Safety and Motor Vehicles</b>			-	96
<b>Fish and Wildlife Conservation Commission</b>				
Derelict Vessel Removal Program	77.005	20338	-	36,300
Derelict Vessel Removal Program	77.005	21004	-	56,400
Artificial Reef Grants Program	77.007	FWC-15157	-	807,169
<b>Total Fish and Wildlife Conservation Commission</b>			-	899,869
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			\$ 4,713,995	\$ 10,908,199

The accompanying notes are an integral part of this schedule

Community Disaster Loan - balance September 30, 2020	4399FL09	\$ -
Current year expenditures of federal awards		5,000,000
Loan forgiveness		(5,000,000)
Community Disaster Loan - balance September 30, 2021		\$ -

**Notes to Schedule**

1. The County follows the modified accrual basis of accounting in preparing this schedule. This method is consistent with the preparation of the County's financial statements.
2. The County has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
3. The County was awarded a loan of \$5,000,000 on May 7, 2020 by the Federal Department of Emergency Management. This award is identified under CFDA #97.030 Community Disaster Loan. As of September 30, 2021 the proceeds from the loan were forgiven.
4. Expenditures reported under CFDA No. 97.036 include costs of \$16,018,767 reported on the financial statements in a prior period.
5. There were no noncash federal expenditures, and no federally funded insurance.



March 29, 2022

BOARD OF COUNTY COMMISSIONERS

www.baycountyfl.gov

840 WEST 11<sup>TH</sup> STREET PANAMA CITY, FL 32401

COMMISSIONERS:

TOMMY HAMM DISTRICT I

ROBERT CARROLL DISTRICT II

WILLIAM T. DOZIER DISTRICT III

DOUG MOORE DISTRICT IV

PHILIP "GRIFF" GRIFFITTS DISTRICT V

ROBERT J. MAJKA JR. COUNTY MANAGER

Bay County, Florida Management's Corrective Action Plan For the Fiscal Year Ended September 30, 2021

Finding Number: 2021-001

Planned Corrective Action:

To ensure fees are being calculated accurately, the Builder Services Division of Bay County will review calculations in the permit system and make any necessary corrections.

Anticipated Completion Date: 3/31/2022

Finding Number 2021-002

Planned Corrective Action:

This finding has been corrected effective 6/15/2021.

Anticipated Completion Date: NA

Finding Number 2021-003

Planned Corrective Action:

The Bay County Clerk of Court and Comptroller Board Finance Division has reviewed procedures and controls around capital asset activity, including related construction retainage activity. Procedures have been updated to ensure capital assets and construction in progress are recorded in conformity with generally accepted accounting principles.

Anticipated Completion Date: 3/31/2022

Finding Number 2021-004

Planned Corrective Action:

The Bay County Clerk of Court and Comptroller Board Finance Division has reviewed procedures and controls prepaid expense activity. Procedures have been updated to ensure that prepaid items are recorded in conformity with generally accepted accounting principles.

Anticipated Completion Date: 3/31/2022

Responsible Contact Person: Katy Nail

Katy Nail

Katy Nail, Finance Officer

BAY COUNTY, FLORIDA  
CONSTITUTIONAL OFFICERS  
FOR THE FISCAL YEAR-ENDED SEPTEMBER 30, 2021

SUPERVISOR OF ELECTIONS

Mark Andersen

TAX COLLECTOR

Chuck Perdue

CLERK OF COURT AND COMPTROLLER

Bill Kinsaul

SHERIFF

Tommy Ford

PROPERTY APPRAISER

Dan Sowell

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mark Andersen  
Bay County Supervisor of Elections  
Bay County, Florida

### **Report on the Financial Statements**

We have audited the accompanying special-purpose financial statements of the major fund of the Bay County Supervisor of Elections, as of and for the fiscal year ended September 30, 2021, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Supervisor of Elections' financial statements, as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 opinion.

### **Opinion**

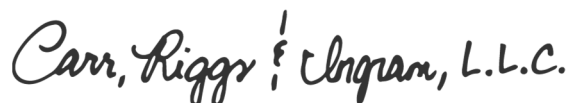
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Bay County Supervisor of Elections as of September 30, 2021, the respective changes in financial position thereof and the budgetary comparison for the general 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. 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 Bay County, Florida that is attributable to the Bay County Supervisor of Elections. They do not purport to, and do not, present the financial position of Bay County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion was not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022, on our consideration of the Bay County 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 included under the heading 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*. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bay County Supervisor of Elections' 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 Bay County Supervisor of Elections' internal control over financial reporting and compliance.



Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

Bay County Supervisor of Elections  
Special-Purpose Balance Sheet  
Governmental Fund  
September 30, 2021

	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 117,717
Accounts receivable, net	5
Total assets	\$ 117,722
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts payable and accrued liabilities	\$ 50,468
Due to other governments	67,254
Total liabilities	117,722
Fund balance	-
Total liabilities and fund balance	\$ 117,722

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

Bay County Supervisor of Elections  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Governmental Fund  
Year Ended September 30, 2021

	General Fund
<b>REVENUES</b>	
Intergovernmental	\$ 44,614
Charges for services	9,317
Total revenues	53,931
<b>EXPENDITURES</b>	
Current	
General government	2,051,815
Capital outlay	
General government	34,316
Total expenditures	2,086,131
Excess (deficit) of revenues over (under) expenditures	(2,032,200)
<b>OTHER FINANCING SOURCES (USES)</b>	
Budget appropriations from Board of County Commissioners	2,075,425
Transfer out/return of excess fees	(43,225)
Total other financing sources (uses)	2,032,200
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	\$ -

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

Bay County Supervisor of Elections  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 33,778	\$ 44,614	\$ 10,836
Charges for services	-	4,140	9,317	5,177
<b>Total revenues</b>	<b>-</b>	<b>37,918</b>	<b>53,931</b>	<b>16,013</b>
<b>EXPENDITURES</b>				
Current				
General government	1,842,475	2,104,751	2,051,815	52,936
Capital outlay				
General government	8,500	8,500	34,316	(25,816)
<b>Total expenditures</b>	<b>1,850,975</b>	<b>2,113,251</b>	<b>2,086,131</b>	<b>27,120</b>
Excess (deficit) of revenues over (under) expenditures	(1,850,975)	(2,075,333)	(2,032,200)	43,133
<b>OTHER FINANCING SOURCES (USES)</b>				
Budget appropriations from Board of County Commissioners	1,850,975	2,075,333	2,075,425	92
Transfer out/return of excess fees	-	-	(43,225)	(43,225)
<b>Total other financing sources (uses)</b>	<b>1,850,975</b>	<b>2,075,333</b>	<b>2,032,200</b>	<b>(43,133)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance - beginning			-	
Fund balance - ending			\$ -	

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



## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ***Reporting Entity***

The Office of the Bay County Supervisor of Elections (Supervisor of Elections) is an integral part of Bay County, Florida (County) and is an elected Constitutional Office that is governed by state statutes and regulations. The financial statements of the Supervisor of Elections are included in the County's basic financial statements. The Supervisor of Elections operates on a budgetary system, whereby appropriated funds are received from the Board of County Commissioners (Board) and any unexpended appropriations are remitted to the Board after the end of the fiscal year.

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 (Rules). These financial statements are the fund financial statements prepared in accordance with generally accepted accounting principles (GAAP). However, these fund financial 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, the government-wide financial statements, management's discussion and analysis, or the pension or the other postemployment benefit related required supplementary information. Also, certain notes to special-purpose financial statements may supplement rather than duplicate the notes included in the County's financial statements. 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 Bay County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present the financial position of Bay County, Florida, as of September 30, 2021, and the changes in its financial position, for the fiscal year then ended in accordance with GAAP.

### ***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 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. Licenses, operating and capital grants, 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. 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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### *Fund Financial Statements*

Accounts are organized on the basis of fund types, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures as appropriate. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund type is used by the Supervisor of Elections:

*General fund* – The General fund is the Supervisor of Elections’ operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

### *Budgetary Information*

The preparation, adoption, and amendment of the Supervisor of Elections' budget is governed by Chapter 129, Florida Statutes. The budget is prepared and adopted on a basis of accounting consistent with GAAP. Budgetary data presented in the accompanying special-purpose financial statements in the final budgeted amounts column represent the final budgetary data. In this column, the effects of budget amendments have been applied to original budgetary data. All budget appropriations lapse after the end of the fiscal year.

### *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity*

#### *Cash and cash equivalents*

The Supervisor of Elections’ 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.

#### *Capital assets*

Capital assets used by the Supervisor of Elections are accounted for by the County and are included in the County's basic financial statements. Under Florida law, the County holds legal title and is accountable for these assets.

#### *Compensated absences*

The Supervisor of Election’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Categories and Classification of Fund Equity***

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

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

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

*Nonspendable fund balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. There is no nonspendable fund balance at September 30, 2021.

*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. There is no restricted fund balance at September 30, 2021.

*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 Board is the highest level of decision-making authority for the Supervisor of Elections that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There is no committed fund balance at September 30, 2021.

*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 Board may by resolution authorize the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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. There is no assigned fund balance at September 30, 2021.

*Unassigned fund balance* – Unassigned fund balance is the residual classification for the General Fund. There is no unassigned fund balance at September 30, 2021.

*Subsequent events*

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 29, 2022 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

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.

**NOTE 2 – DETAILED NOTES ON ALL FUNDS**

***Deposits and Investments***

As of September 30, 2021, the Supervisor of Elections' bank balances are covered by federal depository insurance. Monies invested in amounts greater than the 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, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Supervisor of Elections pursuant to Section 280.08, Florida Statutes.

*Custodial credit 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. The financial institutions in which the Supervisor of Elections 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 Supervisor of Elections will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

### **NOTE 3 – RETIREMENT PLANS**

#### ***Defined Benefit Pension Plan***

##### *Description of plan*

The Supervisor of Elections contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, and Division of Retirement. FRS provides retirement, disability, and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. A comprehensive annual financial report of FRS, which includes its financial statements, required supplementary information, actuarial reports, and other relevant information, is available from the Florida Department of Management Services Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

##### *Funding requirements*

FRS is funded through employee and employer contributions. The Supervisor of Elections is required to contribute at an actuarially determined rate. Rates effective for October 1, 2020 through June 30, 2021, were 10.00%, 27.29%, and 49.18% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2021 through September 30, 2021, were 10.82%, 29.01%, and 51.42% for regular employees, senior management, and elected county officials, respectively. Employee contributions of 3% were required for all participants. The employer rate for eligible employees who elected to participate in the Deferred Retirement Option Program (DROP) was 16.98% for October 1, 2020 through June 30, 2021 and 18.34% for July 1, 2021 through September 30, 2021, with no employee contribution required.

