

# BAY COUNTY FLORIDA



*Annual Comprehensive  
Financial Report*

FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2023

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

KATY NAIL  
CHIEF FINANCIAL OFFICER

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March 28, 2024

Honorable Tommy Hamm, 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

Dear Sir or Madam,

We are pleased to present to you and the citizens of Bay County the accompanying Annual Comprehensive Financial Report (ACFR) of Bay County, Florida (the “County”) for the fiscal year ended September 30, 2023. 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 fairly represent 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 give insight to the County’s financial operations for the fiscal year. The ACFR 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, 2022 to September 30, 2023 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 four 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**

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 sparked county-wide growth and revitalization. Although restoration has become a pivotal aspect of its operations, the County continues to carry out its Comprehensive Plan and will ensure that any future growth will promote an economically secure and ecologically safe environment in which to live.

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.

Bay County was awarded more than \$47.5 million in Hurricane Mitigation Grant Program funds due to Hurricane Michael. Projects for this program include paving rural dirt roads, hardening county buildings to ensure durability during storms and bad weather events, and construction of new community centers and facilities that will also serve as public long-term emergency shelters in the northern part of the county. To date, Bay County has repaid \$150 million in debt borrowed to cover Hurricane Michael recovery costs.

## **Major Initiatives**

### ***For the Year***

In 2023, Bay County's American Rescue Plan Act (ARPA) funding was fully allocated. Of the \$33.9 million received, \$20.7 has been officially obligated through Fiscal Year 2023. Projects throughout the county were completed using ARPA funds this year, including a new fire truck, two new ambulances, stormwater drainage enhancements, drinking water and wastewater system improvements, park restoration, support for the jail, and facility repairs. Scholarships were provided to Haney Technical College to offer reduced tuition to qualifying students and enhance the county's workforce.

The development of the Bay-Walton Sector Plan area continued during fiscal year 2023. The West Bay Crossing Detailed Specific Area Plan covers 2,017 acres and was approved for 600 residential units, 845,000 square feet of commercial/office use, 120,000 square feet of light industrial use, and 250 hotel rooms. Additionally, we also received a PUD application for phases 9-11 of the Latitude Margaritaville Watersound residential community which proposes an additional 1,004 residential units.

During fiscal year 2023, the Capital Projects division of Bay County managed several construction projects, including grant funded projects, renovations, and construction of new buildings. These include the Bay County Skate Park, Bay County Library Hardening, and roof restoration at the Bay County Health Department. Capital Improvement projects related to Hurricane Michael completed during fiscal year 2023 include the Bay Dunes Office Complex, Fire Station Hardening at Thomas Drive, Sandhills and Youngstown and various Waste Water Treatment Plant Building Improvements.

The Bay County Housing Division received the Excellence in Disaster Recovery Implementation from the Florida Housing Coalition at the 36th Annual State Conference. The award was given for the submission of a video featuring success stories for the ReHouse Bay Purchase Assistance Program. The state recognized the program as a best practice for rapidly housing low-income residents still recovering from Hurricane Michael. These clients could not qualify for a first mortgage, so they received a new construction replacement home within five months.

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. The half-cent sales tax has assisted in funding dirt road stabilization and drainage projects, bridge repair and replacement and roadway safety projects. Projects completed during fiscal year 2023 include Titus Road-SR 390 Connector Road, Nehi Road Stabilization, County Road 30 Front Beach Road Sidewalk and Magnolia Beach Road Multi-Use Path. Continuing projects include annual resurfacing and urban dirt road paving, Sweetwater-Minge Road, County Road 30 Front Beach Road Sidewalk Phase 1 and 2, and County Road 231 and Titus Road Intersection.

### ***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 new Courthouse Annex, Courthouse Renovations, Jail Substance Abuse Expansion, Southport Sports Complex, and Phillip Griffiths Parkway Phase III, all set to be completed in the next couple years. Re-opening the East Pass (also known as the Old Pass) continues to be a future priority for Bay County.

Anticipated future repair/upgrade projects related to Hurricane Michael are estimated to be approximately \$19 million, with the majority going toward Roadway Rehabilitation projects. Others include Lift Station Hardening, various Water Treatment Plant Pump Repairs and Replacements, and various park improvements.

Bay County Housing Division will continue to advocate and provide families and first-time homebuyers with purchase assistance services, home repairs and improvements, counseling, foreclosure prevention and rental assistance. With approximately \$15 million of HHRP funding available and continued annual state funding, Bay County will be able to continue assisting families with these needs.

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022. 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 ACFR of which the contents conform to program standards. An ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

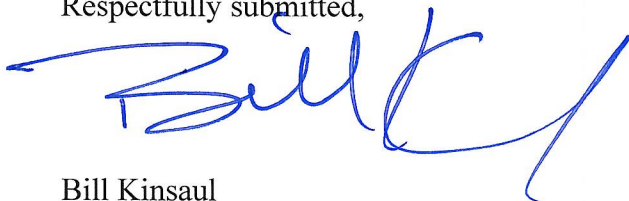
A Certificate of Achievement is valid for a period of one year only. Bay County has been awarded the Certificate of Achievement for thirty-three consecutive years (fiscal years ended September 30, 1989 through 2022). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA for approval.

## Acknowledgments

Preparation of the Annual Comprehensive 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 Clair Pease 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

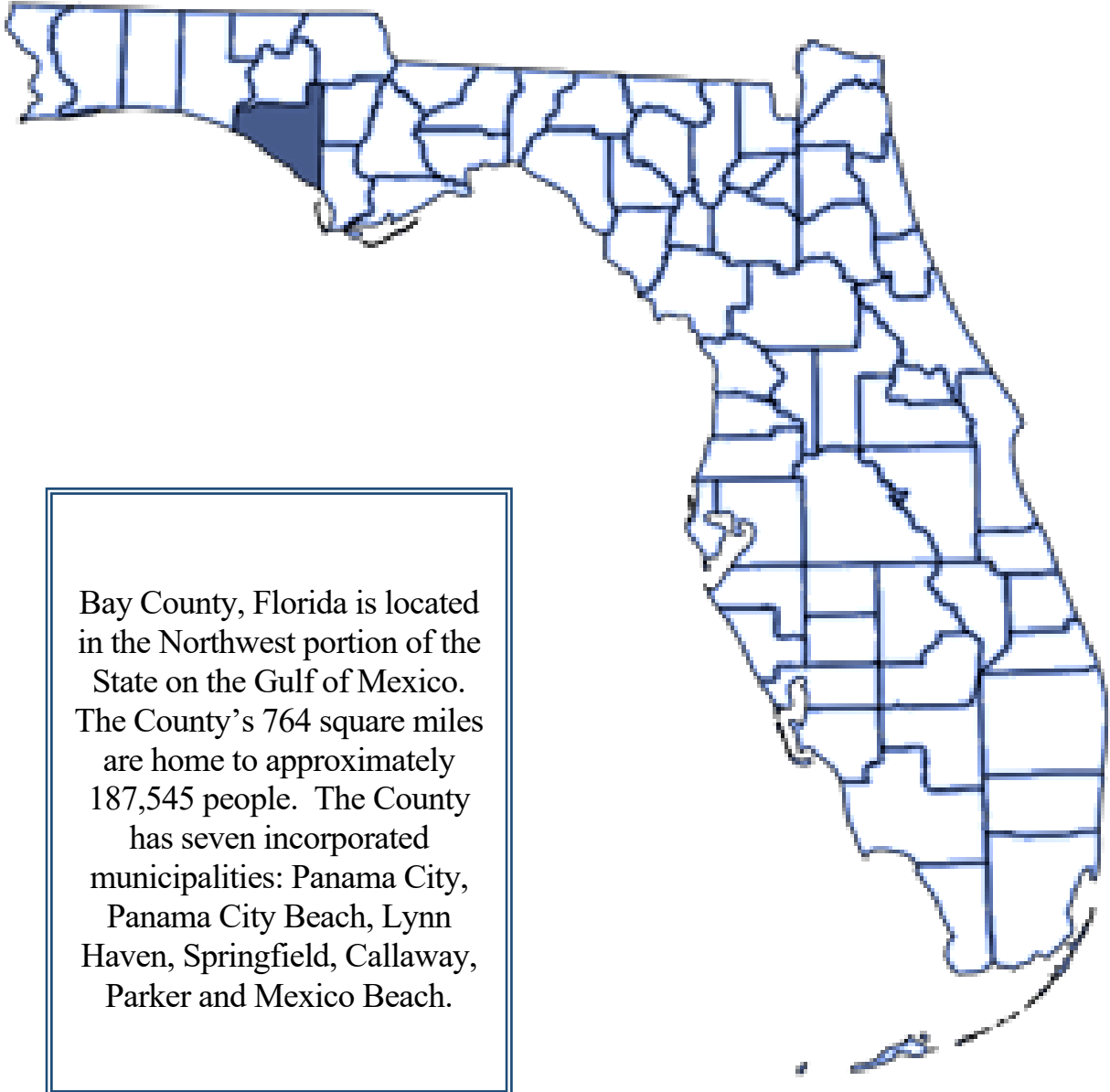


Katy Nail  
Chief Financial Officer

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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 187,545 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*



*Clair Pease  
Commissioner  
District V*

## *County Officials Bay County, Florida*



*Mark Andersen  
Supervisor of  
Elections*



*Bill Kinsaul  
Clerk of Court  
& Comptroller*



*Dan Sowell  
Property Appraiser*



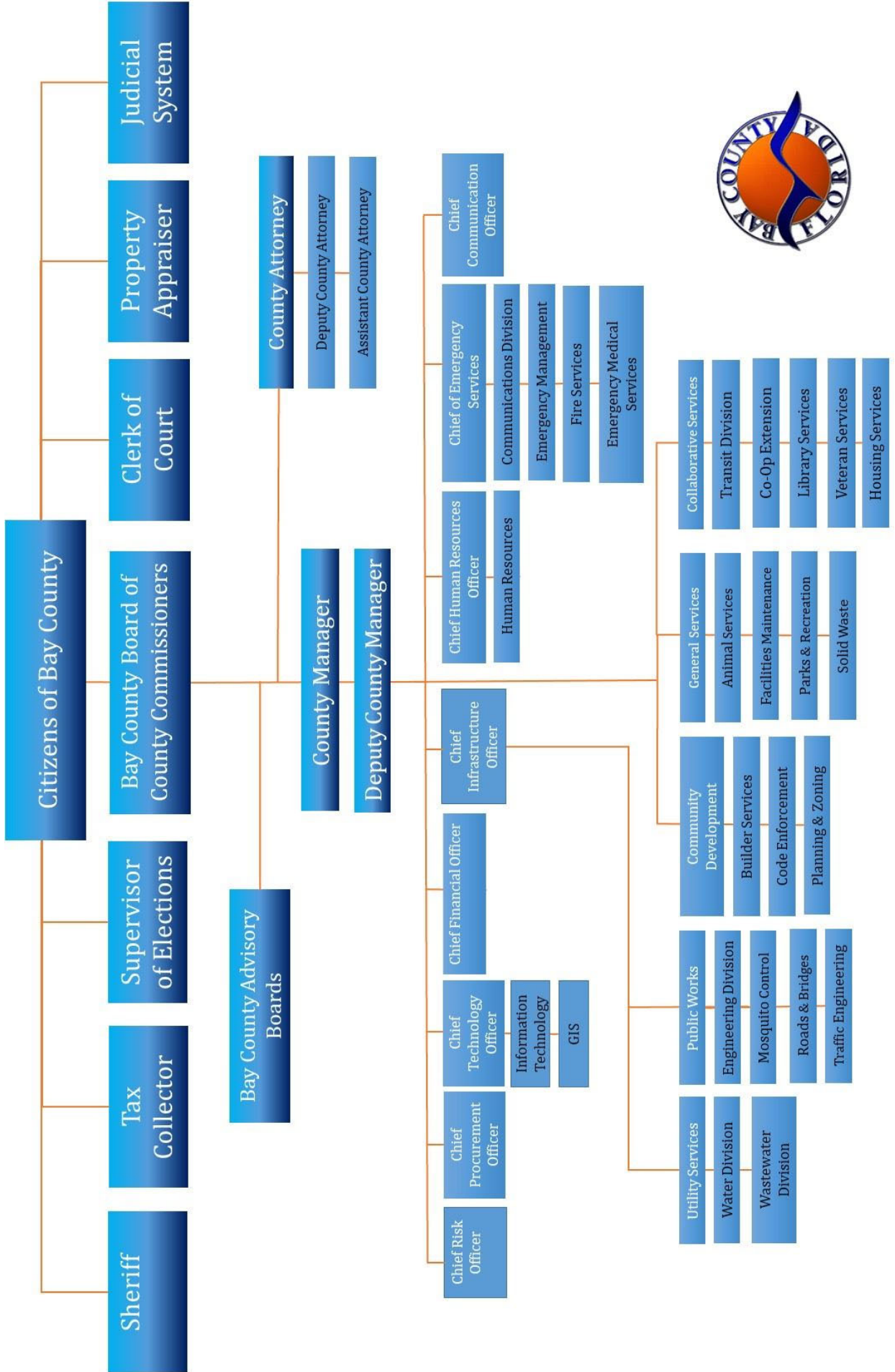
*Chuck Perdue  
Tax Collector*



*Tommy Ford  
Sheriff*

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**BAY COUNTY**  
**ORGANIZATIONAL CHART**  
 Fiscal Year 2023



## ***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 annual comprehensive financial report for the fiscal year ended September 30, 2022.*

*In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive 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, 2022

*Christopher P. Morrill*

Executive Director/CEO

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14101 Panama City Beach Parkway  
Suite 200  
Panama City Beach, FL 32413  
  
(850) 784-6733  
(850) 784-4866 (fax)  
www.cricpa.com

## INDEPENDENT AUDITOR'S REPORT

The Honorable County Commissioners  
Bay County, Florida

### Report on the Audit of the Financial Statements

#### *Opinions*

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, 2023, 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.