The contribution requirements of plan members and the Supervisor of Elections are established and may be amended by the Florida Legislature. The Supervisor of Elections' contributions to the plan for the years ended September 30, 2021, 2020, and 2019 were \$121,227, \$110,594, and \$110,032, respectively, and were equal to the required contributions for each year. The required employee contributions made to the plan for the year ended September 30, 2021, were \$19,433.

#### ***Defined Contribution Pension Plan***

##### *Description of plan*

Pursuant to Chapter 121, *Florida Statutes*, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2021, totaled \$3,689.

**NOTE 3 – RETIREMENT PLANS (Continued)**

The obligations and disclosures required under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, are accounted for and disclosed in the County’s financial statements.

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## INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Mark Andersen  
Bay County Supervisor of Elections  
Bay County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Bay County Supervisor of Elections as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 29, 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 or recommendations made in the preceding annual financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to special-purpose financial statements. The Bay County Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Bay County Supervisor of Elections has no component units.



The Honorable Mark Andersen  
Bay County Supervisor of Elections  
Page Two

### **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 Joint Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, and the Bay County Supervisor of Elections and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Mark Andersen  
Bay County Supervisor of Elections  
Bay County, Florida

We have examined the Bay County 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 is responsible for the Bay County Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Bay County 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 Bay County 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 Bay County 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 Bay County Supervisor of Elections' compliance with specified requirements.

In our opinion, the Bay County Supervisor of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021.

This report is intended solely for the information and use of the Bay County Supervisor of Elections, 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.*

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

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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*

The Honorable Mark Andersen  
Bay County Supervisor of Elections  
Bay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund of the Bay County Supervisor of Elections as of and for the year ended September 30, 2021, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Supervisor of Elections' basic special-purpose financial statements, and have issued our report thereon dated March 29, 2022, which contains an emphasis of matter referring to a basis of presentation required for compliance with state reporting requirements. Our opinion was not modified with respect to this matter.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bay County 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bay County Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Bay County 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 Bay County Supervisor of Elections' special-purpose 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, Rigg & Ingram, L.L.C.*

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

## INDEPENDENT AUDITORS' REPORT

The Honorable Bill Kinsaul  
Bay County Clerk of Court and Comptroller  
Bay County, Florida

### **Report on the Financial Statements**

We have audited the accompanying special-purpose financial statements of each major fund and the aggregate remaining fund information of the Bay County Clerk of Court and Comptroller, as of and for the fiscal year ended September 30, 2021, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Clerk of Court and Comptroller's financial statements, as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 and the aggregate remaining fund information of the Bay County Clerk of Court and Comptroller as of September 30, 2021, the respective changes in financial position thereof and the budgetary comparisons for the general and court funds 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. In conformity with these Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information only for that portion of the major funds, and the aggregate remaining fund information of Bay County, Florida that is attributable to the Bay County Clerk of Court and Comptroller. They do not purport to, and do not, present the financial position of Bay County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions were not modified with respect to this matter.

As discussed in note 2 to the financial statements, the Bay County Clerk of Court and Comptroller 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**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bay County Clerk of Court and Comptroller’s special-purpose financial statements. The combining special-purpose statement of fiduciary net position and combining special-purpose statement of changes in fiduciary net position, 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 special-purpose statement of fiduciary net position and combining special-purpose statement of changes in fiduciary net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

The Honorable Bill Kinsaul  
Bay County Clerk of Court and Comptroller  
Page Three

the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining special-purpose statement of fiduciary net position and combining special-purpose statement of changes in fiduciary net position are fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022, on our consideration of the Bay County Clerk of Court and Comptroller'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 included under the heading 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*. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bay County Clerk of Court and Comptroller's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bay County Clerk of Court and Comptroller's internal control over financial reporting and compliance.

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

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022



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Bay County Clerk of Court and Comptroller  
Special-Purpose Balance Sheet  
Governmental Funds  
September 30, 2021

	General Fund	Court	Records Modernization - Records	Records Modernization - Court	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,149,149	\$ 418,505	\$ 609,671	\$ 1,149,311	\$ 3,326,636
Accounts receivable, net	176,416	129,868	-	-	306,284
Prepaid items	85,589	16,424	4,375	15,311	121,699
<b>Total assets</b>	<b>\$ 1,411,154</b>	<b>\$ 564,797</b>	<b>\$ 614,046</b>	<b>\$ 1,164,622</b>	<b>\$ 3,754,619</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities					
Accounts payable and accrued liabilities	\$ 208,265	\$ 119,530	\$ -	\$ 14,431	\$ 342,226
Due to other governments	1,202,889	-	-	-	1,202,889
<b>Total liabilities</b>	<b>1,411,154</b>	<b>119,530</b>	<b>-</b>	<b>14,431</b>	<b>1,545,115</b>
Fund balance					
Nonspendable	85,589	16,424	4,375	15,311	121,699
Restricted	-	428,843	609,671	1,134,880	2,173,394
Unassigned	(85,589)	-	-	-	(85,589)
<b>Total fund balance</b>	<b>-</b>	<b>445,267</b>	<b>614,046</b>	<b>1,150,191</b>	<b>2,209,504</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,411,154</b>	<b>\$ 564,797</b>	<b>\$ 614,046</b>	<b>\$ 1,164,622</b>	<b>\$ 3,754,619</b>

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

Bay County Clerk of Court and Comptroller  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance - Governmental Funds  
Year Ended September 30, 2021

	General Fund	Court	Records Modernization - Records	Records Modernization - Court	Family Mediation	Total Governmental Funds
<b>REVENUES</b>						
Intergovernmental revenue	\$ 122,066	\$ -	\$ -	\$ -	\$ -	\$ 122,066
Charges for services	3,098,477	3,628,538	206,675	636,734	-	7,570,424
Miscellaneous	48,335	-	-	-	-	48,335
<b>Total revenues</b>	<b>3,268,878</b>	<b>3,628,538</b>	<b>206,675</b>	<b>636,734</b>	<b>-</b>	<b>7,740,825</b>
<b>EXPENDITURES</b>						
Current						
General government	4,565,212	3,586,331	55,749	282,379	-	8,489,671
Capital outlay						
General government	47,269	-	-	-	-	47,269
<b>Total expenditures</b>	<b>4,612,481</b>	<b>3,586,331</b>	<b>55,749</b>	<b>282,379</b>	<b>-</b>	<b>8,536,940</b>
Excess (deficit) of revenues over (under) expenditures	(1,343,603)	42,207	150,926	354,355	-	(796,115)
<b>OTHER FINANCING SOURCES (USES)</b>						
Budget appropriations from Board of County Commissioners	1,709,014	-	-	-	-	1,709,014
Transfer out/return of excess fees	(365,411)	-	-	-	-	(365,411)
<b>Total other financing sources (uses)</b>	<b>1,343,603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,343,603</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>42,207</b>	<b>150,926</b>	<b>354,355</b>	<b>-</b>	<b>547,488</b>
<b>Fund balance - beginning</b>	<b>-</b>	<b>403,060</b>	<b>463,120</b>	<b>795,836</b>	<b>17,054</b>	<b>1,679,070</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,054)</b>	<b>(17,054)</b>
<b>Fund balance - beginning (as restated)</b>	<b>-</b>	<b>403,060</b>	<b>463,120</b>	<b>795,836</b>	<b>-</b>	<b>1,662,016</b>
<b>Fund balance - ending</b>	<b>\$ -</b>	<b>\$ 445,267</b>	<b>\$ 614,046</b>	<b>\$ 1,150,191</b>	<b>\$ -</b>	<b>\$ 2,209,504</b>

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

Bay County Clerk of Court and Comptroller  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 130,000	\$ 122,066	\$ 122,066	\$ -
Charges for services	2,388,330	2,733,062	3,098,477	365,415
Miscellaneous	50,450	48,339	48,335	(4)
<b>Total revenues</b>	<b>2,568,780</b>	<b>2,903,467</b>	<b>3,268,878</b>	<b>365,411</b>
<b>EXPENDITURES</b>				
Current				
General government	4,271,794	4,556,707	4,565,212	(8,505)
Capital outlay				
General government	6,000	55,774	47,269	8,505
<b>Total expenditures</b>	<b>4,277,794</b>	<b>4,612,481</b>	<b>4,612,481</b>	<b>-</b>
Excess (deficit) of revenues over (under) expenditures	(1,709,014)	(1,709,014)	(1,343,603)	365,411
<b>OTHER FINANCING SOURCES (USES)</b>				
Budget appropriations from Board of County Commissioners	1,709,014	1,709,014	1,709,014	-
Transfer out/return of excess fees	-	-	(365,411)	(365,411)
<b>Total other financing sources (uses)</b>	<b>1,709,014</b>	<b>1,709,014</b>	<b>1,343,603</b>	<b>(365,411)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance - beginning			-	
Fund balance - ending			\$ -	

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

Bay County Clerk of Court and Comptroller  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Court Fund  
Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 4,876,104	\$ 3,586,331	\$ 3,628,538	\$ 42,207
Total revenues	4,876,104	3,586,331	3,628,538	42,207
<b>EXPENDITURES</b>				
Current				
General government	4,876,104	3,586,331	3,586,331	-
Total expenditures	4,876,104	3,586,331	3,586,331	-
Net change in fund balance	\$ -	\$ -	42,207	\$ 42,207
Fund balance - beginning			403,060	
Fund balance - ending			\$ 445,267	

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

Bay County Clerk of Court and Comptroller  
Special-Purpose Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2021

	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 10,385,086
Total assets	\$ 10,385,086
 <b>LIABILITIES</b>	
Due to others	\$ 28,242
Due to other governments	2,286,486
Total liabilities	\$ 2,314,728
 <b>FIDUCIARY NET POSITION</b>	
Restricted	
Held for others	\$ 8,070,358
Total net position	\$ 8,070,358

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

Bay County Clerk of Court and Comptroller  
Special-Purpose Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year ended September 30, 2021

	Custodial Funds
<b>Additions</b>	
Funds held for others	\$ 83,305,613
Court costs	35,967
Total additions	83,341,580
<b>Deductions</b>	
Current	
Funds held for others	80,248,891
Court costs	13,644
Total deductions	80,262,535
Changes in net position	3,079,045
Net position - beginning of year, as originally reported	-
Prior period adjustment	17,054
Restatement	4,974,259
Net position - beginning of year, as restated	4,991,313
Net position - end of year	\$ 8,070,358

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ***Reporting Entity***

The Office of the Bay County Clerk of Court and Comptroller (Clerk) is an integral part of Bay County, Florida (County) and is an elected Constitutional Office that is governed by state statutes and regulations. The financial statements of the Clerk are included in the County's basic financial statements. The Clerk operates on a budgetary system. Appropriated funds for the general fund are received from the Board of County Commissioners (Board) and any unexpended appropriations are remitted to the Board after the end of the fiscal year. Appropriated funds for the court fund are received from the Clerk of Court Operations Corporation of the State of Florida (CCOC).