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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Tourist Development, Transportation, and Hurricane Michael Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bay County, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As described in Note 2 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.



***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bay County, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bay County, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bay County, Florida's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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-118, the schedule of Bay County, Florida's contributions on page B-119, and the schedule of changes in Bay County, Florida's total other postemployment benefits liability and related ratios on page B-120 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 accompanying combining and individual nonmajor governmental, internal service, discretely presented component unit fund statements, fiduciary fund financial statements, budgetary schedules listed in the table of contents and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill is presented for the purpose of additional analysis as required by Chapter 10.550, *State of Florida Rules of the Auditor General*, and is also not a part of the required financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, fiduciary fund financial statements, budgetary schedules listed

***Supplementary Information (Continued)***

in the table of contents, schedule of expenditures of federal awards and state financial assistance and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, 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, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bay County, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bay County, Florida's internal control over financial reporting and compliance.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

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 \$475,615,188 (net position). Of this amount, \$30,044,513 is a deficit in unrestricted net position for governmental activities and \$52,989,735 is unrestricted net position for business-type activities, while \$217,312,873 is restricted net position for governmental activities and \$25,088,798 is restricted net position for business-type activities.
- The County's total assets increased by \$61,094,349 or approximately 6.1 percent during fiscal year 2023. Of this amount, an increase of \$52,174,234 is attributable to governmental activities and an increase of \$8,920,115 is attributable to business-type activities.
- The County's total liabilities decreased by \$3,254,442 or approximately 0.5 percent during fiscal year 2023. Of this amount, an increase of \$70,841 is attributable to governmental activities and a decrease of \$3,325,283 is attributable to business-type activities.
- Total County's total net position increased by \$64,590,014. Of this amount, an increase of \$52,594,794 is attributable to governmental activities and an increase of \$11,995,220 is attributable to business-type activities.
- As of September 30, 2023, the general fund's unassigned fund balance was \$49,094,544 or 24.8 percent of the general fund's total expenditures.
- Governmental activities' revenues and expenditures increased during the year to \$363,770,814 (approximate 30% increase) and \$302,776,404 (approximate 17% increase), respectively. Additionally, Business-type activities revenues and expenses increased during the year to \$56,032,574 (approximate 14% increase) and \$57,604,046 (approximate 31% increase), respectively.
- The County's outstanding bonded debt decreased by \$57,023,088 or 40 percent during fiscal year 2023 while notes payable increased by \$41,632,957 or about 19 percent. The large decrease in bonded debt and subsequent increase in notes payable resulted from the County refinancing its Hurricane Michael Revenue bond, Series 2020 into a bank note. This, combined with regularly scheduled debt service principal payments during the fiscal year, lead to an overall reduction in the County's long-term debt.
- The County's total deferred outflows of resources decreased by \$1,280,364 or approximately 4 percent. Of this amount, a decrease of \$942,253 is attributable to governmental activities and a decrease of \$338,111 is attributable to business-type activities.
- The County's total deferred inflows of resources decreased by \$1,521,587 or approximately 8 percent. Of this amount, a decrease of \$1,433,654 is attributable to governmental activities and a decrease of \$87,933 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 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 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 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 building permitting and inspection 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 custodial 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 building safety 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, 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, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the County:

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

September 30,	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 395,088,362	\$ 393,454,440	\$ 109,880,226	\$ 100,068,609	\$ 504,968,588	\$ 493,523,049
Capital assets	419,373,861	368,833,549	135,160,089	136,051,591	554,533,950	504,885,140
<b>Total assets</b>	<b>814,462,223</b>	<b>762,287,989</b>	<b>245,040,315</b>	<b>236,120,200</b>	<b>1,059,502,538</b>	<b>998,408,189</b>
<b>Deferred outflows of resources</b>	<b>30,925,707</b>	<b>31,867,960</b>	<b>1,491,967</b>	<b>1,830,078</b>	<b>32,417,674</b>	<b>33,698,038</b>
Current and other liabilities	70,200,660	82,007,368	11,244,739	10,621,692	81,445,399	92,629,060
Long-term liabilities	419,307,389	407,429,840	98,616,920	102,565,250	517,924,309	509,995,090
<b>Total liabilities</b>	<b>489,508,049</b>	<b>489,437,208</b>	<b>109,861,659</b>	<b>113,186,942</b>	<b>599,369,708</b>	<b>602,624,150</b>
<b>Deferred inflows of resources</b>	<b>15,218,362</b>	<b>16,652,016</b>	<b>1,716,954</b>	<b>1,804,887</b>	<b>16,935,316</b>	<b>18,456,903</b>
Net investment in capital assets	153,393,159	108,904,420	56,875,136	52,582,324	210,268,295	160,676,744
Net position-restricted	217,312,873	199,054,853	25,088,798	25,306,873	242,401,671	224,361,726
Net position-unrestricted	(30,044,513)	(19,082,548)	52,989,735	45,069,252	22,945,222	25,986,704
<b>Total net position</b>	<b>\$ 340,661,519</b>	<b>\$ 288,066,725</b>	<b>\$ 134,953,669</b>	<b>\$ 122,958,449</b>	<b>\$ 475,615,188</b>	<b>\$ 411,025,174</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 (44%). 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 51% of the County's net position at \$242,401,671 is subject to external restrictions, and thus is limited as to how it may be used. The balance of *unrestricted* net position is \$22,945,222.

Governmental activities long-term liabilities increased by \$11,877,549 during 2023, while business-type activities long-term liabilities decreased by \$3,948,330. A substantial increase in net pension liability combined with the overall decrease in long-term debt summarizes the major changes in governmental activities' long-term liabilities. The County recognized an increase of \$17,948,798 in governmental activities' net pension liability, while business-type activities had an increase of \$869,890. These figures are adjusted annually in accordance with updated valuations prepared by the State of Florida for the Florida Retirement System's Pension Plan, in which Bay County participates. 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 recognition of these liabilities is required by the Governmental Accounting Standards Board (GASB). Regularly scheduled debt service payments due on bonds and notes payable was the largest factor in the decrease of long-term liabilities for business-type activities.

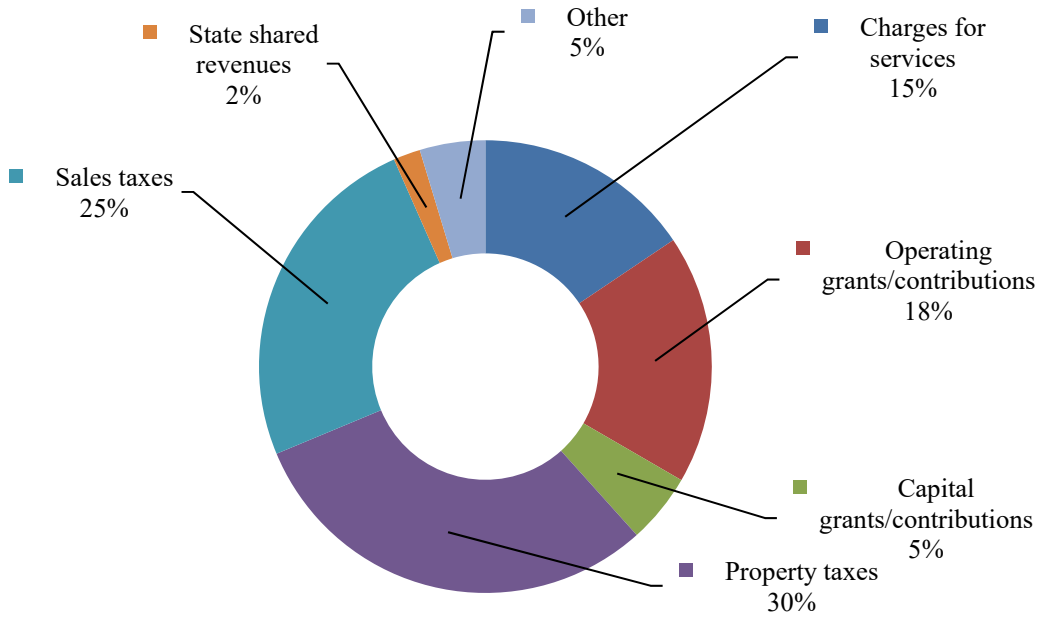
The following schedule provides a summary of the changes in net position:

### Bay County, Florida Changes in Net Position

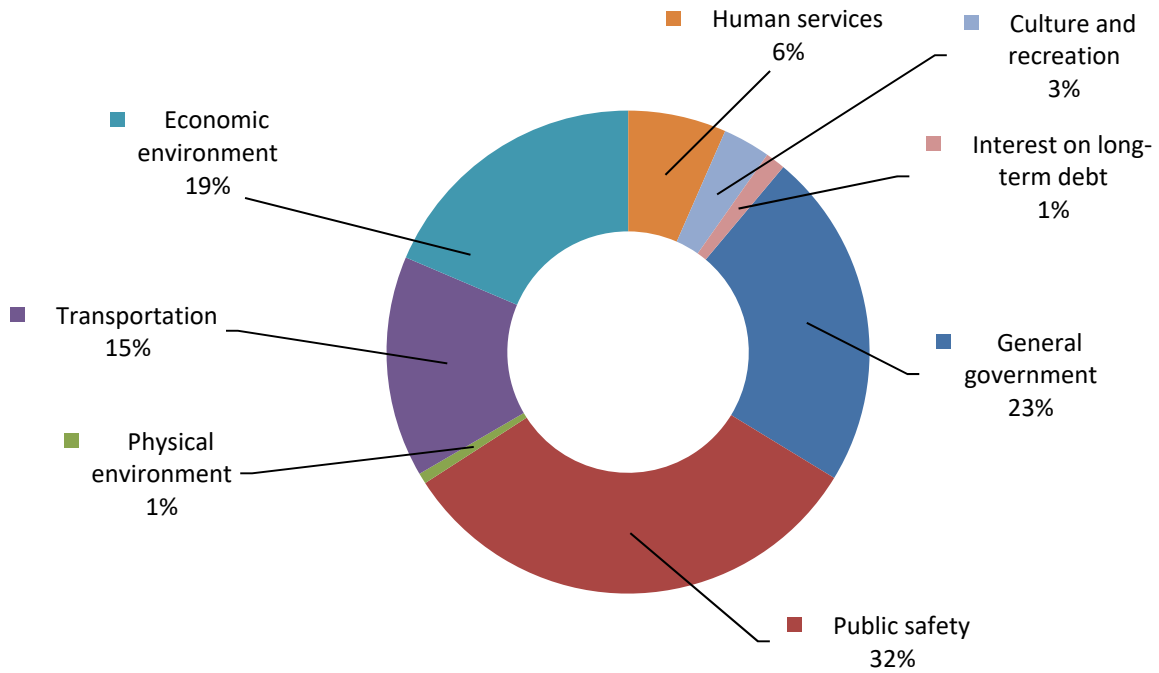
Year ended September 30,	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Program revenues</b>						
Charges for services	\$ 56,638,529	\$ 49,901,290	\$ 45,961,978	\$ 44,057,946	\$ 102,600,507	\$ 93,959,236
Operating grants/contributions	64,700,814	33,301,062	674,036	25,927	65,374,850	33,326,989
Capital grants/contributions	18,188,351	5,486,406	4,696,935	4,475,020	22,885,286	9,961,426
<b>General revenues</b>						
Property taxes	110,406,779	95,141,991	-	-	110,406,779	95,141,991
Sales taxes	89,746,332	89,556,226	1700	2,700	89,748,032	89,558,926
State shared revenues – unrestricted	7,050,330	6,575,457	-	-	7,050,330	6,575,457
Other	17,039,679	717,382	4,697,925	570,675	21,737,604	1,288,057
<b>Total revenues</b>	<b>363,770,814</b>	<b>280,679,814</b>	<b>56,032,574</b>	<b>49,132,268</b>	<b>419,803,388</b>	<b>329,812,082</b>
<b>Expenses</b>						
General government	68,467,815	64,293,176	-	-	68,467,815	64,293,176
Public safety	97,335,805	77,704,743	-	-	97,335,805	77,704,743
Physical environment	2,179,996	1,941,335	-	-	2,179,996	1,941,335
Transportation	44,868,091	48,600,739	-	-	44,868,091	48,600,739
Economic environment	56,338,868	38,180,350	-	-	56,338,868	38,180,350
Human services	19,912,173	17,061,983	-	-	19,912,173	17,061,983
Culture and recreation	9,631,733	7,654,642	-	-	9,631,733	7,654,642
Interest on long-term debt	4,041,923	3,627,191	-	-	4,041,923	3,627,191
Wholesale water system	-	-	17,511,086	17,909,903	17,511,086	17,909,903
Retail water and wastewater	-	-	14,554,797	13,228,101	14,554,797	13,228,101
Solid waste	-	-	20,698,301	10,187,092	20,698,301	10,187,092
Building safety	-	-	4,839,962	2,660,784	4,839,862	2,660,784
<b>Total expenses</b>	<b>302,776,404</b>	<b>259,064,159</b>	<b>57,604,046</b>	<b>43,985,880</b>	<b>360,380,450</b>	<b>303,050,039</b>
Increase (decrease) in net position before transfers	60,994,410	21,615,655	(1,571,472)	5,146,388	59,422,938	26,762,043
Transfers	(13,566,692)	(3,040,888)	13,566,692	3,040,888	-	-
Special item-asset impairment	-	-	-	(36,831,033)	-	(36,831,033)
<b>Changes in net position</b>	<b>47,427,718</b>	<b>18,574,767</b>	<b>11,995,220</b>	<b>(28,643,757)</b>	<b>59,422,938</b>	<b>(10,068,990)</b>
<b>Net position - beginning</b>	<b>288,066,725</b>	<b>269,217,442</b>	<b>122,958,449</b>	<b>151,602,206</b>	<b>411,025,174</b>	<b>420,819,648</b>
Prior period adjustment	5,167,076	274,516	-	-	5,167,076	274,516
<b>Net position – beginning (as restated)</b>	<b>293,233,801</b>	<b>269,491,958</b>	<b>122,958,449</b>	<b>151,602,206</b>	<b>416,192,250</b>	<b>421,094,164</b>
<b>Net position – ending</b>	<b>\$ 340,661,519</b>	<b>\$ 288,066,725</b>	<b>\$ 134,953,669</b>	<b>\$ 122,958,449</b>	<b>\$ 475,615,188</b>	<b>\$ 411,025,174</b>