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 (Rules). These financial statements are the fund financial statements prepared in accordance with generally accepted accounting principles (GAAP). 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, management's discussion and analysis, or the pension or the other postemployment benefit related required supplementary information. Also, certain notes to special-purpose financial statements may supplement rather than duplicate the notes included in the County's financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information of Bay County, Florida that is attributable to the Clerk. They do not purport to, and do not, present the financial position of Bay County, Florida, as of September 30, 2021, and the changes in its financial position, for the fiscal year then ended in accordance with GAAP.

### ***Management 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 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. Licenses, operating and capital grants, 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. However, debt service expenditures, as well as



## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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

Accounts are organized on the basis of fund types each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures as appropriate. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the Clerk:

*General fund* – The General Fund is the Clerk’s operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

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

*Custodial funds* – Custodial funds are used to account for assets held by the Clerk for individuals, private organizations, other governments, or other funds.

The custodial funds utilize the *accrual basis of accounting*.

### ***Budgetary Information***

The preparation, adoption, and amendment of the Clerk’s budget is governed by Chapter 28.36, Florida Statutes. The budget is prepared and adopted on a basis of accounting consistent with GAAP. Budgetary data presented in the accompanying special-purpose financial statements in the final budgeted amounts column represents the final budgetary data. In this column, the effects of budget amendments have been applied to original budgetary data. All budget appropriations lapse at the end of the fiscal year. The records modernization-records, records modernization-court, and family mediation funds are not budgeted.

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

#### ***Cash and cash equivalents***

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### *Capital assets*

Capital assets used by the Clerk are accounted for by the County and are included in the County's basic financial statements. Under Florida law, the County holds legal title and is accountable for these assets.

### *Compensated absences*

It is the Clerk's policy to grant paid absences for paid time off. Employees are permitted to accumulate up to 480 hours of earned but unused paid time off benefits which will be paid to employees in good standing upon termination. Employees who have less than two years of service forfeit their paid time off; employees with two or more years of service receive a percentage of their paid time off based on the length of service upon termination.

### *Categories and Classification of Fund Equity*

*Fund balance flow assumptions* – Sometimes the Clerk will fund outlays for a particular purpose 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:

*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. The nonspendable fund balance at September 30, 2021, is \$121,699.

*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. The restricted fund balance at September 30, 2021, is \$2,173,394, all restricted by enabling legislation.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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 Board is the highest level of decision-making authority for the Clerk that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There is no committed fund balance at September 30, 2021.

*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 Board may by resolution authorize the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. 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. There is no assigned fund balance at September 30, 2021.

*Unassigned fund balance* – Unassigned fund balance is the residual classification for the Clerk’s fund balances. The unassigned fund balance at September 30, 2021, is a deficit of \$85,589.

*Accounts receivable* – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

*Prepaid items* – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. At the fund reporting level, an equal amount of fund balance is reported as nonspendable, showing this amount is not in spendable form.

*Subsequent events*

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 29, 2022. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

*Recently Issued and Implemented Accounting Pronouncements*

In fiscal year 2021, The Clerk implemented GASB Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Additional information can be found in note 2.

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

## **NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

As described in note 1, the Clerk implemented GASB Statement No. 84, *Fiduciary Activities*, which required a prior period restatement of \$4,974,259, to the prior period balance of fiduciary net position. The September 30, 2020 net position was classified as a liability “due to other governments” instead of fiduciary net position as required under GASB Statement No. 84.

## **NOTE 3 – PRIOR PERIOD ADJUSTMENT**

Subsequent to the issuance of the prior year audited financial statements, the Clerk determined that the Family Mediation Special Revenue Fund fit the criteria of a custodial fund and determined they would move the activity of the Family Mediation Special Revenue Fund to the Fines and Forfeitures Custodial Fund. As a result, an increase of \$17,054 in the beginning fiduciary net position of the Fines and Forfeitures Custodial Fund, as of September 30, 2020, has been reflected in these financial statements.

## **NOTE 4 – DETAILED NOTES ON ALL FUNDS**

### *Deposits and Investments*

As of September 30, 2021, the Clerk’s bank balances are covered by federal depository insurance. Monies invested in amounts greater than the 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, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Clerk pursuant to Section 280.08, Florida Statutes.

### *Custodial credit 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. 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.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

*Accounts receivable, net*

At September 30, 2021, accounts receivable, net is summarized as follows:

	Governmental Funds	Total Accounts Receivable
Accounts receivable	\$ 306,284	\$ 306,284
Less: allowance for doubtful accounts	-	-
Accounts receivable, net	\$ 306,284	\$ 306,284

The Clerk considers all amounts collectible; therefore there is no provision for doubtful accounts at September 30, 2021.

**NOTE 5 – RETIREMENT PLANS**

***Defined Benefit Pension Plan***

*Description of plan*

The Clerk contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. FRS provides retirement, disability, and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. A comprehensive annual financial report of FRS, which includes its financial statements, required supplementary information, actuarial reports, and other relevant information, is available from the Florida Department of Management Services Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

*Funding requirements*

FRS is funded through employee and employer contributions. The Clerk is required to contribute at an actuarially determined rate. Rates effective for October 1, 2020 through June 30, 2021, were 10.00%, 27.29%, and 49.18% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2021 through September 30, 2021, were 10.82%, 29.01%, and 51.42% for regular employees, senior management, and elected county officials, respectively. Employee contributions of 3% were required for all participants. The employer rate for eligible employees who elected to participate in the Deferred Retirement Option Program (DROP) was 16.98% for October 1, 2020 through June 30, 2021 and 18.34% for July 1, 2021 through September 30, 2021, with no employee contribution required.

**NOTE 5 – RETIREMENT PLANS (Continued)**

The contribution requirements of plan members and the Clerk are established and may be amended by the Florida Legislature. The Clerk’s contributions to FRS for the years ended September 30, 2021, 2020, and 2019 were \$548,085, \$506,755, and \$460,139, respectively, and were equal to the required contributions for each year. The required employee contributions made to the plan for the year ended September 30, 2021, were \$96,403.

***Defined Contribution Pension Plan***

*Description of plan*

Pursuant to Chapter 121, *Florida Statutes*, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2021, totaled \$77,000.

The obligations and disclosures required under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, are accounted for and disclosed in the County’s financial statements.

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CUSTODIAL FUNDS



	Custodial Funds		
	Fines and Forfeitures	Jury and Witness	Tax Deed
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,594,607	\$ 51,947	\$ 1,214,701
Total assets	\$ 5,594,607	\$ 51,947	\$ 1,214,701
<b>LIABILITIES</b>			
Due to others	\$ 10,831	\$ -	\$ -
Due to other governments	2,148,805	1,260	10,563
Total liabilities	\$ 2,159,636	\$ 1,260	\$ 10,563
<b>NET POSITION</b>			
Restricted			
Held for others	\$ 3,434,971	\$ 50,687	\$ 1,204,138
Total net fiduciary positions	\$ 3,434,971	\$ 50,687	\$ 1,204,138

Bay County Clerk of Court and Comptroller  
Combining Special-Purpose Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2021

Custodial Funds

Support	Court Registry	Cash Bond	Restitution	Total
\$ 25,096	\$ 2,290,140	\$ 1,130,485	\$ 78,110	\$ 10,385,086
\$ 25,096	\$ 2,290,140	\$ 1,130,485	\$ 78,110	\$ 10,385,086
\$ 5,925	\$ -	\$ -	\$ 11,486	\$ 28,242
19,171	32,194	7,869	66,624	2,286,486
\$ 25,096	\$ 32,194	\$ 7,869	\$ 78,110	\$ 2,314,728
\$ -	\$ 2,257,946	\$ 1,122,616	\$ -	\$ 8,070,358
\$ -	\$ 2,257,946	\$ 1,122,616	\$ -	\$ 8,070,358

	Custodial Funds		
	Fines and Forfeitures	Jury and Witness	Tax Deed
<b>Additions</b>			
Funds held for others	\$ 63,518,059	\$ -	\$ 2,206,522
Court costs	-	35,967	-
<b>Total additions</b>	<b>63,518,059</b>	<b>35,967</b>	<b>2,206,522</b>
<b>Deductions</b>			
Current			
Funds held for others	61,145,020	-	2,095,805
Court costs	-	13,644	-
<b>Total deductions</b>	<b>61,145,020</b>	<b>13,644</b>	<b>2,095,805</b>
<b>Changes in Net Position</b>	<b>2,373,039</b>	<b>22,323</b>	<b>110,717</b>
Net position - beginning of year, as originally stated	-	-	-
Prior period adjustment	17,054	-	-
Restatement	1,044,878	28,364	1,093,421
<b>Net position - beginning of year, as restated</b>	<b>1,061,932</b>	<b>28,364</b>	<b>1,093,421</b>
<b>Net position - end of year</b>	<b>\$ 3,434,971</b>	<b>\$ 50,687</b>	<b>\$ 1,204,138</b>

Bay County Clerk of Court and Comptroller  
Combining Special-Purpose Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year ended September 30, 2021

Custodial Funds				
Support	Court Registry	Cash Bond	Restitution	Total
\$ 648,595	\$ 13,841,626	\$ 2,571,582	\$ 519,229	\$ 83,305,613
-	-	-	-	35,967
648,595	13,841,626	2,571,582	519,229	83,341,580
648,595	12,614,516	3,225,726	519,229	80,248,891
-	-	-	-	13,644
648,595	12,614,516	3,225,726	519,229	80,262,535
-	1,227,110	(654,144)	-	3,079,045
-	-	-	-	-
-	-	-	-	17,054
-	1,030,836	1,776,760	-	4,974,259
-	1,030,836	1,776,760	-	4,991,313
\$ -	\$ 2,257,946	\$ 1,122,616	\$ -	\$ 8,070,358

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## INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Bill Kinsaul  
Bay County Clerk of Court and Comptroller  
Bay County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Bay County Clerk of Court and Comptroller as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 29, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to special-purpose financial statements. The Bay County Clerk of Court and Comptroller was established by Constitution of the State of Florida, Article VIII, Section 1(d). The Bay County Clerk of Court and Comptroller has no component units.