### Revenue - Governmental Activities Fiscal Year September 30, 2023



### Expenses - Governmental Activities Fiscal Year Ended September 30, 2023



As reflected in the Statement of Activities, the County's net position increased by \$64,590,014 (approximately 16%) County wide, revenues and expenses increased in fiscal year 2023, 27% and 19% respectively, with revenues exceeding expenses overall. Ad Valorem Tax collections increased approximately 16% from the prior year, mostly due to higher property tax values and new residential developments in the area. The County also saw growth in reimbursements from its various State & Federal grant funded projects. Specifically, the County's Public Assistance (PA) grant related to Hurricane Michael poured in funding of over \$14.5 million towards various recovery and hardening projects, which was almost double the amount funded in the prior year. Separate from the main Hurricane Michael PA grant, the County also kicked off several new projects funded by the Hazard Mitigation Grant Program (HMGP) coupled with Community Development Block Grants (CDBG). These grants aim to harden existing facilities (including installation of generators, wind-retrofitting, safe room installations, traffic signal & fiber optic risk mitigation, etc.), and/or construct needed improvements to infrastructure (such as stormwater drainage, water lines, fire stations, community centers doubling as shelters, etc.). Together, these programs brought in over \$12 million in revenues during the year, exceeding prior year amounts by nearly \$11 million. The American Rescue Plan Act (ARPA) also continues to support County projects as well as provide an offset for eligible public safety & human services costs. During the year, the County was provided approximately \$11.6 million in ARPA funding, an increase of \$3.3 million over the prior year's funding. During fiscal year 2022, an ordinance was passed establishing the Bay County Local Provider Participation Fund Non-Ad Valorem Special Assessment, which allows for the levy of an annual special assessment on area hospitals. This special assessment is intended to pave a way for the hospitals to receive higher reimbursement percentages on Medicaid-eligible patient costs. Before this program was introduced, area hospitals were being reimbursed for approximately 60% of these costs. As funding is received, it is transferred to the Agency for Healthcare Administration (AHCA) and is added to State-wide funds that are allocated back to our hospitals to assist in covering their Medicaid shortfall. During fiscal year 2023, the second year of the program, \$15,749,033 was received and submitted to AHCA, representing program growth of approximately 54% over the prior year. These factors played a part in the increase in total revenues of \$89,991,306 from the prior year. Governmental activity revenues exceeded expenses by \$60,994,410 while business-type activities expenses exceeded revenues by \$1,571,472. Total expenses increased by \$57,330,411 from fiscal year 2022.

Property taxes continue to be a vital source of County's governmental activities' revenues (30%). Taxes levied during the year increased approximately 16% over the prior year, with property values increasing by about 18%. The County was able to continue holding their overall millage rate constant for fiscal year 2023.

The County's governmental resources are utilized in a variety of ways. Expenses related to general government operations account for 23% of all governmental outflows, while public safety and transportation account for 32% and 15%, respectively. Economic Environment expenses represent roughly 19% of these expenses.

The County's business-type activities are supported primarily by charges for services (82%) as well as federal and state grants (10%). During fiscal year 2023, the majority of business-type activities' expenses were comprised of solid waste (36%), wholesale water expenses (30%), and retail water and wastewater expenses (25%).

## ***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, 2023, total assets were \$132,192,018 and total liabilities were \$54,107,391. At the end of fiscal year 2023, unassigned fund balance of the general fund was \$49,094,544 while total fund balance equaled \$76,965,152. Total assets of the general fund decreased \$10,710,495 from fiscal year 2023. The general fund supports the transportation fund annually, transferring funds for general operations.

During fiscal year 2023, general fund transferred \$16,163,870 to transportation. General fund's revenues, in line with County wide revenues, increased in fiscal year 2023 by \$47,512,770. A significant portion of this is represented by the increase in taxes levied and collected during the year (\$96 million collected in fiscal year 2023 versus \$83 million collected in fiscal year 2022). Also impactful during the year was a large increase in the amount of assistance provided to local citizens for housing needs. 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 in the wake of Hurricane Michael. The funds can also be used to rehabilitate homes and prevent eviction or foreclosure for those eligible, amongst other strategies. During fiscal year 2023, approximately \$14 million was utilized from this program to directly meet those needs, a 69% increase over the prior year. Although every dollar spent through this program is vital to our community, the most notable use of these funds during the year was their contribution towards low-income housing developments along with new partnerships with third party non-profits seeking to assist those in need in a more broad-reaching manner. This specific program is coming to the end of its performance period during the next fiscal year. Any unspent funds will be encumbered over a three-year period and used to their maximum potential as the program winds down.

Each Constitutional Officer remitted excess fees to the County in fiscal year 2023, 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 \$7,057,646 in fiscal year 2023, not including other financing sources. During the year, the County brought several projects to a close, such as the Magnolia Beach Road Multi-Use Path, the stabilization of Nehi Road, various roadway rehabilitation projects, and the Titus Road and State Road 390 Connector Road. Several notable projects were ongoing at year end, including: the paving of County Line Road and Linger Longer Road, construction of CR30 Front Beach Road Sidewalks, construction of the new intersection at CR2321 and Titus Road, and construction of phase III of Philip Griffiths Parkway. 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. Several of these projects have been made possible by the half-cent sales tax passed by voters in fiscal year 2017, which is strictly to be used on betterments to transportation in Bay County. The County continues to

monitor and prioritize areas in need of improvement as it progresses on previously approved projects. In total, the County estimated an amount in excess of \$100 million required for necessary improvements and has plans to address these needs by 2026, when the tax is scheduled to sunset (unless reapproved by voters). A Citizen Oversight Committee ensures that these tax dollars are spent appropriately. For more detailed information on these projects, you can visit [www.bayhalfcent.com](http://www.bayhalfcent.com).

### **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 by 11% in fiscal year 2023. In comparison to fiscal year 2022, Tourist Development tax revenue remained relatively constant during fiscal year 2023. The Publix Sports Park continued to host several tournaments and other sporting events that aided in bringing new and returning visitors to the area. 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 is housed in a separate governmental fund so that it is not commingled with normal County operations. 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 87% of its revenues in 2023. The fund had an increase in fund balance of approximately 19% 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>2023</b>		<b>2022</b>	
		<b>Unrestricted Net Position</b>		<b>Unrestricted Net Position</b>
Wholesale Water System	\$	25,935,718	\$	22,007,831
Retail Water and Wastewater		26,423,693		21,506,063
Solid Waste Fund		(7,034,749)		(7,648,926)
Building Safety		7,665,073		9,204,284
<b>Total</b>	\$	<b>52,989,735</b>	\$	<b>45,069,252</b>

The *wholesale water system fund* is used to account for the operations of the County’s wholesale water system. Connection 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 increased \$1,244,014 over fiscal year 2022. Total operating expenditures decreased from fiscal

year 2022 to fiscal year 2023 in the amount of \$297,338. New construction continued to flourish in fiscal year 2023, especially for prominent developers installing complete neighborhoods. Factors such as this along with continued rehabilitation and replacement of capital assets helped the fund continue to grow, seeing an overall net position increase of \$3,927,887.

The County's *solid waste fund* accounts for the operations and maintenance of the County's landfill. In fiscal year 2023, \$9,184,905 was generated by charges for services; this represents a decrease of \$2,361 from the prior year, though overall, revenues are relatively stable. As required by the Department of Environmental Protection, the County has set aside, as of the end of the current fiscal year, \$8,950,080 for closure costs of its landfill. As of September 30, 2023, the County has accrued a total liability for landfill closure and post closure care of \$11,537,275. The fund's total net position was a deficit of \$1,178,350, a decrease of approximately 115%. This decrease reflects the impacts of the loss the fund took when disposing of capital assets no longer used in operations as a result of the closure of the Incinerator Facility.

### ***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, 2023, was \$554,533,950 (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 was completed on the Bay County Skate Park with total final project costs of \$2,408,856.
- The Econfina Creek Raw Water Pump Station project was completed during the year, with total final project costs of \$1,129,672.
- The Highway 231 Water Main project was completed with total final project costs of \$2,902,344.

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

September 30,	Governmental Activities		Business-type Activities		Total	
	2023	2022 (as restated)	2023	2022	2023	2022 (as restated)
Land	\$ 26,678,871	\$ 21,010,594	\$ 6,540,146	\$ 6,356,111	\$ 33,219,017	\$ 27,375,705
Construction in progress	33,903,697	15,790,858	12,214,026	3,726,178	46,117,723	24,684,110
Books	766,819	805,622	-	-	766,819	805,622
Buildings and improvements	169,944,005	161,387,935	12,448,307	13,069,279	182,392,312	174,457,214
Furniture and equipment	26,118,682	24,978,675	5,933,569	6,129,659	32,052,251	31,108,334
Infrastructure	159,346,603	143,199,241	98,024,041	106,761,364	257,370,644	249,960,605
Right-to-use assets	2,615,184	2,778,425	-	-	2,615,184	2,778,425
<b>Total</b>	<b>\$ 419,373,861</b>	<b>\$ 375,118,424</b>	<b>\$ 135,160,089</b>	<b>\$ 136,051,591</b>	<b>\$ 554,533,950</b>	<b>\$ 511,170,015</b>

Additional information on the County's capital assets can be found in Note 4 – Detailed Notes on all Funds, 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 \$85,478,879. This debt amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**Outstanding Bonded Debt**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue Bonds	\$21,801,000	\$72,176,337	\$63,677,879	\$70,325,630	\$85,478,879	\$142,501,967

The County’s total bonded debt outstanding decreased by \$57,023,088 during the fiscal year ended September 30, 2023. This decrease is representative of a refinance that restructured a portion of the County’s Hurricane Michael relief debt as well as regularly 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 Note 4 of the notes to basic financial statements.

***OTHER FINANCIAL INFORMATION***

- Taxable assessed property values continue to grow, increasing approximately 18% over fiscal year 2022. Over the past five years, values have risen by approximately 61%.
- As of fiscal year 2023, the County’s general millage rate has remained stable for seven years at 4.4362 mills.
- The County’s unemployment rate dropped significantly from 4.0% to 2.7% during the year while the estimated population continues to grow.
- In fiscal year 2023, half-cent sales tax distributions to Bay County were \$20,305,142 which was an increase of 13.64% over the prior year. Inflation and population growth are two likely causes of this increase.

The County continuously looks for opportunities to combat economic pressures with the strategic use of intergovernmental revenue sources, such as grant funding from State and Federal agencies. The County continues to progress on projects with the use of American Rescue Plan Act (ARPA) funding, with fund obligations of approximately \$20.7 million out of the \$33.9 million received. Some of the many projects made possible by ARPA funding this fiscal year include the following: the purchase of a new fire truck and two new ambulances, restoring County parks, facility repairs, and water infrastructure improvements. During the year, the County also progressed on the Water and Wastewater Utility System Hydraulic Modeling project, which will assist the County in making informed decisions by being able to analyze detailed and measurable data related to specific scenarios system wide.