The Honorable Bill Kinsaul  
Bay County Clerk of Court and Comptroller  
Page Two

### **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 Joint Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, and the Bay County Clerk of Court and Comptroller 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.*

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Bill Kinsaul  
Bay County Clerk of Court and Comptroller  
Bay County, Florida

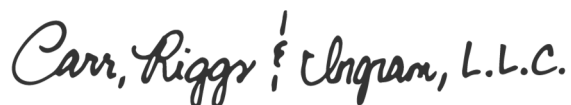
We have examined the Bay County Clerk of Court and Comptroller's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*; Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support, Payments; Fees*; Sections 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*; and 28.36, Florida Statutes, *Budget Procedure*; during the year ended September 30, 2021. Management is responsible for the Bay County Clerk of Court and Comptroller's compliance with the specified requirements. Our responsibility is to express an opinion on the Bay County Clerk of Court and Comptroller'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 Bay County Clerk of Court and Comptroller complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Bay County Clerk of Court and Comptroller 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 Bay County Clerk of Court and Comptroller's compliance with specified requirements.

In our opinion, the Bay County Clerk of Court and Comptroller complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*; Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support, Payments; Fees*; Sections 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*; and 28.36, Florida Statutes, *Budget Procedure*; during the year ended September 30, 2021.

This report is intended solely for the information and use of the Bay County Clerk of Court and Comptroller, 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.



Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022



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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*

The Honorable Bill Kinsaul  
Bay County Clerk of Court and Comptroller  
Bay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Bay County Clerk of Court and Comptroller as of and for the year ended September 30, 2021, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Clerk of Court and Comptroller's basic special-purpose financial statements, and have issued our report thereon dated March 29, 2022, which contains an emphasis of matter referring to a basis of presentation required for compliance with state reporting requirements. Our opinions were not modified with respect to this matter.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bay County Clerk of Court and Comptroller'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 Bay County Clerk of Court and Comptroller's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bay County Clerk of Court and Comptroller'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 Bay County Clerk of Court and Comptroller's special-purpose 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, Rigg & Ingram, L.L.C.*

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

## INDEPENDENT AUDITORS' REPORT

The Honorable Dan Sowell  
Bay County Property Appraiser  
Bay County, Florida

### **Report on the Financial Statements**

We have audited the accompanying special-purpose financial statements of the major fund of the Bay County Property Appraiser, as of and for the fiscal year ended September 30, 2021, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Property Appraiser's financial statements, as listed in the table of contents.

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

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

### **Auditors' Responsibility**

Our responsibility is to express 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 auditors consider 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Bay County Property Appraiser as of September 30, 2021, 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. In conformity with these 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 Bay County, Florida that is attributable to the Bay County Property Appraiser. They do not purport to, and do not, present the financial position of Bay County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion was not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022, on our consideration of the Bay County 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 included under the heading 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*. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bay County Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bay County Property Appraiser's internal control over financial reporting and compliance.

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

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

Bay County Property Appraiser  
Special-Purpose Balance Sheet  
Governmental Fund  
September 30, 2021

	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 171,113
<hr/>	
Total assets	\$ 171,113
<hr/> <hr/>	
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts payable and accrued liabilities	\$ 50,594
Due to other governments	120,519
<hr/>	
Total liabilities	171,113
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 171,113
<hr/> <hr/>	

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

Bay County Property Appraiser  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Governmental Fund  
Year Ended September 30, 2021

	General Fund
<b>REVENUES</b>	
Charges for services	\$ 5,086
Interest income	433
Total revenues	5,519
<b>EXPENDITURES</b>	
Current	
General government	3,675,272
Debt service	
Principal retirement	81,585
Interest and fiscal charges	2,971
Total expenditures	3,759,828
Excess (deficit) of revenues over (under) expenditures	(3,754,309)
<b>OTHER FINANCING SOURCES (USES)</b>	
Budget appropriations from Board of County Commissioners	3,694,590
Budget appropriations from other taxing districts	94,848
Transfer out/return of excess fees from Board of County Commissioners	(34,250)
Transfer out/return of excess fees from other taxing districts	(879)
Total other financing sources (uses)	3,754,309
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	\$ -

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

Bay County Property Appraiser  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 5,086	\$ 5,086
Interest income	-	-	433	433
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>5,519</b>	<b>5,519</b>
<b>EXPENDITURES</b>				
Current				
General government	3,626,575	3,614,692	3,675,272	(60,580)
Capital outlay				
General government	33,059	90,190	-	90,190
Debt service				
Principal retirement	81,585	81,585	81,585	-
Interest and fiscal charges	2,971	2,971	2,971	-
<b>Total expenditures</b>	<b>3,744,190</b>	<b>3,789,438</b>	<b>3,759,828</b>	<b>29,610</b>
Excess (deficit) of revenues over (under) expenditures	(3,744,190)	(3,789,438)	(3,754,309)	35,129
<b>OTHER FINANCING SOURCES (USES)</b>				
Budget appropriations from Board of County Commissioners	3,650,475	3,694,590	3,694,590	-
Budget appropriations from other taxing districts	93,715	94,848	94,848	-
Transfer out/return of excess fees from Board of County Commissioners	-	-	(34,250)	(34,250)
Transfer out/return of excess fees from other taxing districts	-	-	(879)	(879)
<b>Total other financing sources (uses)</b>	<b>3,744,190</b>	<b>3,789,438</b>	<b>3,754,309</b>	<b>(35,129)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance - beginning			-	
Fund balance - ending			\$ -	

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



## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ***Reporting Entity***

The Office of the Bay County Property Appraiser (Property Appraiser) is an integral part of Bay County, Florida (County) and is an elected Constitutional Office that is governed by state statutes and regulations. The financial statements of the Property Appraiser are included in the County's basic financial statements. The Property Appraiser operates on a budgetary system, whereby appropriated funds are received from the Board of County Commissioners (Board) and any unexpended appropriations are remitted to the Board after the end of the fiscal year.

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 (Rules). These financial statements are the fund financial statements prepared in accordance with generally accepted accounting principles (GAAP). However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Property Appraiser has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management's discussion and analysis, or the pension or the other postemployment benefit related required supplementary information. Also, certain notes to special-purpose financial statements may supplement rather than duplicate the notes included in the County's financial statements. 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 Bay County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present the financial position of Bay County, Florida, as of September 30, 2021, and the changes in its financial position, for the fiscal year then ended in accordance with GAAP.

### ***Management 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 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. Licenses, operating and capital grants, 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. 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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Financial Statements***

Accounts are organized on the basis of fund types, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures as appropriate. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund type is used by the Property Appraiser:

*General fund* – The General Fund is the Property Appraiser’s operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

***Budgetary Information***

Florida Statutes, Chapter 195.087 governs the preparation, adoption and administration of the annual budget of the Property Appraiser. The budget and subsequent budget amendments of the Property Appraiser are submitted to the Florida Department of Revenue for approval. A copy of the budget is also provided to the Board. The budget is prepared and adopted on a basis of accounting consistent with GAAP. Budgetary data presented in the accompanying special-purpose financial statements in the final budgeted amounts column represents the final budgetary data. In this column, the effects of budget amendments have been applied to original budgetary data. All budget appropriations lapse at the end of the fiscal year.

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity***

***Cash and cash equivalents***

The Property Appraiser’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term highly liquid investments with original maturities of three months or less from the date of acquisition.

***Capital assets***

Capital assets used by the Property Appraiser are accounted for by the County and are included in the County's basic financial statements. Under Florida law, the County holds legal title and is accountable for these assets.

***Compensated absences***

The Property Appraiser’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Categories and Classification of Fund Equity***

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

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

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

*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. There is no nonspendable fund balance at September 30, 2021.

*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. There is no restricted fund balance at September 30, 2021.

*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 Board is the highest level of decision-making authority for the Property Appraiser that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There is no committed fund balance at September 30, 2021.

*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 Board may by resolution authorize the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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. There is no assigned fund balance at September 30, 2021.

*Unassigned fund balance* – Unassigned fund balance is the residual classification for the Property Appraiser’s fund balances. There is no unassigned fund balance at September 30, 2021.

*Subsequent events*

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 29, 2022, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

**NOTE 2 – DETAILED NOTES ON ALL FUNDS**

*Deposits and Investments*

As of September 30, 2021, the Property Appraiser’s bank balances are covered by federal depository insurance. Monies invested in amounts greater than the 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, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Property Appraiser pursuant to Section 280.08, Florida Statutes.