Looking towards the future, The County is visibly progressing on the Southport Sports Complex, as design continued throughout the year and construction activities were beginning to ramp up near year end. Northern Bay County residents are highly anticipating the opening of this new park as residential neighborhoods and developments have seen an uptick since the construction of the airport several years ago and existing area sports fields are becoming overfilled quickly. The County anticipates the completion of the new Juvenile Justice Courthouse facility in fiscal year 2024 along with the completion of the main Courthouse's renovations and repairs. The County also anticipates making a push to pay off the remaining Hurricane Michael relief debt as quickly as possible. It is anticipated that approximately \$50 million will be paid off during fiscal year 2024. The County received a total of \$300 million in financing related to Hurricane Michael and has paid off \$150 million through fiscal year end 2023. In total, it is estimated that there was approximately \$388 million in damages caused by Hurricane Michael with direct impact on the County government. To date, documented expenses total \$358 million; reimbursement requests have been submitted for \$282 million of these damages, combined with \$40 million in insurance coverage. Efforts to collect every dollar possible are ongoing through the County's disaster recovery consultant.

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.

# BASIC FINANCIAL STATEMENTS



Bay County, Florida  
Statement of Net Position

<i>September 30, 2023</i>	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,649,746	\$ 596,541	\$ 15,246,287	\$ 5,947,083
Investments	171,564,257	52,269,241	223,833,498	2,219,252
Accounts receivable, net	18,177,456	4,121,505	22,298,961	252,879
Lease receivable	878,862	-	878,862	-
Special assessments receivable	71,666	-	71,666	-
Accrued interest receivable	555,281	170,864	726,145	-
Due from other governments	59,570,524	1,832,090	61,402,614	1,298,911
Due from primary government	-	-	-	2,246,829
Due from component units	350,062	-	350,062	-
Prepaid items	23,746,952	130,212	23,877,164	896,381
Inventory	-	748,042	748,042	19,163
Other postemployment assets	-	-	-	2,221
Notes receivable	-	1,707,903	1,707,903	-
Investment in joint venture	-	7,923,071	7,923,071	-
Restricted assets				
Cash and cash equivalents	1,179,886	490,064	1,669,950	786
Investments	104,343,670	39,890,693	144,234,363	69,523
Capital assets				
Nondepreciable	60,582,568	18,754,172	79,336,740	993,170
Depreciable, net	356,176,109	116,405,917	472,582,026	10,056,792
Right-to-use lease assets, net	1,238,887	-	1,238,887	259,125
Right-to-use subscription assets, net	1,376,297	-	1,376,297	26,307
<b>Total assets</b>	<b>814,462,223</b>	<b>245,040,315</b>	<b>1,059,502,538</b>	<b>24,288,422</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refunding	1,310,556	-	1,310,556	-
Deferred outflows related to OPEB	483,391	43,836	527,227	2,748
Deferred outflows related to pension	29,131,760	1,448,131	30,579,891	-
<b>Total deferred outflows of resources</b>	<b>30,925,707</b>	<b>1,491,967</b>	<b>32,417,674</b>	<b>2,748</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	25,615,718	4,173,896	29,789,614	3,103,545
Internal balances	(2,432,067)	2,432,067	-	-
Due to other governments	6,196,110	81,349	6,277,459	-
Due to primary government	-	-	-	350,062
Due to component units	2,246,829	-	2,246,829	-
Unearned revenues	36,720,644	2,398,186	39,118,830	879,499
Accrued interest payable	626,580	290,050	916,630	3,809
Advances	1,207,536	-	1,207,536	-
Customer deposits	19,310	1,869,191	1,888,501	-
Long-term liabilities				
Due within one year				
Estimated liability for self insured losses	884,010	-	884,010	-
Accrued compensated absences	2,591,482	241,960	2,833,442	46,967
Other postemployment benefits	438,417	16,110	454,527	-
Notes payable	112,061,303	1,641,092	113,702,395	-
Finance purchase liability	575,396	14,113	589,509	-
Subscription liability	656,149	-	656,149	76,384
Lease liability	334,362	-	334,362	3,344
Bonds payable	1,540,000	3,772,000	5,312,000	-
Due in more than one year				
Estimated liability for self insured losses	3,232,898	-	3,232,898	-
Accrued compensated absences	4,073,571	350,458	4,424,029	17,966
Other postemployment benefits	11,763,501	651,036	12,414,537	-
Net pension liability	126,080,820	6,806,491	132,887,311	-
Notes payable	131,059,358	13,662,194	144,721,552	1,239,445
Finance purchase liability	2,073,264	18,312	2,091,576	-
Subscription liability	680,267	-	680,267	194,371
Lease liability	1,001,591	-	1,001,591	23,665
Bonds payable	20,261,000	59,905,879	80,166,879	-
Landfill postclosure liability	-	11,537,275	11,537,275	-
<b>Total liabilities</b>	<b>489,508,049</b>	<b>109,861,659</b>	<b>599,369,708</b>	<b>5,939,057</b>

Continued

Bay County, Florida  
Statement of Net Position (Continued)

<i>September 30, 2023</i>	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred gain on refunding	\$ -	\$ 745,363	\$ 745,363	\$ -
Deferred inflows-lease revenue	816,694	-	816,694	-
Deferred inflows related to pension	7,068,590	208,816	7,277,406	-
Deferred inflows related to OPEB	7,333,078	762,775	8,095,853	42,205
<hr/>				
Total deferred inflows of resources	15,218,362	1,716,954	16,935,316	42,205
<b>NET POSITION</b>				
Net investment in capital assets	153,393,159	56,875,136	210,268,295	9,798,185
Restricted for				
Debt service	61,088,637	7,496,669	68,585,306	70,309
Impact fees	4,588,886	17,592,129	22,181,015	-
General government	3,664,213	-	3,664,213	-
Public safety	13,190,197	-	13,190,197	-
Court function	3,213,934	-	3,213,934	-
Transportation	46,001,592	-	46,001,592	-
Recreation	1,068,625	-	1,068,625	-
Economic environment	72,323,052	-	72,323,052	-
Physical environment	12,173,737	-	12,173,737	-
Unrestricted (deficit)	(30,044,513)	52,989,735	22,945,222	8,441,414
<hr/>				
Total net position	\$ 340,661,519	\$ 134,953,669	\$ 475,615,188	\$ 18,309,908

For the year ended September 30, 2023

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities				
General government	\$ 68,467,815	\$ 26,993,774	\$ 30,448,424	\$ 10,097,874
Public safety	97,335,805	4,518,082	19,585,960	450,047
Physical environment	2,179,996	55,802	121,426	270,444
Transportation	44,868,091	5,610,467	589,833	2,668,999
Economic environment	56,338,868	2,637,326	13,876,592	3,728,923
Human services	19,912,173	16,823,078	78,579	-
Culture and recreation	9,631,733	-	-	972,064
Interest on long-term debt	4,041,923	-	-	-
<b>Total governmental activities</b>	<b>302,776,404</b>	<b>56,638,529</b>	<b>64,700,814</b>	<b>18,188,351</b>
Business-type activities				
Wholesale water system	17,511,086	18,904,013	332,850	1,980,542
Retail water and wastewater	14,554,797	15,199,583	337,638	2,716,393
Solid waste	20,698,301	9,184,905	3,548	-
Building services	4,839,862	2,673,477	-	-
<b>Total business-type activities</b>	<b>57,604,046</b>	<b>45,961,978</b>	<b>674,036</b>	<b>4,696,935</b>
<b>Total primary government</b>	<b>\$ 360,380,450</b>	<b>\$ 102,600,507</b>	<b>\$ 65,374,850</b>	<b>\$ 22,885,286</b>
<b>Component Units</b>	<b>\$ 27,895,946</b>	<b>\$ 23,894,120</b>	<b>\$ 6,472,025</b>	<b>\$ -</b>

General revenues

Property taxes, levied for general purposes  
Sales taxes  
State shared revenues - unrestricted  
Investment earnings  
Miscellaneous  
Total general revenues

Transfers, net

Total general revenues and transfers

Change in net position

Net position - beginning

Prior period adjustment

Net position, beginning of year as restated

Net position, end of year

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

Bay County, Florida  
Statement of Activities

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (927,743)	\$ -	\$ (927,743)	\$ -
(72,781,716)	-	(72,781,716)	-
(1,732,324)	-	(1,732,324)	-
(35,998,792)	-	(35,998,792)	-
(36,096,027)	-	(36,096,027)	-
(3,010,516)	-	(3,010,516)	-
(8,659,669)	-	(8,659,669)	-
(4,041,923)	-	(4,041,923)	-
(163,248,710)	-	(163,248,710)	-
-	3,706,319	3,706,319	-
-	3,698,817	3,698,817	-
-	(11,509,848)	(11,509,848)	-
-	(2,166,385)	(2,166,385)	-
-	(6,271,097)	(6,271,097)	-
(163,248,710)	(6,271,097)	(169,519,807)	-
-	-	-	2,470,199
110,406,779	-	110,406,779	-
89,746,332	1,700	89,748,032	-
7,050,330	-	7,050,330	-
13,256,949	3,885,256	17,142,205	66,595
3,782,730	812,669	4,595,399	15,046
224,243,120	4,699,625	228,942,745	81,641
(13,566,692)	13,566,692	-	-
210,676,428	18,266,317	228,942,745	81,641
47,427,718	11,995,220	59,422,938	2,551,840
288,066,725	122,958,449	411,025,174	16,208,173
5,167,076	-	5,167,076	-
293,233,801	122,958,449	416,192,250	16,208,173
\$ 340,661,519	\$ 134,953,669	\$ 475,615,188	\$ 18,760,013

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

Bay County, Florida  
Balance Sheet  
Governmental Funds

<i>September 30, 2023</i>	General	Tourist Development	Transportation	Hurricane Michael	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6,885,804	\$ 754,092	\$ 401,934	\$ -	\$ 6,492,491	\$ 14,534,321
Accounts receivable, net	11,788,694	3,028,677	5,243	-	3,195,555	18,018,169
Leases receivable	528,410	-	-	-	350,452	878,862
Special assessments receivable	71,666	-	-	-	-	71,666
Accrued interest receivable	211,293	126,298	71,444	103,981	25,456	538,472
Investments	51,902,782	66,688,428	35,545,152	-	7,642,040	161,778,402
Due from other funds	10,286,094	536,082	468,120	-	461,084	11,751,380
Due from other governments	5,305,326	4,068,649	7,603,867	41,962,101	627,725	59,567,668
Advances to other funds	1,231,923	-	-	-	-	1,231,923
Due from component units	-	350,000	-	-	-	350,000
Prepaid items	1,470,577	18,365,963	17,140	-	222,810	20,076,490
Restricted assets						
Cash and cash equivalents	475,309	15,847	-	653,965	34,765	1,179,886
Investments	42,034,140	1,401,421	-	57,833,643	3,074,466	104,343,670
<b>Total assets</b>	<b>\$ 132,192,018</b>	<b>\$ 95,335,457</b>	<b>\$ 44,112,900</b>	<b>\$ 100,553,690</b>	<b>\$ 22,126,844</b>	<b>\$ 394,320,909</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 11,399,752	\$ 982,369	\$ 2,527,563	\$ 7,877,387	\$ 2,083,492	\$ 24,870,563
Unearned revenues	36,505,352	-	-	215,274	18	36,720,644
Due to other funds	2,794,319	-	76,736	2,298,291	7,539	5,176,885
Advances from other funds	-	-	-	-	1,293,189	1,293,189
Due to other governments	2,181,150	5,368	-	4,009,592	-	6,196,110
Due to component units	-	2,246,829	-	-	-	2,246,829
Advances	1,207,536	-	-	-	-	1,207,536
Customer deposits	19,282	-	28	-	-	19,310
<b>Total liabilities</b>	<b>54,107,391</b>	<b>3,234,566</b>	<b>2,604,327</b>	<b>14,400,544</b>	<b>3,384,238</b>	<b>77,731,066</b>
<b>Deferred inflows of resources</b>						
Deferred revenue-lease revenue	506,607	-	-	-	310,087	816,694
Unavailable revenue - other receivables	612,868	-	-	-	-	612,868
<b>Total deferred inflows of resources</b>	<b>1,119,475</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>310,087</b>	<b>1,429,562</b>
<b>Fund balances</b>						
Nonspendable	2,702,500	18,365,963	17,140	-	222,810	21,308,413
Restricted	13,275,843	73,734,582	31,646,858	86,153,146	17,615,366	222,425,795
Assigned	11,892,265	346	9,844,575	-	594,343	22,331,529
Unassigned	49,094,544	-	-	-	-	49,094,544
<b>Total fund balances</b>	<b>76,965,152</b>	<b>92,100,891</b>	<b>41,508,573</b>	<b>86,153,146</b>	<b>18,432,519</b>	<b>315,160,281</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 132,192,018</b>	<b>\$ 95,335,457</b>	<b>\$ 44,112,900</b>	<b>\$ 100,553,690</b>	<b>\$ 22,126,844</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.						418,263,227
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.						2,476,791
Deferred outflows and deferred inflows, excluding deferred inflows-lease revenue are not financial statement resources or liabilities and therefore are not reported in the funds.						16,574,692
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when paid.						(624,705)
Revenues not available for use in the current fiscal year deferred until future periods on the governmental funds balance sheet						612,868
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.						(411,801,635)
<b>Net position of governmental activities</b>						<b>\$ 340,661,519</b>

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

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

<i>For the year ended September 30, 2023</i>	General	Tourist Development	Transportation	Hurricane Michael	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 96,634,063	\$ 39,792,485	\$ 25,836,242	\$ -	\$ 13,772,716	\$ 176,035,506
Licenses and permits	6,535	-	-	-	-	6,535
Intergovernmental	61,443,380	4,111,172	6,819,407	30,104,012	973,660	103,451,631
Charges for services	21,585,851	1,714,684	2,945,510	-	10,317,801	36,563,846
Fines and forfeitures	1,471,547	-	-	-	-	1,471,547
Special assessments	16,726,499	-	-	-	-	16,726,499
Investment earnings	5,347,008	2,819,965	1,570,238	2,537,155	647,204	12,921,570
Contributions and donations	9,527,336	-	803,234	-	114,451	10,445,021
Miscellaneous	4,081,685	276,519	46,580	-	341,552	4,746,336
<b>Total revenues</b>	<b>216,823,904</b>	<b>48,714,825</b>	<b>38,021,211</b>	<b>32,641,167</b>	<b>26,167,384</b>	<b>362,368,491</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
General government	23,735,741	-	-	4,735,985	4,583,208	33,054,934
Public safety	85,225,389	-	-	341,710	15,894,664	101,461,763
Physical environment	759,151	-	727,170	301,932	-	1,788,253
Transportation	129,180	-	33,827,363	1,556,997	-	35,513,540
Economic environment	18,968,432	33,990,367	-	-	-	52,958,799
Human services	18,507,675	-	-	-	1,586,281	20,093,956
Culture and recreation	7,156,690	-	-	415,498	-	7,572,188
<b>Capital outlay</b>						
General government	11,613,688	-	-	673,127	1,414	12,288,229
Public safety	7,227,910	-	-	1,096,207	727,291	9,051,408
Physical environment	4,708,488	-	-	12,144,034	-	16,852,522
Transportation	9,471	-	10,274,441	19,743,908	-	30,027,820
Economic environment	8,745,887	3,084,894	-	-	-	11,830,781
Human services	-	-	-	-	84,352	84,352
Culture and recreation	1,644,413	-	-	66,097	-	1,710,510
<b>Debt service</b>						
Principal	6,961,557	2,245,359	68,338	-	2,659,385	11,934,639
Interest and fiscal charges	2,538,897	593,307	455,252	-	354,428	3,941,884
Bond issuance costs	102,281	-	-	-	-	102,281
<b>Total expenditures</b>	<b>198,034,850</b>	<b>39,913,927</b>	<b>45,352,564</b>	<b>41,075,495</b>	<b>25,891,023</b>	<b>350,267,859</b>
Excess (deficit) of revenues over (under) expenditures	18,789,054	8,800,898	(7,331,353)	(8,434,328)	276,361	12,100,632
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	36,595	-	16,163,870	350,071	1,277,568	17,828,104
Transfers out	(19,448,671)	-	-	-	(379,433)	(19,828,104)
Issuance of debt	3,578,876	1,420	241,407	-	14,558	3,836,261
Issuance of refunding debt	-	-	-	48,874,337	-	48,874,337
Payment to refunded bond escrow agent	-	-	-	(48,874,337)	-	(48,874,337)
Proceeds from sales of capital assets	70,604	-	32,300	-	88,882	191,786
<b>Total other financing sources (uses)</b>	<b>(15,762,596)</b>	<b>1,420</b>	<b>16,437,577</b>	<b>350,071</b>	<b>1,001,575</b>	<b>2,028,047</b>
<b>Net change in fund balance</b>	<b>3,026,458</b>	<b>8,802,318</b>	<b>9,106,224</b>	<b>(8,084,257)</b>	<b>1,277,936</b>	<b>14,128,679</b>
Fund balance - beginning	73,938,694	83,298,573	32,402,349	94,237,403	17,154,583	301,031,602
<b>Fund balance - ending</b>	<b>\$ 76,965,152</b>	<b>\$ 92,100,891</b>	<b>\$ 41,508,573</b>	<b>\$ 86,153,146</b>	<b>\$ 18,432,519</b>	<b>\$ 315,160,281</b>

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, 2023

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)	\$ 14,128,679
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 or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.	53,996,210
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, impairments, and donations) is an increase net position.	1,521,209
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.	(17,672,683)
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.	(29,935)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(782,232)
Capital contributions of capital assets from governmental activities to proprietary funds do not require the use of current financial resources and do not impact net position.	(11,675,657)
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.	7,942,127
Change in net position of governmental activities (page B-21)	\$ 47,427,718

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

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
<b>REVENUES</b>				
Taxes	\$ 94,559,445	\$ 96,489,445	\$ 96,634,063	\$ 144,618
Licenses and permits	3,000	3,000	6,535	3,535
Intergovernmental	30,674,933	38,302,883	37,325,828	(977,055)
Charges for services	21,811,044	22,506,570	21,523,547	(983,023)
Fines and forfeitures	325,000	717,000	1,471,547	754,547
Special assessments	-	13,015,960	16,670,697	3,654,737
Investment earnings	100,000	100,000	3,362,413	3,262,413
Contributions and donations	877,274	9,715,973	9,527,336	(188,637)
Miscellaneous	2,926,040	2,923,723	4,081,624	1,157,901
<b>Total revenues</b>	<b>151,276,736</b>	<b>183,774,554</b>	<b>190,603,590</b>	<b>6,829,036</b>
<b>EXPENDITURES</b>				
Current				
General government	32,576,522	48,264,632	24,029,972	24,234,660
Public safety	82,278,533	84,469,948	82,704,333	1,765,615
Physical environment	480,441	780,906	672,278	108,628
Economic environment	2,915,894	7,674,530	3,434,086	4,240,444
Human services	5,077,771	18,152,823	18,126,770	26,053
Culture and recreation	8,713,913	19,067,700	7,137,960	11,929,740
Capital outlay				
General government	709,646	986,841	10,953,151	(9,966,310)
Public safety	2,768,177	5,416,775	5,533,974	(117,199)
Economic environment	-	8,762,374	8,745,887	16,487
Culture and recreation	270,500	1,830,692	1,372,916	457,776
Debt service				
Principal	6,179,176	6,333,176	6,920,117	(586,941)
Interest and fiscal charges	2,177,090	2,287,810	2,536,509	(248,699)
Bond issuance costs	-	-	102,281	(102,281)
<b>Total expenditures</b>	<b>144,147,663</b>	<b>204,028,207</b>	<b>172,270,234</b>	<b>31,757,973</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>7,129,073</b>	<b>(20,253,653)</b>	<b>18,333,356</b>	<b>38,587,009</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	195,468	-	(195,468)
Transfers out	(17,441,438)	(19,441,438)	(19,370,569)	70,869
Issuance of debt	-	2,150,000	3,575,301	1,425,301
Proceeds from sales of capital assets	-	-	70,604	70,604
<b>Total other financing sources (uses)</b>	<b>(17,441,438)</b>	<b>(17,095,970)</b>	<b>(15,724,664)</b>	<b>1,371,306</b>
<b>Net change in fund balance</b>	<b>\$ (10,312,365)</b>	<b>\$ (37,349,623)</b>	<b>2,608,692</b>	<b>\$ 39,958,315</b>
Fund balance - beginning			<u>75,313,949</u>	
Fund balance - ending			<u>\$ 77,922,641</u>	

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

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 34,619,823	\$ 34,619,823	\$ 39,792,485	\$ 5,172,662
Intergovernmental	1,647,534	1,776,834	4,111,172	2,334,338
Charges for services	-	-	1,714,684	1,714,684
Investment earnings	225,500	225,500	2,819,965	2,594,465
Miscellaneous	224,034	224,034	276,519	52,485
Total revenues	36,716,891	36,846,191	48,714,825	11,868,634
<b>EXPENDITURES</b>				
Current				
Economic environment	39,425,366	53,104,373	33,990,367	19,114,006
Capital outlay				
Economic environment	-	23,084,773	3,084,894	19,999,879
Debt service				
Principal	2,240,000	2,240,000	2,245,359	(5,359)
Interest and fiscal charges	592,990	592,990	593,307	(317)
Total expenditures	42,258,356	79,022,136	39,913,927	39,108,209
Excess (deficit) of revenues over (under) expenditures	(5,541,465)	(42,175,945)	8,800,898	50,976,843
<b>OTHER FINANCING SOURCES</b>				
Issuance of debt	-	-	1,420	1,420
Total other financing sources	-	-	1,420	1,420
Net change in fund balance	\$ (5,541,465)	\$ (42,175,945)	8,802,318	\$ 50,978,263
Fund balance - beginning			83,298,573	
Fund balance - ending			\$ 92,100,891	

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

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 22,609,168	\$ 22,609,168	\$ 25,836,242	\$ 3,227,074
Intergovernmental	14,589,040	15,361,261	6,819,407	(8,541,854)
Charges for services	2,764,200	2,764,200	2,945,510	181,310
Investment earnings	101,480	108,750	1,570,238	1,461,488
Contributions and donations	500,000	680,000	803,234	123,234
Miscellaneous	-	11,538	46,580	35,042
Total revenues	40,563,888	41,534,917	38,021,211	(3,513,706)
<b>EXPENDITURES</b>				
Current				
Physical environment	3,908,157	2,353,519	727,170	1,626,349
Transportation	59,484,346	38,905,994	33,827,363	5,078,631
Capital outlay				
Transportation	-	30,009,611	10,274,441	19,735,170
Debt service				
Principal	-	-	68,338	(68,338)
Interest and fiscal charges	397,881	463,601	455,252	8,349
Total expenditures	63,790,384	71,732,725	45,352,564	26,380,161
Excess (deficit) of revenues over (under) expenditures	(23,226,496)	(30,197,808)	(7,331,353)	22,866,455
<b>OTHER FINANCING SOURCES</b>				
Transfers in	16,167,388	16,163,870	16,163,870	-
Issuance of debt	-	-	241,407	241,407
Proceeds from sales of capital assets	-	-	32,300	32,300
Total other financing sources	16,167,388	16,163,870	16,437,577	273,707
Net change in fund balance	\$ (7,059,108)	\$ (14,033,938)	9,106,224	\$ 23,140,162
Fund balance - beginning			32,402,349	
Fund balance - ending			\$ 41,508,573	

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

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 11,022,955	\$ 30,104,012	\$ 19,081,057
Investment earnings	-	2,103,587	2,537,155	433,568
<b>Total revenues</b>	<b>-</b>	<b>13,126,542</b>	<b>32,641,167</b>	<b>19,514,625</b>
<b>EXPENDITURES</b>				
Current				
General government	-	3,145,046	4,735,985	(1,590,939)
Public safety	-	-	341,710	(341,710)
Physical environment	-	26,561	301,932	(275,371)
Transportation	-	-	1,556,997	(1,556,997)
Culture and recreation	-	-	415,498	(415,498)
Capital outlay				
General government	-	361,959	673,127	(311,168)
Public safety	-	1,374,489	1,096,207	278,282
Physical environment	-	10,634,118	12,144,034	(1,509,916)
Transportation	-	20,169,986	19,743,908	426,078
Culture and recreation	-	399,121	66,097	333,024
<b>Total expenditures</b>	<b>-</b>	<b>36,111,280</b>	<b>41,075,495</b>	<b>(4,964,215)</b>
Excess (deficit) of revenues over (under) expenditures	-	(22,984,738)	(8,434,328)	14,550,410
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	350,071	350,071
Issuance of refunding debt	-	-	48,874,337	48,874,337
Payment to refunded bond escrow agent	-	-	(48,874,337)	(48,874,337)
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>350,071</b>	<b>350,071</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (22,984,738)</b>	<b>(8,084,257)</b>	<b>\$ 14,900,481</b>
Fund balance - beginning			94,237,403	
Fund balance - ending			\$ 86,153,146	