*Custodial credit 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. The financial institutions in which the Property Appraiser 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 Property Appraiser will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

### **NOTE 3 – RETIREMENT PLANS**

#### ***Defined Benefit Pension Plan***

##### *Description of plan*

The Property Appraiser contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. FRS provides retirement, disability, and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. A comprehensive annual financial report of FRS, which includes its financial statements, required supplementary information, actuarial reports, and other relevant information, is available from the Florida Department of Management Services Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

##### *Funding requirements*

FRS is funded through employee and employer contributions. The Property Appraiser is required to contribute at an actuarially determined rate. Rates effective for October 1, 2020 through June 30, 2021, were 10.00 %, 27.29%, and 49.18% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2021 through September 30, 2021, were 10.82%, 29.01%, and 51.42% for regular employees, senior management, and elected county officials, respectively. Employee contributions of 3% were required for all participants. The employer rate for eligible employees who elected to participate in the Deferred Retirement Option Program (DROP) was 16.98% for October 1, 2020 through June 30, 2021 and 18.34% for July 1, 2021 through September 30, 2021, with no employee contribution required.

The contribution requirements of plan members and the Property Appraiser are established and may be amended by the Florida Legislature. The Property Appraiser's contributions to FRS for the years ended September 30, 2021, 2020, and 2019 were \$306,868, \$271,113, and \$294,328 respectively, and were equal to the required contributions for each year. The required employee contributions made to the plan for the year ended September 30, 2021, were \$45,131.

#### ***Defined Contribution Pension Plan***

##### *Description of plan*

Pursuant to Chapter 121, *Florida Statutes*, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan.

**NOTE 3 – RETIREMENT PLANS (Continued)**

There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2021, totaled \$14,817.

The obligations and disclosures required under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, are accounted for and disclosed in the County’s financial statements.

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## INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Dan Sowell  
Bay County Property Appraiser  
Bay County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Bay County Property Appraiser as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 29, 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 or recommendations made in the preceding annual financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to special-purpose financial statements. The Bay County Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Bay County Property Appraiser has no component units.



The Honorable Dan Sowell  
Bay County Property Appraiser  
Page Two

### **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 Joint Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, and the Bay County Property Appraiser and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Dan Sowell  
Bay County Property Appraiser  
Bay County, Florida

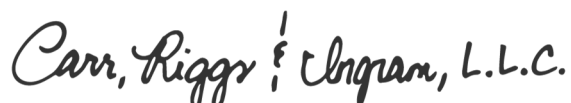
We have examined the Bay County Property Appraiser's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Bay County Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Bay County 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 Bay County Property Appraiser complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Bay County 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 Bay County Property Appraiser's compliance with specified requirements.

In our opinion, the Bay County Property Appraiser complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021.

This report is intended solely for the information and use of the Bay County Property Appraiser, 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.

A handwritten signature in black ink that reads 'Carr, Riggs & Ingram, L.L.C.' in a cursive script.

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

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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*

The Honorable Dan Sowell  
Bay County Property Appraiser  
Bay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund of the Bay County Property Appraiser as of and for the year ended September 30, 2021, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Property Appraiser's basic special-purpose financial statements, and have issued our report thereon dated March 29, 2022, which contains an emphasis of matter referring to a basis of presentation required for compliance with state reporting requirements. Our opinion was not modified with respect to this matter.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bay County 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 Bay County Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bay County 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 Bay County Property Appraiser's special-purpose 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.*

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

## INDEPENDENT AUDITORS' REPORT

The Honorable Chuck Perdue  
Bay County Tax Collector  
Bay County, Florida

### **Report on the Financial Statements**

We have audited the accompanying special-purpose financial statements of the major fund and the aggregate remaining fund information of the Bay County Tax Collector, as of and for the fiscal year ended September 30, 2021, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Tax Collector's financial statements, as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 financial position of the major fund and the aggregate remaining fund information of the Bay County Tax Collector as of September 30, 2021, 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. In conformity with these Rules, the accompanying financial statements are intended to present the financial position and changes in financial position only for that portion of the major fund and the aggregate remaining fund information of Bay County, Florida that is attributable to the Bay County Tax Collector. They do not purport to, and do not, present the financial position of Bay County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions were not modified with respect to this matter.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bay County Tax Collector's special-purpose financial statements. The combining special-purpose statement of fiduciary net position and combining special-purpose statement of changes in fiduciary net position, 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 special-purpose statement of fiduciary net position and combining special-purpose statement of changes in fiduciary net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining special-purpose statement of fiduciary net position and combining special-purpose statement of changes in fiduciary net position are fairly stated in all material respects in relation to the financial statements as a whole.

The Honorable Chuck Perdue  
Bay County Tax Collector  
Page Three

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022 on our consideration of the Bay County Tax Collector'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 included under the heading 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*. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bay County Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bay County Tax Collector's internal control over financial reporting and compliance.

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

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022



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Bay County Tax Collector  
Special-Purpose Balance Sheet  
Governmental Fund  
September 30, 2021

	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,978,013
Accounts receivable, net	18,554
Prepays	4,172
Total assets	\$ 2,000,739
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts payable and accrued liabilities	\$ 192,260
Due to other governments	1,808,479
Total liabilities	2,000,739
Fund balance	-
Total liabilities and fund balance	\$ 2,000,739

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

Bay County Tax Collector  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Governmental Fund  
Year Ended September 30, 2021

	General Fund
<b>REVENUES</b>	
Commissions	
Bay County, Florida Board of County Commissioners	\$ 3,955,311
Other governmental units	370,871
Charges for services	2,163,871
Miscellaneous	31,895
Total revenues	6,521,948
<b>EXPENDITURES</b>	
Current	
General government	4,840,559
Debt service	
Principal retirement	7,951
Interest and fiscal charges	544
Total expenditures	4,849,054
Excess of revenues over expenditures	1,672,894
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers out	
Distribution of excess commissions to the Bay County, Florida Board of County Commissioners	(1,529,355)
Distribution of excess commissions to other governmental units	(143,539)
Total other financing sources (uses)	(1,672,894)
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	\$ -

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

Bay County Tax Collector  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Commissions				
Bay County, Florida Board of County Commissioners	\$ 4,079,696	\$ 4,079,696	\$ 3,955,311	\$ (124,385)
Other governmental units	-	-	370,871	370,871
Charges for services	1,685,030	1,685,030	2,163,871	478,841
Miscellaneous	85,000	85,000	31,895	(53,105)
<b>Total revenues</b>	<b>5,849,726</b>	<b>5,849,726</b>	<b>6,521,948</b>	<b>672,222</b>
<b>EXPENDITURES</b>				
Current				
General government	5,298,342	5,367,674	4,840,559	527,115
Capital outlay				
General government	94,811	94,811	-	94,811
Debt service				
Principal retirement	-	-	7,951	(7,951)
Interest and fiscal charges	-	-	544	(544)
<b>Total expenditures</b>	<b>5,393,153</b>	<b>5,462,485</b>	<b>4,849,054</b>	<b>613,431</b>
<b>Excess of revenues over expenditures</b>	<b>456,573</b>	<b>387,241</b>	<b>1,672,894</b>	<b>1,285,653</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out				
Distribution of excess commissions to the Bay County, Florida Board of County of County Commissioners	(456,573)	(387,241)	(1,529,355)	(1,142,114)
Distribution of excess commissions to other governmental units	-	-	(143,539)	(143,539)
<b>Total other financing sources (uses)</b>	<b>(456,573)</b>	<b>(387,241)</b>	<b>(1,672,894)</b>	<b>(1,285,653)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance - beginning			-	
Fund balance - ending			\$ -	

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

Bay County Tax Collector  
Special-Purpose Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2021

	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,956,560
Receivables, net	46
Total assets	\$ 2,956,606
<b>LIABILITIES</b>	
Deposits	\$ 2,010,990
Due to other governments	751,311
Due to others	194,305
Total liabilities	\$ 2,956,606
<b>NET POSITION</b>	
Restricted	
Held for others	\$ -
Total net position	\$ -

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

Bay County Tax Collector  
Special-Purpose Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year ended September 30, 2021

	Custodial Funds
<b>Additions</b>	
Property taxes collected for other governments	\$ 246,272,680
Funds held for others	28,623,264
Total additions	274,895,944
<b>Deductions</b>	
Property taxes distributed to other governments	246,272,680
Funds held for others	28,623,264
Total deductions	274,895,944
Net change in fiduciary net position	
	-
Net position - beginning of year	
	-
Net position - end of year	
	\$ -

The accompanying notes are an integral part of these special-purpose financial statements

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ***Reporting Entity***

The Office of the Bay County Tax Collector (Tax Collector) is an integral part of Bay County, Florida (County) and is an elected Constitutional Office that is governed by state statutes and regulations. The financial statements of the Tax Collector are included in Bay County, Florida's basic financial statements. The Tax Collector operates on a fee system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Any excess funds after the end of the fiscal year are distributed to each governmental unit in the same proportion as the fees paid by that governmental unit to the total fee income.

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 (Rules). These financial statements are the fund financial statements prepared in accordance with generally accepted accounting principles (GAAP). 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, management's discussion and analysis, or the pension or the other postemployment benefit related required supplementary information. Also, certain notes to special-purpose financial statements may supplement rather than duplicate the notes included in the County's financial statements. 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 and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information of Bay County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present the financial position of Bay County, Florida, as of September 30, 2021, and the changes in its financial position, for the fiscal year then ended in accordance with GAAP.

### ***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 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. Licenses, operating and capital grants, 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. However, debt service expenditures, as well as

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 custodial funds utilize the *accrual basis of accounting*.

***Fund Financial Statements***

Accounts are organized on the basis of fund types, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures as appropriate. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the Tax Collector:

*General fund* – The General Fund is the Tax Collector’s operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

*Custodial funds* – Custodial funds are used to account for assets held by the Tax Collector for individuals, private organizations, other governments, and other funds.

***Budgetary Information***

The preparation, adoption, and amendment of the Tax Collector's budget is governed by Chapter 195.087, Florida Statutes. The budget is prepared and adopted on a basis of accounting consistent with GAAP. Budgetary data presented in the accompanying special-purpose financial statements represent the original and final budgetary data. All budget appropriations lapse at the end of the fiscal year.

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

***Cash and cash equivalents***

The Tax Collector’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term highly liquid investments with original maturities of three months or less from the date of acquisition.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Capital assets*

Capital assets used by the Tax Collector are accounted for by the County and are included in the County's basic financial statements. Under Florida law, the County holds legal title and is accountable for these assets.

*Compensated absences*

It is the Tax Collector's policy to grant employees who leave in good standing payment for up to 240 hours of earned, unused paid time off. The paid time off policy allows for full-time employees to accumulate 6 to 10 hours per pay period, depending on the length of service.