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

Bay County, Florida  
Statement of Net Position  
Proprietary Funds

<i>September 30, 2023</i>	Business-type Activities Enterprise Funds					Governmental
	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Safety	Total	Activities Internal Service Funds
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	\$ 271,207	\$ 205,328	\$ 1,500	\$ 118,506	\$ 596,541	\$ 115,425
Accounts receivable, net	1,470,484	1,364,249	886,940	7,876	3,729,549	159,287
Unbilled receivable	-	391,956	-	-	391,956	-
Accrued interest receivable	84,844	55,025	10,122	20,873	170,864	16,809
Due from component units	-	-	-	-	-	62
Prepaid items	459	2,196	1,859	125,698	130,212	3,670,462
Investments	23,984,295	17,849,078	-	10,435,868	52,269,241	9,785,855
Inventory	501,782	246,260	-	-	748,042	-
Due from other funds	500,958	547,674	2,188,739	12,184	3,249,555	126,696
Due from other governments	113,734	1,718,356	-	-	1,832,090	2,856
<b>Total current assets</b>	<b>26,927,763</b>	<b>22,380,122</b>	<b>3,089,160</b>	<b>10,721,005</b>	<b>63,118,050</b>	<b>13,877,452</b>
Noncurrent assets						
Restricted assets						
Cash and cash equivalents	220,029	126,545	142,042	1,448	490,064	-
Investments	19,458,313	11,191,102	9,113,193	128,085	39,890,693	-
Notes receivable	-	1,707,903	-	-	1,707,903	-
Advances to other funds	-	-	-	61,266	61,266	-
Investment in joint venture	-	7,923,071	-	-	7,923,071	-
Capital assets						
Land	360,154	4,790,073	1,389,919	-	6,540,146	-
Construction in progress	9,757,757	2,456,269	-	-	12,214,026	8,678
Buildings	5,828,842	58,530	6,493,392	-	12,380,764	516,699
Improvements	3,828,732	527,543	97,633	-	4,453,908	222,946
Furniture and equipment	4,733,451	2,470,526	6,209,721	1,079,360	14,493,058	1,235,067
Infrastructure	124,191,563	42,562,010	26,115,519	-	192,869,092	-
Less: accumulated depreciation	(63,102,460)	(28,286,473)	(15,878,173)	(523,799)	(107,790,905)	(1,158,578)
Right-to-use subscription assets, net	-	-	-	-	-	285,822
<b>Total capital assets, net</b>	<b>85,598,039</b>	<b>24,578,478</b>	<b>24,428,011</b>	<b>555,561</b>	<b>135,160,089</b>	<b>1,110,634</b>
<b>Total noncurrent assets</b>	<b>105,276,381</b>	<b>45,527,099</b>	<b>33,683,246</b>	<b>746,360</b>	<b>185,233,086</b>	<b>1,110,634</b>
<b>Total assets</b>	<b>132,204,144</b>	<b>67,907,221</b>	<b>36,772,406</b>	<b>11,467,365</b>	<b>248,351,136</b>	<b>14,988,086</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to OPEB	10,795	15,601	10,018	7,422	43,836	17,208
Deferred outflows related to pension	379,047	509,825	289,801	269,458	1,448,131	452,250
<b>Total deferred outflows of resources</b>	<b>389,842</b>	<b>525,426</b>	<b>299,819</b>	<b>276,880</b>	<b>1,491,967</b>	<b>469,458</b>

Continued

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

September 30, 2023	Business-type Activities Enterprise Funds					Governmental
	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Safety	Total	Activities Internal Service Funds
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Accounts payable and accrued liabilities	\$ 1,378,300	\$ 1,116,616	\$ 227,667	\$ 1,451,313	\$ 4,173,896	\$ 745,155
Due to other funds	3,576	114,953	5,560,505	63,854	5,742,888	4,207,858
Due to other governments	-	61,703	-	19,646	81,349	-
Accrued interest payable	144,467	85,886	59,578	119	290,050	1,875
Estimated liability for self insured losses, current	-	-	-	-	-	884,010
Compensated absences	42,095	90,480	55,556	53,829	241,960	117,299
Current portion of other postemployment benefits	3,254	6,960	3,540	2,356	16,110	6,866
Current portion of finance purchase liability	3,821	4,774	2,282	3,236	14,113	14,491
Current portion of subscription liability	-	-	-	-	-	90,304
Notes payable, current	1,151,641	489,451	-	-	1,641,092	-
Bonds payable, current	2,160,000	730,000	882,000	-	3,772,000	-
Total current liabilities	4,887,154	2,700,823	6,791,128	1,594,353	15,973,458	6,067,858
<b>Noncurrent liabilities</b>						
Estimated liability for self insured losses, net	-	-	-	-	-	3,232,898
Customer deposits	-	1,536,022	203,636	129,533	1,869,191	-
Unearned revenue	-	2,398,186	-	-	2,398,186	-
Compensated absences	66,215	138,957	71,078	74,208	350,458	191,294
Other postemployment benefits	209,865	129,250	153,247	158,674	651,036	97,999
Net pension liability	1,469,264	2,437,215	1,468,007	1,432,005	6,806,491	2,645,174
Finance purchase liability due after one year	3,817	7,981	2,027	4,487	18,312	22,822
Subscription liability due after one year	-	-	-	-	-	202,597
Notes payable, net	12,443,740	1,218,454	-	-	13,662,194	-
Bonds payable, net	18,542,337	23,570,542	17,793,000	-	59,905,879	-
Landfill postclosure liability	-	-	11,537,275	-	11,537,275	-
Total noncurrent liabilities	32,735,238	31,436,607	31,228,270	1,798,907	97,199,022	6,392,784
Total liabilities	37,622,392	34,137,430	38,019,398	3,393,260	113,172,480	12,460,642
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred gain on refunding	549,604	195,759	-	-	745,363	-
Deferred inflows related to pension	93,009	65,901	56,896	(6,990)	208,816	168,368
Deferred inflows related to OPEB	147,425	296,005	174,281	145,064	762,775	351,743
Total deferred inflows of resources	790,038	557,665	231,177	138,074	1,716,954	520,111
<b>NET POSITION</b>						
Net investment in capital assets	50,743,079	(164,483)	5,748,702	547,838	56,875,136	780,420
Restricted for						
Debt service	4,852,494	2,536,478	107,697	-	7,496,669	-
Impact fees	12,650,265	4,941,864	-	-	17,592,129	-
Unrestricted	25,935,718	26,423,693	(7,034,749)	7,665,073	52,989,735	1,696,371
Total net position (deficit)	\$ 94,181,556	\$ 33,737,552	\$ (1,178,350)	\$ 8,212,911	\$ 134,953,669	\$ 2,476,791

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

<i>For the year ended September 30, 2023</i>	Business-type Activities Enterprise Funds				Total	Governmental
	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Safety		Activities Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for services	\$ 18,904,013	\$ 15,199,583	\$ 9,184,905	\$ 2,673,477	\$ 45,961,978	\$ 15,151,580
Insurance proceeds	-	-	-	-	-	1,350
Miscellaneous	143,790	297,028	244,858	126,985	812,661	251,582
<b>Total operating revenues</b>	<b>19,047,803</b>	<b>15,496,611</b>	<b>9,429,763</b>	<b>2,800,462</b>	<b>46,774,639</b>	<b>15,404,512</b>
<b>OPERATING EXPENSES</b>						
Personal services	1,783,629	4,278,603	2,222,801	2,409,031	10,694,064	4,403,656
Contracted services	2,404,534	1,849,791	1,660,398	1,020,930	6,935,653	476,511
Repairs and maintenance	894,958	729,070	672,660	13,389	2,310,077	1,379,647
Utilities	3,014,915	345,665	18,950	-	3,379,530	427,565
Depreciation	4,890,041	1,699,369	2,789,267	155,761	9,534,438	203,423
Materials	-	-	-	-	-	2,592,530
Insurance claims	-	-	-	-	-	790,698
Other operating expenses	3,524,379	4,631,532	1,647,558	1,238,957	11,042,426	5,604,475
<b>Total operating expenses</b>	<b>16,512,456</b>	<b>13,534,030</b>	<b>9,011,634</b>	<b>4,838,068</b>	<b>43,896,188</b>	<b>15,878,505</b>
Operating income (loss)	2,535,347	1,962,581	418,129	(2,037,606)	2,878,451	(473,993)
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenues-grants	332,850	481,656	3,548	-	818,054	3,182
Investment earnings (loss)	1,768,158	1,452,790	196,350	467,958	3,885,256	336,592
Interest and fiscal charges	(998,628)	(1,020,767)	(780,307)	(1,791)	(2,801,493)	(4,684)
Taxes	-	-	1,700	-	1,700	-
Gain(Loss) on disposal of capital assets	-	-	(10,906,359)	5	(10,906,354)	-
<b>Total nonoperating revenues (expenses)</b>	<b>1,102,380</b>	<b>913,679</b>	<b>(11,485,068)</b>	<b>466,172</b>	<b>(9,002,837)</b>	<b>335,090</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>3,637,727</b>	<b>2,876,260</b>	<b>(11,066,939)</b>	<b>(1,571,434)</b>	<b>(6,124,386)</b>	<b>(138,903)</b>
Capital contributions	9,065,695	7,053,911	-	-	16,119,606	108,968
Transfers in	-	-	2,000,000	-	2,000,000	-
Change in net position	12,703,422	9,930,171	(9,066,939)	(1,571,434)	11,995,220	(29,935)
Net position, beginning of year	81,478,134	23,807,381	7,888,589	9,784,345	122,958,449	2,506,726
<b>Net position, end of year</b>	<b>\$ 94,181,556</b>	<b>\$ 33,737,552</b>	<b>\$ (1,178,350)</b>	<b>\$ 8,212,911</b>	<b>\$ 134,953,669</b>	<b>\$ 2,476,791</b>

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

Bay County, Florida  
Statement of Cash Flows  
Proprietary Funds

For the year ended September 30, 2023	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Safety	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 19,040,559	\$ 14,592,650	\$ 7,092,190	\$ 2,684,841	\$ 43,410,240	\$ 15,114,405
Cash received from miscellaneous operating activities	143,788	297,028	244,858	126,985	812,659	251,582
Cash paid to suppliers for goods and services	(9,286,249)	(7,118,625)	(2,020,478)	(1,214,025)	(19,639,377)	(11,772,372)
Cash paid to employees for services	(1,616,436)	(3,891,594)	(1,983,833)	(2,167,402)	(9,659,265)	(3,869,822)
Net cash provided by (used in) operating activities	8,281,662	3,879,459	3,332,737	(569,601)	14,924,257	(276,207)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	-	-	2,000,000	-	2,000,000	-
Advances to/from other funds - payments received from (made to) other funds	-	-	-	59,679	59,679	-
Taxes received	-	-	1,700	-	1,700	-
Contributions received	332,850	481,656	3,548	-	818,054	3,182
Net cash provided by (used in) noncapital financing activities	332,850	481,656	2,005,248	59,679	2,879,433	3,182
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Interest paid on long-term debt and subscription liabilities	(1,508,824)	(1,053,768)	(655,126)	(1,791)	(3,219,509)	(10,150)
Principal paid on long-term debt	(588,114)	(1,191,209)	(3,431,156)	(6,128)	(5,216,607)	(21,117)
Principal paid subscription liabilities	-	-	-	-	-	(48,804)
Proceeds from long-term debt	1,691	7,738	-	2,814	12,243	33,552
Capital contributions received	1,980,542	2,572,375	-	-	4,552,917	-
Bond issue costs	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	828,494	-	828,494	24,089
Acquisition of capital assets	(5,464,787)	(1,473,426)	(1,752,663)	(120,225)	(8,811,101)	(154,267)
Impairment of asset to Hurricane Michael Fund	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(5,579,492)	(1,138,290)	(5,010,451)	(125,330)	(11,853,563)	(176,697)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale and maturities of investment securities	46,384,957	28,388,834	10,507,678	13,383,207	98,664,676	12,343,117
Purchase of investments	(52,429,582)	(34,016,296)	(11,318,857)	(13,573,487)	(111,338,222)	(12,549,383)
Return of investment	-	53,200	-	-	53,200	-
Interest and dividends on investments	1,587,956	1,010,319	199,087	414,692	3,212,054	281,349
Collections on loans	-	472,301	-	-	472,301	-
Net cash provided by (used in) investing activities	(4,456,669)	(4,091,642)	(612,092)	224,412	(8,935,991)	75,083
Net change in cash and cash equivalents	(1,421,649)	(868,817)	(284,558)	(410,840)	(2,985,864)	(374,639)
Cash and cash equivalents - beginning	1,912,885	1,200,690	428,100	530,794	4,072,469	490,064
Cash and cash equivalents - ending	\$ 491,236	\$ 331,873	\$ 143,542	\$ 119,954	\$ 1,086,605	\$ 115,425
Classified as						
Current assets	\$ 271,207	\$ 205,328	\$ 1,500	\$ 118,506	\$ 596,541	\$ 115,425
Restricted assets	220,029	126,545	142,042	1,448	490,064	-
Total	\$ 491,236	\$ 331,873	\$ 143,542	\$ 119,954	\$ 1,086,605	\$ 115,425
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>						
Assets acquired via lease	\$ 1,691	\$ 7,738	-	\$ 2,814	\$ 12,243	\$ 33,552
Assets acquired via capital contributions	\$ 7,085,153	\$ 4,481,536	-	-	\$ 11,566,689	-
Assets acquired via subscription-based information technology arrangements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,621

Continued

Bay County, Florida  
Statement of Cash Flows (Continued)  
Proprietary Funds

<i>For the year ended September 30, 2023</i>	Business-type Activities Enterprise Funds				Total	Governmental
	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Safety		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)	\$ 2,535,347	\$ 1,962,581	\$ 418,129	\$ (2,037,606)	\$ 2,878,451	\$ (473,993)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	4,890,041	1,699,369	2,789,267	155,761	9,534,438	203,423
(Increase) decrease in assets						
Accounts receivable, net	216,992	(342,374)	(80,545)	35,043	(170,884)	(20,547)
Prepaid expenses	138	(328)	1,865	19,953	21,628	(1,256,801)
Inventory	(83,710)	3,930	-	-	(79,780)	-
Due from other funds	33,288	(231,268)	(2,051,164)	(12,184)	(2,261,328)	(15,148)
Due from other governments	(113,734)	366,542	-	-	252,808	6,301
Due from component unit	-	-	-	-	-	26
Increase (decrease) in liabilities						
Accounts payable and accrued expenses	634,987	372,897	(83,620)	1,041,676	1,965,940	74,041
Unearned revenues	-	(635,101)	-	-	(635,101)	-
Due to other funds	1,120	107,843	1,149,480	(46)	1,258,397	855,749
Due to other governments	-	(47,237)	-	(2,332)	(49,569)	-
Customer deposits	-	235,596	38,994	(11,495)	263,095	-
Accrued compensated absences	5,618	9,793	15,403	8,634	39,448	23,360
Other postemployment benefits	(21,795)	(46,621)	(23,717)	(15,781)	(107,914)	(45,987)
Net pension liability	143,416	332,622	195,117	198,735	869,890	441,299
Landfill postclosure liability	-	-	911,363	-	911,363	-
Estimated liability for self insured losses	-	-	-	-	-	(183,092)
(Increase) decrease in deferred outflows related to pension	35,373	82,041	48,125	49,018	214,557	108,847
(Increase) decrease in deferred outflows related to OPEB	687	1,469	747	497	3,400	1,450
Increase in deferred inflows related to OPEB	7,361	15,746	8,010	5,330	36,447	15,533
Decrease in deferred inflows related to pension	(3,467)	(8,041)	(4,717)	(4,804)	(21,029)	(10,668)
<b>Total adjustments</b>	<b>5,746,315</b>	<b>1,916,878</b>	<b>2,914,608</b>	<b>1,468,005</b>	<b>12,045,806</b>	<b>197,786</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 8,281,662</b>	<b>\$ 3,879,459</b>	<b>\$ 3,332,737</b>	<b>\$ (569,601)</b>	<b>\$ 14,924,257</b>	<b>\$ (276,207)</b>



Bay County, Florida  
Statement of Fiduciary Net Position  
Fiduciary Funds

<i>September 30, 2023</i>	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 13,181,886
Accounts receivable, net	2,968
<b>Total assets</b>	<b>\$ 13,184,854</b>
<b>LIABILITIES</b>	
Deposits	\$ 2,297,730
Due to others	812,457
Due to other governments	2,420,600
<b>Total liabilities</b>	<b>\$ 5,530,787</b>
<b>NET POSITION</b>	
Restricted for	
Held for others	\$ 7,654,067
<b>Total net position</b>	<b>\$ 7,654,067</b>

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

<i>For the year ended September 30, 2023</i>	Custodial Funds
<b>Additions</b>	
Funds held for others	\$ 110,038,140
Court costs	25,022
Property taxes collected for other governments	312,877,374
Seizures	381,144
Bonds, purges, and levies	78,319
Total additions	423,399,999
<b>Deductions</b>	
Funds held for others	111,759,388
Court costs	20,313
Property taxes distributed to other governments	312,877,374
Seizures	605,824
Bonds, purges, and levies	88,259
Total deductions	425,351,158
Net increase (decrease) in fiduciary net position	(1,951,159)
Net position, beginning of year	9,605,226
Net position, end of year	\$ 7,654,067

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

	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	
<i>September 30, 2023</i>					
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,367,269	\$ 15,747	\$ 538,972	\$ 25,095	\$ 5,947,083
Investments	-	-	-	2,219,252	2,219,252
Accounts receivable, net	147,222	-	-	105,657	252,879
Due from other governments	-	-	-	1,298,911	1,298,911
Prepaid expenses	707,244	-	48,347	140,790	896,381
Inventory	19,163	-	-	-	19,163
Other postemployment assets	-	-	-	7,382	7,382
Due from primary government	1,658,562	40,743	544,547	2,977	2,246,829
Restricted assets					
Cash and cash equivalents	-	-	-	786	786
Investments	-	-	-	69,523	69,523
Capital assets					
Nondepreciable	-	-	-	993,170	993,170
Depreciable, net	983,233	3,025	1,309,500	7,761,034	10,056,792
Right-to-use subscription assets, net	259,125	-	-	-	259,125
Right-to-use lease assets, net	-	24,882	1,425	-	26,307
<b>Total assets</b>	<b>9,141,818</b>	<b>84,397</b>	<b>2,442,791</b>	<b>12,624,577</b>	<b>24,293,583</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to OPEB	-	1,024	-	1,724	2,748
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>1,024</b>	<b>-</b>	<b>1,724</b>	<b>2,748</b>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	1,980,029	44,518	287,509	791,489	3,103,545
Due to primary government	250,000	-	100,000	62	350,062
Unearned revenues	769,950	-	-	109,549	879,499
Accrued interest payable	-	-	-	3,809	3,809
Long-term liabilities					
Due within one year					
Compensated absences	-	-	35,712	11,255	46,967
Other postemployment benefits	-	410	-	-	410
Subscription liability	76,384	-	-	-	76,384
Lease liability	-	2,201	1,143	-	3,344
Due in more than one year					
Compensated absences	-	-	-	17,966	17,966
Other postemployment benefits	-	4,751	-	-	4,751
Notes payable	-	-	-	1,239,445	1,239,445
Subscription liability	194,371	-	-	-	194,371
Lease liability	-	23,383	282	-	23,665
<b>Total liabilities</b>	<b>3,270,734</b>	<b>75,263</b>	<b>424,646</b>	<b>2,173,575</b>	<b>5,944,218</b>

Continued

Bay County, Florida  
Statement of Net Position - Discretely Presented Component Units (Continued)

	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	
<i>September 30, 2023</i>					
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to OPEB	-	10,688	-	31,517	42,205
Total deferred inflows of resources	-	10,688	-	31,517	42,205
<b>NET POSITION</b>					
Net investment in capital assets	971,603	2,323	1,309,500	7,514,759	9,798,185
Restricted for					
Debt service	-	-	-	70,309	70,309
Unrestricted	4,899,481	(2,853)	708,645	2,836,141	8,441,414
Total net position	\$ 5,871,084	\$ (530)	\$ 2,018,145	\$ 10,421,209	\$ 18,309,908

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<i>For the year ended September 30, 2023</i>	Expenses			
<b>Functions/Programs</b>				
<b>Component Units</b>				
Panama City Beach Convention and Visitors Bureau, Inc.	\$ 19,396,038	\$ 20,848,363	\$ 65,000	\$ -
Mexico Beach Community Development Council, Inc.	533,826	518,398	-	-
Panama City Community Development Council, Inc.	1,871,058	1,987,229	-	-
Bay County Transportation Planning Organization	6,095,024	540,130	6,407,025	-
<b>Total component units</b>	<b>\$ 27,895,946</b>	<b>\$ 23,894,120</b>	<b>\$ 6,472,025</b>	<b>\$ -</b>
General revenues				
Investment earnings				
Miscellaneous				
<u>Total general revenues</u>				
Capital contribution to Bay County				
<u>Change in net position</u>				
Net position - beginning				
<u>Net position - ending</u>				

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

Bay County, Florida  
Statement of Activities - Discretely Presented Component Units

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	
\$ 1,517,325	\$ -	\$ -	\$ -	\$ 1,517,325	
-	(15,428)	-	-	(15,428)	
-	-	116,171	-	116,171	
-	-	-	852,131	852,131	
1,517,325	(15,428)	116,171	852,131	2,470,199	
67,739	111	-	(1,255)	66,595	
-	7,398	-	7,648	15,046	
67,739	7,509	-	6,393	81,641	
(450,105)	-	-	-	(450,105)	
1,134,959	(7,919)	116,171	858,524	2,101,735	
4,736,125	7,389	1,901,974	9,562,685	16,208,173	
\$ 5,871,084	\$ (530)	\$ 2,018,145	\$ 10,421,209	\$ 18,309,908	

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

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

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, solid waste, building safety. 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.

### ***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.

### ***Discretely Presented Component Units***

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. Certain capital assets are the property of the County and are included in the County's capital assets. Complete financial statements for the Bureau may be obtained from the Bay County Clerk of Court and Comptroller's Office at P.O. Box 2269, Panama City, Florida 32402.

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

***Discretely Presented Component Units (continued)***

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. Certain capital assets are the property of the County and are included in the County's capital assets. Complete financial statements for the Mexico Beach CDC may be obtained from the Bay County Clerk of Court and Comptroller's 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. Complete financial statements for the Panama City CDC may be obtained from the Bay County Clerk of Court and Comptroller's Office at P.O. Box 2269, Panama City, Florida 32402.

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.



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

### *Discretely Presented Component Units (continued)*

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.

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

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

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

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

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

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

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

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

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

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

Property taxes, sales taxes, franchise taxes, gas taxes, various other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 365 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

The proprietary and custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting.

***Government-Wide Financial Statements***

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

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

***Government-Wide Financial Statements (continued)***

As discussed earlier, the County has four discretely presented component units. These component units are shown consolidated in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County’s wholesale water, retail water and wastewater, solid waste, and building safety functions and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

***Fund Financial Statements***

The fund financial statements provide information about the County’s funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, and internal service funds and fiduciary funds each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others that cannot be used to support the government’s own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

The County reports the following major governmental funds:

The *General Fund* is the County’s general operating fund. It accounts for all financial resources of the general government, except those accounted for in another 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.

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.

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.

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

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

The County reports the following major enterprise funds:

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

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

The *Solid Waste Fund* is used to account for activities related to solid waste collection within the County.

The *Building Safety Fund* is used to account for the operations of the building department which is financed by fees from permits, licenses and inspections.

Additionally, the County reports the following fund types:

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

*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.

The *custodial 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.

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

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

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

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

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

***Budgetary Information***

***Budgetary basis of accounting***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Tourist Development Fund, Transportation Fund, Hurricane Michael Fund, Public Safety Fund, Intergovernmental Radio Communications Fund, District Mosquito Control Fund, MSTU Fire Protection Fund, and Court Fund. All annual appropriations lapse at fiscal year-end. Certain special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

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.

***Excess of expenditures over appropriations***

For the year ended September 30, 2023, expenditures exceeded appropriations in the Hurricane Michael Fund by \$4,964,215.

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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance***

*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 meets all of the specified criteria in GASBC Section I50: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the value of the County's position in the pool is equal to the value of the pooled shares. 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.

*Receivables and Payables*

Unbilled receivables – An amount for unbilled revenue is recorded in the Retail Water and Wastewater Fund for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Allowance for doubtful accounts related to Emergency Medical Services is measured annually using average collection rates of the most available data. All other accounts receivable in excess of 120 days are subject to being considered as uncollectible.

Lease receivables – The County's lease receivables are measured at the present value of lease payments expected to be received during the least term. Under the lease agreement, the County may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

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

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

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

*Interfund Activities and Transactions*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” within the fund financial statements. Long-term borrowings between funds are classified as “advances to other funds” or “advances from other funds” in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

*Inventories and Prepaid Items*

Inventory in the proprietary funds is valued at cost (first-in, first-out) and consists of expendable supplies. Governmental fund inventory is valued at cost (first-in, first-out). The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

*Restricted Assets*

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

*Customer and developer deposit accounts* – Deposited in non-interest-bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

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

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

*Restricted Assets (continued)*

*Bond debt service accounts* – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bond obligations.

*Capital Assets*

Capital assets, which include property, plant, equipment, intangible right-to-use assets, 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 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. Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	20 - 50
Furniture and equipment	3 - 15
Improvements	20 - 50
Infrastructure	10 - 50
Utility plants	35 - 50
Books	2 - 5



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

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

*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.

The County has two (3) items that qualify for reporting as deferred outflows of resources, the *deferred amount on refunding* and the *deferred outflows related to pensions*, and the *deferred outflows related to OPEB*, all reported in the government-wide and proprietary funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceeds their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification (GASBC) Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has four (4) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASBC Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

*Unavailable revenue*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: EMS revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

*Compensated Absences*

The County'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 and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Accumulated sick leave lapses when employees leave the employ of the County and, accordingly upon separation from service, no monetary obligation exists.

*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 are 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.

In the governmental 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.

*Leases*

Lease contracts that provide the County with control of a nonfinancial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as an intangible right-to-use asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible right-to-use asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Intangible right-to-use lease assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (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 Post-Employment Benefits (OPEB) Liability*

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. 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.