*Categories and Classification of Fund Equity*

*Fund balance flow assumptions* – Sometimes the Tax Collector will fund outlays for a particular purpose 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).

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. There is no nonspendable fund balance at September 30, 2021.

*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. There is no restricted fund balance at September 30, 2021.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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 Board is the highest level of decision-making authority for the Tax Collector that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There is no committed fund balance at September 30, 2021.

*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 Board may by resolution authorize the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. 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. There is no assigned fund balance at September 30, 2021.

*Unassigned fund balance* – Unassigned fund balance is the residual classification for the Tax Collector’s fund balance. There is no unassigned fund balance at September 30, 2021.

*Subsequent events*

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 29, 2022. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

In fiscal year 2021, The Tax Collector implemented GASB Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Additional information can be found in note 2.

The Governmental Accounting Standards Board (GASB) has issued statements that will become effective in future years. The statement applicable to the Tax Collector’s financial statements is as follows:

In June 2017, 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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 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 March 29, 2022.

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

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

In fiscal year 2021, the Tax Collector implemented GASB Statement No. 84, *Fiduciary Activities*, which includes guidance for identifying fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Implementation of this standard had no effect on beginning fund balances or net position. Our opinions were not modified with respect to this matter.

**NOTE 3 – DETAILED NOTES ON ALL FUNDS**

***Deposits and Investments***

As of September 30, 2021, the Tax Collector's bank balances are covered by federal depository insurance. Monies invested in amounts greater than the 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, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Tax Collector pursuant to Section 280.08, Florida Statutes.

***Custodial credit 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. The financial institutions in which the Tax Collector 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 Tax Collector will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)**

*Accounts receivable, net*

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

At September 30, 2021, accounts receivable, net is summarized as follows:

	General Fund	Custodial Funds
Accounts receivable	\$ 18,554	\$ 46
Less: allowance for doubtful accounts	-	-
Accounts receivable, net	\$ 18,554	\$ 46

The Tax Collector considers all amounts collectible; therefore, there is no provision for doubtful accounts at September 30, 2021.

**NOTE 4 – PROPERTY TAXES**

Property tax revenue is recognized when levied to the extent that it results in current receivables. The Bay County property tax calendar is as follows:

Lien date	January 1
Levy date	October 1
Tax bills mailed	November 1
Payments due by	March 31
Delinquent date	April 1
Tax sales – delinquent property taxes	June 1

**NOTE 5 – RETIREMENT PLANS**

***Defined Benefit Pension Plan***

*Description of plan*

The Tax Collector contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. FRS provides retirement, disability, and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. A comprehensive annual financial report of FRS, which includes its financial statements, required supplementary information, actuarial reports, and other relevant information, is available from the Florida Department of Management Services Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**NOTE 5 – RETIREMENT PLANS (Continued)**

*Funding requirements*

FRS is funded through employee and employer contributions. The Tax Collector is required to contribute at an actuarially determined rate. Rates effective for October 1, 2020 through June 30, 2021, were 10.00%, 27.29%, and 49.18% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2021 through September 30, 2021, were 10.82%, 29.01%, and 51.42% for regular employees, senior management, and elected county officials, respectively. Employee contributions of 3% were required for all participants. The employer rate for eligible employees who elected to participate in the Deferred Retirement Option Program (DROP) was 16.98% for October 1, 2020 through June 30, 2021 and 18.34% for July 1, 2021 through September 30, 2021, with no employee contribution required.

The contribution requirements of plan members and the Tax Collector are established and may be amended by the Florida Legislature. The Tax Collector's contributions to FRS for the years ended September 30, 2021, 2020, and 2019 were \$223,627, \$220,017, and \$246,503 respectively, and were equal to the required contributions for each year. The required employee contributions made to the plan for the year ended September 30, 2021, were \$49,505.

***Defined Contribution Pension Plan***

*Description of plan*

Pursuant to Chapter 121, *Florida Statutes*, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2021, totaled \$162,080.

The obligations and disclosures required under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, are accounted for and disclosed in the County's financial statements.

## CUSTODIAL FUNDS

Bay County Tax Collector  
Combining Special-Purpose Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2021

	Custodial Funds		
	Property Tax Fund	Tag Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,555,795	\$ 400,765	\$ 2,956,560
Receivables, net	-	46	46
<b>Total assets</b>	<b>\$ 2,555,795</b>	<b>\$ 400,811</b>	<b>\$ 2,956,606</b>
<b>LIABILITIES</b>			
Deposits	2,010,990	-	2,010,990
Due to other governments	350,500	400,811	751,311
Due to others	194,305	-	194,305
<b>Total liabilities</b>	<b>\$ 2,555,795</b>	<b>\$ 400,811</b>	<b>\$ 2,956,606</b>
<b>NET POSITION</b>			
Restricted			
Held for others	\$ -	\$ -	\$ -
<b>Total net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Bay County Tax Collector  
Combining Special-Purpose Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year ended September 30, 2021

Custodial Funds			
	Property Tax Fund	Tag Fund	Total
<b>Additions</b>			
Property taxes collected for other governments	\$ 246,272,680	\$ -	\$ 246,272,680
Funds held for others	-	28,623,264	28,623,264
<hr/>			
Total additions	246,272,680	28,623,264	274,895,944
<hr/>			
<b>Deductions</b>			
Property taxes distributed to other governments	246,272,680	-	246,272,680
Funds held for others	-	28,623,264	28,623,264
<hr/>			
Total deductions	246,272,680	28,623,264	274,895,944
<hr/>			
Net change in fiduciary net position	-	-	-
<hr/>			
Net position - beginning of year	-	-	-
<hr/>			
Net position - end of year	\$ -	\$ -	\$ -
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## INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Chuck Perdue  
Bay County Tax Collector  
Bay County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Bay County Tax Collector as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 29, 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 or recommendations made in the preceding annual financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to special-purpose financial statements. The Bay County Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Bay County Tax Collector has no component units.

The Honorable Chuck Perdue  
Bay County Tax Collector  
Page Two

### **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 Joint Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, and the Bay County 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.*

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Chuck Perdue  
Bay County Tax Collector  
Bay County, Florida

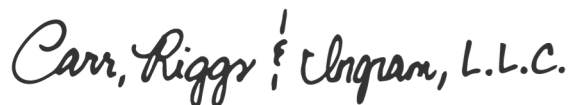
We have examined the Bay County Tax Collector's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Bay County Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Bay County 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 Bay County Tax Collector complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Bay County 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 Bay County Tax Collector's compliance with specified requirements.

In our opinion, the Bay County Tax Collector complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021.

This report is intended solely for the information and use of the Bay County Tax Collector, 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.

A handwritten signature in black ink that reads 'Carr, Riggs & Ingram, L.L.C.' in a cursive script.

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

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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*

The Honorable Chuck Perdue  
Bay County Tax Collector  
Bay 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 aggregate remaining fund information of the Bay County Tax Collector as of and for the year ended September 30, 2021, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Tax Collector's basic special-purpose financial statements, and have issued our report thereon dated March 29, 2022, which contains an emphasis of matter referring to a basis of presentation required for compliance with state reporting requirements. Our opinions were not modified with respect to this matter.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bay County 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 Bay County Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bay County 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.

The Honorable Chuck Perdue  
Bay County Tax Collector  
Page Two

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Bay County Tax Collector's special-purpose 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.*

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

## INDEPENDENT AUDITORS' REPORT

The Honorable Tommy Ford  
Bay County Sheriff  
Bay County, Florida

### **Report on the Financial Statements**

We have audited the accompanying special-purpose financial statements of each major fund and the aggregate remaining fund information of the Bay County Sheriff, as of and for the fiscal year ended September 30, 2021, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Sheriff's financial statements, as listed in the table of contents.

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

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

### **Auditors' Responsibility**

Our responsibility is to express 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 auditors consider 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 and the aggregate remaining fund information for the Bay County Sheriff as of September 30, 2021, 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. In conformity with these Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of the major funds and the aggregate remaining fund information, of Bay County, Florida that is attributable to the Bay County Sheriff. They do not purport to, and do not, present the financial position of Bay County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions were not modified with respect to this matter.

As discussed in Note 2 to the financial statements, the Bay County 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 was not modified with respect to these matters.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bay County Sheriff’s special-purpose financial statements. The combining special-purpose balance sheet–nonmajor governmental funds; combining special-purpose statement of fiduciary net position–custodial funds; combining special-purpose statement of revenues, expenditures and changes in fund balance–nonmajor governmental funds; and combining special-purpose statement of changes in fiduciary net position–custodial funds, 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 balance sheet–nonmajor governmental funds; combining statement of revenues, expenditures and changes in fund balance–nonmajor governmental funds; and combining statement of changes in fiduciary net position–custodial funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records

The Honorable Tommy Ford  
Bay County Sheriff  
Page Three

used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet–nonmajor governmental funds; combining statement of revenues, expenditures and changes in fund balance–nonmajor governmental funds; and combining special-purpose statement of changes in fiduciary net position–custodial funds are fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022, on our consideration of the Bay County Sheriff’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 included under the heading 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*. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bay County Sheriff’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bay County Sheriff’s internal control over financial reporting and compliance.

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

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

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Bay County Sheriff  
Special-Purpose Balance Sheet  
Governmental Funds  
September 30, 2021

	General Fund	Inmate Welfare	Crime Prevention	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 249,160	\$ 1,588,851	\$ 318,447	\$ 203,587	\$ 2,360,045
Accounts receivable, net	1,514,649	155,371	-	29,270	1,699,290
<b>Total assets</b>	<b>1,763,809</b>	<b>1,744,222</b>	<b>318,447</b>	<b>232,857</b>	<b>4,059,335</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities					
Accounts payable and accrued liabilities	545,695	-	-	3,750	549,445
Due to other governments	859,682	-	-	-	859,682
Unearned revenue	358,432	-	-	-	358,432
<b>Total liabilities</b>	<b>1,763,809</b>	<b>-</b>	<b>-</b>	<b>3,750</b>	<b>1,767,559</b>
Fund balance					
Restricted	-	1,744,222	318,447	229,107	2,291,776
<b>Total liabilities and fund balance</b>	<b>\$ 1,763,809</b>	<b>\$ 1,744,222</b>	<b>\$ 318,447</b>	<b>\$ 232,857</b>	<b>\$ 4,059,335</b>

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

Bay County Sheriff  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance - Governmental Funds  
Year Ended September 30, 2021

	General Fund	Inmate Welfare	Crime Prevention	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Intergovernmental revenue	\$ 5,403,167	\$ -	\$ 240,000	\$ 199,439	\$ 5,842,606
Interest income	705	-	31	1	737
Charges for services	-	1,637,282	-	-	1,637,282
Miscellaneous	430,454	-	-	-	430,454
<b>Total revenues</b>	<b>5,834,326</b>	<b>1,637,282</b>	<b>240,031</b>	<b>199,440</b>	<b>7,911,079</b>
<b>EXPENDITURES</b>					
Current					
Public safety	45,639,747	868,533	82,550	224,981	46,815,811
Capital outlay					
Public safety	2,881,093	30,470	500	29,935	2,941,998
Debt service					
Principal retirement	898,678	-	-	-	898,678
Interest and fiscal charges	29,023	-	-	-	29,023
<b>Total expenditures</b>	<b>49,448,541</b>	<b>899,003</b>	<b>83,050</b>	<b>254,916</b>	<b>50,685,510</b>
Excess (deficit) of revenues over (under) expenditures	(43,614,215)	738,279	156,981	(55,476)	(42,774,431)
<b>OTHER FINANCING SOURCES (USES)</b>					
Budget appropriations from					
Board of County Commissioners	43,208,726	-	-	-	43,208,726
Debt issuance	938,211	-	-	-	938,211
Proceeds from the sales of surplus assets	84,646	-	-	13,728	98,374
Transfer out/return of excess fees	(617,368)	-	-	-	(617,368)
<b>Total other financing sources (uses)</b>	<b>43,614,215</b>	<b>-</b>	<b>-</b>	<b>13,728</b>	<b>43,627,943</b>
Net change in fund balance	-	738,279	156,981	(41,748)	853,512
Fund balance - beginning as originally reported	-	1,005,943	161,466	263,948	1,431,357
Prior period adjustment				6,907	6,907
Fund balance - beginning (as restated)	-	1,005,943	161,466	270,855	1,438,264
Fund balance - ending	\$ -	\$ 1,744,222	\$ 318,447	\$ 229,107	\$ 2,291,776

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

Bay County Sheriff  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 4,159,956	\$ 4,788,178	\$ 5,403,167	\$ 614,989
Interest income	-	-	705	705
Miscellaneous	-	-	430,454	430,454
Total revenues	4,159,956	4,788,178	5,834,326	1,046,148
<b>EXPENDITURES</b>				
Current				
Public safety	44,792,288	45,191,390	45,639,747	(448,357)
Capital outlay				
Public safety	1,942,831	1,942,831	2,881,093	(938,262)
Debt service				
Principal retirement	898,678	898,678	898,678	-
Interest and fiscal charges	29,023	29,023	29,023	-
Total expenditures	47,662,820	48,061,922	49,448,541	(1,386,619)
Excess (deficit) of revenues over (under) expenditures	(43,502,864)	(43,273,744)	(43,614,215)	(340,471)
<b>OTHER FINANCING SOURCES (USES)</b>				
Budget appropriations from Board of County Commissioners	43,502,864	43,273,744	43,208,726	(65,018)
Debt issuance	-	-	938,211	938,211
Proceeds from the sales of surplus assets	-	-	84,646	84,646
Transfer out/return of excess fees	-	-	(617,368)	(617,368)
Total other financing sources (uses)	43,502,864	43,273,744	43,614,215	340,471
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			\$ -	

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

Bay County Sheriff  
Special-Purpose Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2021

	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 809,584
Total assets	\$ 809,584
<b>LIABILITIES</b>	
Due to other governments	\$ 98,983
Total liabilities	\$ 98,983
<b>NET POSITION</b>	
Restricted	
Held for others	\$ 710,601
Total net position	\$ 710,601

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

Bay County Sheriff  
Special-Purpose Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year ended September 30, 2021

	Custodial Funds
<b>Additions</b>	
Funds held for others	\$ 200,746
Seizures	616,588
Bonds, purges, and levies	82,407
Total additions	899,741
<b>Deductions</b>	
Current	
Funds held for others	200,746
Seizures	273,782
Bonds, purges, and levies	88,196
Total deductions	562,724
Net increase in fiduciary net position	337,017
Net position - beginning of year, as originally reported	-
Net position, restatement (note 2)	373,584
Net position - beginning of year, as restated	373,584
Net position - end of year	\$ 710,601

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



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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ***Reporting Entity***

The Office of the Bay County Sheriff (Sheriff) is an integral part of Bay County, Florida (County) and is an elected Constitutional Office that is governed by state statutes and regulations. The financial statements of the Sheriff are included in the County's basic financial statements. The office of the Sheriff operates on a budgetary system, whereby appropriated funds of the general fund are received from the Board of County Commissioners (Board) and unexpended appropriations are remitted to the Board after the end of the fiscal year.

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 (Rules). These financial statements are the fund financial statements prepared in accordance with generally accepted accounting principles (GAAP). 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, management's discussion and analysis, or the pension or the other postemployment benefit related required supplementary information. Also, certain notes to special-purpose financial statements may supplement rather than duplicate the notes included in the County's financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information of Bay County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present the financial position of Bay County, Florida, as of September 30, 2021, and the changes in its financial position, for the fiscal year then ended in accordance GAAP.

### ***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 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. Licenses, operating and capital grants, 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. 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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The custodial funds utilize the *accrual basis of accounting*.

Accounts are organized on the basis of fund types, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures as appropriate. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the Sheriff:

**Governmental Fund Types**

*General fund* – The General Fund is the Sheriff’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

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

**Fiduciary Fund Type**

Custodial funds are used to account for assets held by the Sheriff for individuals, private organizations, other governments, and other funds.

*Crime scene* – to account for cash collected during crime scenes, not considered evidence, as an agent for individuals until investigation is finalized.

*Forfeitures* – to account for assets held as an agent for individuals until court proceedings are finalized.

*Other suspense* – to account for the receipt and disbursement of funds received from various sources such as purges from child support, transportation restitution, miscellaneous contracts, and proceeds from court ordered sale of abandoned property, etc. Disbursement of these funds is made in accordance with the purpose of the receipt.

*Search & rescue* – to account for fees collected and expenses incurred for Search & Rescue training programs as an agent for individuals teaching the program.

*Sheriff’s fees* – to account for fees charged for the service of process in civil cases.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

During the course of operations, the Sheriff 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.

**Budgetary Information**

The preparation, adoption, and amendment of the Sheriff's budget is governed by Chapters 30 and 129, Florida Statutes. The Sheriff does not budget for proceeds from capital leases, otherwise the Sheriff's General Fund budget is prepared and adopted on a basis of accounting consistent with GAAP. Budgetary data presented in the accompanying special-purpose financial statements in the final budgeted amounts column represent the final budgetary data. In this column the effects of budget amendments have been applied to original budgetary data. Any excess expenditures over budgeted amounts are a result of unbudgeted revenues with offsetting related unbudgeted expenses or reimbursements. All budget appropriations lapse at the end of the fiscal year. The Sheriff is not legally required to prepare a budget for any funds other than the general fund; therefore comparative budget and actual results are not presented for these other funds.

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

*Cash and cash equivalents*

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

*Accounts receivable*

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

*Unearned revenue*

Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

*Capital assets*

Capital assets, which include property, plant, equipment, and leased assets, used by the Sheriff in governmental fund type operations are reported in the governmental activities column in the County's financial statements. Capital assets are defined as all firearms, regardless of cost, and assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at estimated fair market value on the date received.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Long-term obligations*

Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

***Categories and Classification of Fund Equity***

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

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

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

**Categories and Classification of Fund Equity**

*Nonspendable* – 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. There is no nonspendable fund balance at September 30, 2021.

*Restricted* – 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 provision or enabling legislation. The restricted funds balance at September 30, 2021, is \$2,291,776, all restricted by enabling legislation.

*Committed* – 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 Board is the highest level of decision-making authority for the Sheriff that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There is no committed fund balance at September 30, 2021.

*Assigned* – 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 Board may by resolution authorize the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. 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. There is no assigned fund balance at September 30, 2021.

*Unassigned* – Unassigned fund balance is the residual classification for the Sheriff’s fund balances. There is no unassigned fund balance at September 30, 2021.

*Use of Estimates*

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

*Subsequent Events*

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 29, 2022 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

*Recently Issued and Implemented Accounting Pronouncements*

In fiscal year 2021, The Sheriff has implemented GASB Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Additional information can be found in note 2.

The Governmental Accounting Standards Board (GASB) has issued the following statement that will become effective in future years. The statement applicable to the Sheriff’s financial statement is as follows:

In June 2017, 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’

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 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 March 29, 2022.

The Sheriff is evaluating the requirements of the above statement and its impact on reporting.

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

As described in note 1, the Sheriff implemented GASB Statement No. 84, *Fiduciary Activities*, which required a prior period restatement of \$373,584 to the prior period balance of fiduciary net position. The September 30, 2020 net position was classified as a liability “due to other governments” instead of fiduciary net position as required under GASB Statement No. 84.

**NOTE 3 – PRIOR PERIOD ADJUSTMENT**

Subsequent to the issuance of the prior year audited financial statements, the Sheriff determined that there were revenues and expenses related to the other governmental funds that were improperly excluded in the fiscal year 2020 financial statements. The effect of this error was an understatement of fund balance of the other governmental funds at September 30, 2020, in the amount of \$6,907. As a result, an increase in the Sheriff’s beginning fund balance of the other governmental funds has been reflected in these financial statements.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS**

***Deposits and Investments***

As of September 30, 2021, \$500,000 of the Sheriff’s bank balances are covered by federal depository insurance (FDIC). Monies invested in amounts greater than the 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, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Sheriff pursuant to Section 280.08, Florida Statutes.

*Custodial Credit 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. The financial institutions in which the Sheriff places its

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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 Sheriff will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

***Accounts Receivable***

At September 30, 2021, accounts receivable, net is summarized as follows:

	General Fund	Inmate Welfare Fund	Other Governmental Funds	Total
Total accounts receivable	\$ 1,514,649	\$ 155,371	\$ 29,270	\$ 1,699,290
Less: allowance for doubtful accounts	-	-	-	-
Accounts receivable, net	\$ 1,514,649	\$ 155,371	\$ 29,270	\$ 1,699,290

The Sheriff considers all amounts collectible; therefore there is no provision for doubtful accounts at September 30, 2021.

**NOTE 5 – RETIREMENT PLANS**

***Defined Benefit Pension Plan***

*Description of plan*

The Sheriff contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. FRS provides retirement, disability, and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. A comprehensive annual financial report of FRS, which includes its financial statements, required supplementary information, actuarial reports, and other relevant information, is available from the Florida Department of Management Services Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

*Funding requirements*

FRS is funded through employee and employer contributions. The Supervisor of Elections is required to contribute at an actuarially determined rate. Rates effective for October 1, 2020 through June 30, 2021, were 10.00%, 27.29%, and 49.18% for regular employees, senior



**NOTE 5 – RETIREMENT PLANS (Continued)**

management, and elected county officials, respectively. Rates effective for July 1, 2021 through September 30, 2021, were 10.82%, 29.01%, and 51.42% for regular employees, senior management, and elected county officials, respectively. Employee contributions of 3% were required for all participants. The employer rate for eligible employees who elected to participate in the Deferred Retirement Option Program (DROP) was 16.98% for October 1, 2020 through June 30, 2021 and 18.34% for July 1, 2021 through September 30, 2021, with no employee contribution required.

The contribution requirements of plan members and the Sheriff are established and may be amended by the Florida Legislature. The Sheriff's contributions to FRS for the years ended September 30, 2021, 2020, and 2019 were \$4,081,088, \$4,098,346, and \$4,040,553, respectively, and were equal to the required contributions for each year. The required employee contributions made to the plan for the year ended September 30, 2021, were \$540,612.

***Defined Contribution Pension Plan***

*Description of plan*

Pursuant to Chapter 121, *Florida Statutes*, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2021, totaled \$975,146.

The obligations and disclosures required under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, are accounted for and disclosed in the County's financial statements.

NONMAJOR GOVERNMENTAL FUNDS

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Bay County Sheriff  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2021

	Special Contribution	Special Law Enforcement	Federal Seizure Account	Chapter 705	Law Enforcement Training	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 11,250	\$ 42,030	\$ -	\$ 89,298	\$ 61,009	\$ 203,587
Accounts receivable, net	-	-	-	-	29,270	29,270
<b>Total assets</b>	<b>11,250</b>	<b>42,030</b>	<b>-</b>	<b>89,298</b>	<b>90,279</b>	<b>232,857</b>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities	-	-	-	-	3,750	3,750
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,750</b>	<b>3,750</b>
<b>Fund balance</b>						
Restricted	11,250	42,030	-	89,298	86,529	229,107
<b>Total liabilities and fund balance</b>	<b>\$ 11,250</b>	<b>\$ 42,030</b>	<b>\$ -</b>	<b>\$ 89,298</b>	<b>\$ 90,279</b>	<b>\$ 232,857</b>

Bay County Sheriff  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Nonmajor Governmental Funds  
Year Ended September 30, 2021

	Special Contribution	Special Law Enforcement	Federal Seizure Account	Chapter 705	Law Enforcement Training	Total
<b>REVENUES</b>						
Intergovernmental revenue	\$ 6,350	\$ 54,164	\$ 3,700	\$ 60,792	\$ 74,433	\$ 199,439
Interest income	-	-	1	-	-	1
<b>Total revenues</b>	<b>6,350</b>	<b>54,164</b>	<b>3,701</b>	<b>60,792</b>	<b>74,433</b>	<b>199,440</b>
<b>EXPENDITURES</b>						
Current						
Public safety	6,249	55,724	8,917	72,795	81,296	224,981
Capital outlay						
Public safety	-	20,000	-	9,935	-	29,935
<b>Total expenditures</b>	<b>6,249</b>	<b>75,724</b>	<b>8,917</b>	<b>82,730</b>	<b>81,296</b>	<b>254,916</b>
Excess (deficit) of revenues over (under) expenditures	101	(21,560)	(5,216)	(21,938)	(6,863)	(55,476)
<b>OTHER FINANCING SOURCES</b>						
Proceeds from the sales of surplus assets	-	13,728	-	-	-	13,728
<b>Total other financing sources</b>	<b>-</b>	<b>13,728</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,728</b>
<b>Net change in fund balance</b>	<b>101</b>	<b>(7,832)</b>	<b>(5,216)</b>	<b>(21,938)</b>	<b>(6,863)</b>	<b>(41,748)</b>
Fund balance - beginning as originally reported	11,149	49,862	5,216	111,236	86,485	263,948
Prior period adjustment	-	-	-	-	6,907	6,907
<b>Fund balance - beginning (as restated)</b>	<b>11,149</b>	<b>49,862</b>	<b>5,216</b>	<b>111,236</b>	<b>93,392</b>	<b>270,855</b>
<b>Fund balance - ending</b>	<b>\$ 11,250</b>	<b>\$ 42,030</b>	<b>\$ -</b>	<b>\$ 89,298</b>	<b>\$ 86,529</b>	<b>\$ 229,107</b>

## CUSTODIAL FUNDS

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Bay County Sheriff  
Combining Special-Purpose Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2021

	Custodial Funds						
	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene	Total	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 3,991	\$ 570,562	\$ 76,772	\$ 22,211	\$ 136,048	\$ 809,584	
<b>Total assets</b>	<b>\$ 3,991</b>	<b>\$ 570,562</b>	<b>\$ 76,772</b>	<b>\$ 22,211</b>	<b>\$ 136,048</b>	<b>\$ 809,584</b>	
<b>LIABILITIES</b>							
Due to other governments	\$ -	\$ -	\$ 76,772	\$ 22,211	\$ -	\$ 98,983	
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 76,772</b>	<b>\$ 22,211</b>	<b>\$ -</b>	<b>\$ 98,983</b>	
<b>NET POSITION</b>							
Restricted							
Held for others	\$ 3,991	\$ 570,562	\$ -	\$ -	\$ 136,048	\$ 710,601	
<b>Total net position</b>	<b>\$ 3,991</b>	<b>\$ 570,562</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 136,048</b>	<b>\$ 710,601</b>	



Bay County Sheriff  
Combining Special-Purpose Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
September 30, 2021

	Custodial Funds					
	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene	Total
<b>Additions</b>						
Funds held for others	\$ -	\$ -	\$ 185,518	\$ 15,228	\$ -	\$ 200,746
Seizures	-	590,574	-	-	26,014	616,588
Bonds, purges, and levies	82,407	-	-	-	-	82,407
<b>Total additions</b>	<b>82,407</b>	<b>590,574</b>	<b>185,518</b>	<b>15,228</b>	<b>26,014</b>	<b>899,741</b>
<b>Deductions</b>						
Current						
Funds held for others	-	-	185,518	15,228	-	200,746
Seizures	-	246,721	-	-	27,061	273,782
Bonds, purges, and levies	88,196	-	-	-	-	88,196
<b>Total deductions</b>	<b>88,196</b>	<b>246,721</b>	<b>185,518</b>	<b>15,228</b>	<b>27,061</b>	<b>562,724</b>
Net increase (decrease) in fiduciary net position	(5,789)	343,853	-	-	(1,047)	337,017
Net position - beginning of year, as originally stated	-	-	-	-	-	-
Net position, restatement (note 2)	9,780	226,709	-	-	137,095	373,584
Net position - beginning of year, as restated	9,780	226,709	-	-	137,095	373,584
Net position - end of year	\$ 3,991	\$ 570,562	\$ -	\$ -	\$ 136,048	\$ 710,601

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Tommy Ford  
Bay County Sheriff  
Bay County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Bay County Sheriff as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 29, 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 or recommendations made in the preceding annual financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to special-purpose financial statements. The Bay County Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Bay County Sheriff has no component units.

The Honorable Tommy Ford  
Bay County Sheriff  
Page Two

### **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 had the following recommendation. We identified several instances where adequate support was not retained or no support was provided for items requested. We recommend that management continue to strive toward maintaining supporting documentation for all transactions.

### **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 Joint Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, and the Bay County 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.*

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Tommy Ford  
Bay County Sheriff  
Bay County, Florida

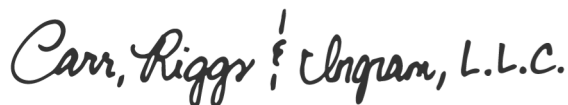
We have examined the Bay County Sheriff's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Bay County Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Bay County 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 Bay County Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Bay County Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that 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 Bay County Sheriff's compliance with specified requirements.

In our opinion, the Bay County Sheriff complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021.

This report is intended solely for the information and use of the Bay County Sheriff, 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.



Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

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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*

The Honorable Tommy Ford  
Bay County Sheriff  
Bay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Bay County Sheriff as of and for the year ended September 30, 2021, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Sheriff's basic special-purpose financial statements, and have issued our report thereon dated March 29, 2022, which contains an emphasis of matter referring to a basis of presentation required for compliance with state reporting requirements. Our opinions were not modified with respect to this matter.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bay County 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bay County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bay County Sheriff's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described below and identified as 2021-001, that we considered to be a material weakness.

The Honorable Tommy Ford  
Bay County Sheriff  
Page Two

Condition: Material adjustments to the financial records were made in order for the financial statements to conform to generally accepted accounting principles.

Criteria: Internal controls should prevent, or detect and correct adjustment timely to provide materially correct financial information.

Cause: The Sheriff's controls did not identify the adjustments timely.

Effect: Adjustments were required for current and prior year balances.

Recommendation: We recommend that the Sheriff accounting staff continue to strive toward identifying proposed audit adjustments more timely.

Views of Responsible Officials and Planned Corrective Action: Management agrees with auditors' recommendation.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Bay County Sheriff's special-purpose 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.*

Certified Public Accountants  
Panama City Beach, Florida  
March 29, 2022