*Categories and Classification of Net Position and Fund Balance*

*Net position flow assumption* – Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund balance flow assumptions* – Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources. 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.

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

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

*Categories and Classification of Net Position and Fund Balance (continued)*

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County 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 GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the 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.

*Assigned fund balance* – 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.

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

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

***Revenues and Expenditures/Expenses***

*Program revenues* – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

*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

*Miscellaneous Revenue* – Miscellaneous revenue consist of various revenues including fees charged for nonrecurring services, donations, gifts and insurance proceeds. The General Fund’s miscellaneous revenue as of September 30, 2023 of \$4,081,685 consisted primarily of \$1,471,372 of payments from the Statewide Medicaid Managed Care’s Public Emergency Transportation program and \$999,964 of payments related to phone commissions for Bay County Sheriff’s Office Inmate Welfare Fund. The MSTU Fire Protection Fund’s miscellaneous revenue of \$305,561 consisted primarily of insurance proceeds of \$283,945 related to reimbursement for a fire truck. The Building Safety Fund’s miscellaneous revenue of \$126,985 consisted primarily of various charges including credit card fees, copies, temporary power, etc. in the amount of \$117,764. The Workers’ Compensation Fund’s miscellaneous revenue of \$248,983 consisted primarily of \$230,398 related to excess reimbursement related to various claims.

*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.

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

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

*Revenues and Expenditures/Expenses (continued)*

*Proprietary funds operating and nonoperating revenues and expenses* – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Wholesale Water System Fund, Retail Water and Wastewater Fund, Solid Waste Fund, Building Safety Fund, and internal service funds are charges to customers for sales and services. The Retail Water and Wastewater Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*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.

*Subsequent Events*

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 28, 2024. See Note 15 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

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

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments. As of July 1, 2023, derivative instruments that hedge the interest rate risk of taxable debt and use an IBOR as a reference rate are no longer eligible for hedge accounting. There were no significant impacts of implementing this Statement.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 2.

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

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

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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



**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND ERROR CORRECTION**

In fiscal year 2023, the County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. In accordance with generally accepted accounting principles, the implementation of this Statement for the County requires the restatement of the September 30, 2023, net position to record the cumulative effect of recording right-to-use subscription assets less accumulated amortization, net of the respective subscription liabilities as of September 30, 2023.

	Governmental Activities	Total
Net position, September 30, 2022 as previously reported	\$ 288,066,725	\$ 288,066,725
Right-to-use subscription assets	1,117,801	1,117,801
Subscription liability	(1,117,801)	(1,117,801)
<hr/>		
Prior period adjustment	5,167,076	5,167,076
<hr/>		
Net position, restated	\$ 293,233,801	\$ 293,233,801

Subsequent to the issuance of the prior year audited financial statements, the County determined that capital assets were not properly recorded in the County’s governmental activities. As a result, as of September 30, 2022, an increase in the beginning fund balance and capital assets for the County’s governmental activities of \$5,167,076 has been reflected in these financial statements.

**NOTE 3 – 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, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(411,801,635) difference are as follows:

Bonds payable	\$	(21,801,000)
Notes payable		(243,120,661)
Lease liability		(1,335,953)
Subscription liability		(1,043,515)
Finance purchase liability		(2,611,347)
Other postemployment benefits		(12,097,053)
Net pension liability		(123,435,646)
Compensated absences		(6,356,460)
<hr/>		
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$	(411,801,635)

**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

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 \$16,574,692 difference are as follows:

Deferred outflows related to pension	\$	28,679,510
Deferred inflows related to pension		(6,900,222)
Deferred outflows related to OPEB		466,183
Deferred inflows related to OPEB		(6,981,335)
Deferred outflows related to loss on refunding		1,310,556
<hr/>		
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$	16,574,692

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 \$418,263,227 difference are as follows:

Cost of capital assets	\$	724,456,963
Less: accumulated depreciation		(306,193,736)
<hr/>		
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$	418,263,227

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. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense." The details of this \$53,996,210 difference are as follows:

Capital outlay	\$	81,845,622
Depreciation and amortization expense		(27,849,412)
<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>	\$	53,996,210

**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

Another element of that reconciliation states, "The net effect of various transactions involving capital assets (i.e., sales, trade-ins, impairments, and donations) is to increase net position." The details of this \$1,521,209 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.	\$ (1,997,533)
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.	3,518,742
Net adjustments to increase <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ 1,521,209

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 \$7,942,127 difference are as follows:

Debt issued or incurred:	
Lease financing	\$ (36,307)
Subscription financing	(477,134)
Finance purchase liability	(2,534,988)
Note proceeds	(49,662,169)
Change in deferred charge on refunding	(156,251)
Principal repayments:	
Bonds	1,500,999
Notes	9,029,804
Leases	387,262
Subscriptions	551,420
Finance purchase	465,154
Payment to refunded escrow agent	48,874,337
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>	\$ 7,942,127

**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

Another element of that reconciliation states, "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." The details of this \$(17,672,683) difference are as follows:

OPEB expense	\$	(165,807)
Pension expenses		(16,826,886)
Compensated absences		(617,816)
Accrued interest		(62,174)
<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>	\$	(17,672,683)

**NOTE 4 – DETAILED NOTES ON ALL FUNDS**

*Budgets*

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.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

*Budgets (continued)*

Year ended September 30, 2023	General Fund Budgetary Basis	GAAP to Budget Differences Over (Under)	General Fund Actual Amounts GAAP Basis
<b>Revenues</b>			
Taxes	\$ 96,634,063	\$ -	\$ 96,634,063
Licenses and permits	6,535	-	6,535
Intergovernmental	37,325,828	24,117,552	61,443,380
Charges for services	21,523,547	62,304	21,585,851
Fines and forfeitures	1,471,547	-	1,471,547
Special assessments	16,670,697	55,802	16,726,499
Investment earnings	3,362,413	1,984,595	5,347,008
Contributions and donations	9,527,336	-	9,527,336
Miscellaneous	4,081,624	61	4,081,685
<b>Total revenues</b>	<b>190,603,590</b>	<b>26,220,314</b>	<b>216,823,904</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	24,029,972	(294,231)	23,735,741
Public safety	82,704,333	2,521,056	85,225,389
Physical environment	672,278	86,873	759,151
Transportation	-	129,180	129,180
Economic environment	3,434,086	15,534,346	18,968,432
Human services	18,126,770	380,905	18,507,675
Culture and recreation	7,137,960	18,730	7,156,690
<b>Capital outlay</b>			
General government	10,953,151	660,537	11,613,688
Public safety	5,533,974	1,693,936	7,227,910
Physical environment	-	4,708,488	4,708,488
Economic environment	8,745,887	-	8,745,887
Transportation	-	9,471	9,471
Culture and recreation	1,372,916	271,497	1,644,413
<b>Debt service</b>			
Principal	6,920,117	41,440	6,961,557
Interest and fiscal charges	2,536,509	2,388	2,538,897
Bond issuance costs	102,281	-	102,281
<b>Total expenditures</b>	<b>172,270,234</b>	<b>25,764,616</b>	<b>198,034,850</b>
Excess (deficit) of revenues over (under) expenditures	18,333,356	455,698	18,789,054
<b>Other financing sources (uses)</b>			
Transfer in	-	36,595	36,595
Transfers out	(19,370,569)	(78,102)	(19,448,671)
Issuance of debt	3,575,301	3,575	3,578,876
Proceeds from sales of capital assets	70,604	-	70,604
<b>Total other financing sources (uses)</b>	<b>(15,724,664)</b>	<b>(37,932)</b>	<b>(15,762,596)</b>
<b>Net change in fund balance</b>	<b>\$ 2,608,692</b>	<b>\$ 417,766</b>	<b>\$ 3,026,458</b>

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments***

As of September 30, 2023, the County’s bank balances are covered by federal depository insurance (FDIC) coverage limits and 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 County pursuant to Section 280.08, Florida Statutes.

The investment program is established in accordance with the County’s investment policy, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the County to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

Deposits available within various funds were consolidated for investment purposes. Interest earned was allocated to the various funds based on their average cash and investment balances.

*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 County 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 County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

*Interest rate risk* – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The County’s investment policy limits interest rate risk by managing its exposure to declines in fair value by limiting investments beyond one year to 25% of the investment portfolio.

*Credit risk* – GASBC Section I50: *Investments* of the GASBC requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The County’s investment policy limit investments to securities with specific ranking criteria.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (continued)***

*Concentration risk* – GASBC Section I50: *Investments* of the GASBC requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The County’s investment policy limits investments in commercial paper to 30% of the total investment portfolio and 5% of the total investment portfolio per issuer.

*Fair Value* – GASBC Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 (L2): 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;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (continued)***

The following table sets forth by level, within the fair value hierarchy, the County’s assets at fair value as of September 30, 2023:

	Fair Value	Weighted Average Maturity ( months)	Rating (if applicable)	Level
Investments by fair value level				
Primary government				
Debt securities - corporate bonds	2,092,024	11.23	/AA	L3
Debt securities - corporate bonds	2,860,050	12.80	A3/A-	L1
Debt securities - corporate bonds	5,690,580	18.68	A3/A	L1
Debt securities - corporate bonds	4,918,250	13.72	A1/A-	L1
Debt securities - corporate bonds	2,149,740	26.87	Aa3/AA-	L1
Debt securities - corporate bonds	2,924,730	18.03	A2/A-	L1
Debt securities - corporate bonds	2,258,232	19.63	Aa2/AA-	L1
Debt securities - commercial paper	17,236,114	2.87	P-1/A-1+	L2
Debt securities - commercial paper	11,394,965	1.88	P-1/A-1	L2
Debt securities - municipal bonds	3,527,616	21.33	Aa3/AA	L2
Debt securities - municipal bonds	1,156,701	13.88	Aa2/AAA	L2
Debt securities - municipal bonds	1,674,863	13.27	AA1/AAA	L2
Debt securities - municipal bonds	3,879,237	3.57	Aa1/AA+	L2
Debt securities - municipal bonds	2,327,459	9.17	A1/AA	L2
Debt securities - municipal bonds	2,451,723	6.98	N/A/AA	L2
Debt securities - municipal bonds	700,000	0.03	Aa3/N/A	L2
Debt securities - municipal bonds	958,530	12.23	Aa2/AA	L2
Debt securities - municipal bonds	481,940	9.17	Aaa/AAA	L2
Debt securities - municipal bonds	515,525	29.43	A1/N/A	L2
Debt securities - municipal bonds	1,081,815	7.65	N/A/AA-	L2
Debt securities - municipal bonds	2,421,193	12.04	N/A/A	L2
Debt securities - municipal bonds	977,010	6.13	Aa2/N/A	L2
Debt securities - US government securities	59,625,219	12.00	TSY/TSY	L1
Debt securities - asset-backed securities	43,682,546	11.13	AGY/AA+	L2
Debt securities - asset-backed securities	2,412,200	8.47	AGY/AGY	L2
<b>Total primary government</b>	<b>179,398,262</b>			
<b>Total investments measured by fair value level</b>	<b>179,398,262</b>			
Investments measured at the net asset value (NAV)				
Florida Cooperative Liquid Assets Securities System	100,128,627			
Florida Local Government Investment Trust	50,991,178			
<b>Total investments measured at NAV</b>	<b>151,119,805</b>			
Investments measured at amortized cost				
Florida Prime (SBA)	39,838,287			
Goldman Sachs money market account	282			
<b>Total investments measured at amortized cost</b>	<b>39,838,569</b>			
<b>Total investments</b>	<b>\$ 370,356,636</b>			



**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***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 \$2,288,775.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2023.

*Debt securities* – Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using either an option-adjusted discounted cash flow model or the present value of expected future cash flow model based on the price or yield of similar debt securities. Debt securities classified in Level 3 of the fair value hierarchy are valued using the option-adjusted discounted cash flow model.

*Fair Value of Investments in Entities that Use Net Asset Value (NAV)* – 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 an appointed Board of Trustees. This investment pool is measured at the Stable Net Asset Value and is rated AAAs/S1 by Fitch Ratings. The Net Asset Value is \$100,128,627 and the weighted average maturity for the portfolio is 5.93 months as of September 30, 2023.

Florida Local Government Investment Trust (FLGIT) is an external local government investment pool developed through the joint efforts of the Florida Association of Court Clerks and Comptrollers and the Florida Association of Counties. The pool is supervised by an appointed Board of Trustees comprised of eligible participants of the program. The FLGIT Day to Day Fund is a fund with an investment portfolio structured to maintain safety of principal and maximize available yield through a balance of quality and diversification within the investment portfolio. This Fitch rated AAAM Trust invests in securities with effective maturities of less than five years. The Net Asset Value is \$50,991,178 and the weighted average maturity for the portfolio is 1.26 months as of September 30, 2023.

*Value of Investments in Entities that Use Amortized Cost* –The investing of public funds with the Florida State Board of Administration (SBA) - Local Government Surplus Funds Trust Fund is governed by Section 218.407, Florida Statutes. The SBA is under regulatory oversight of the State of Florida. The investment pool consists largely of corporate notes and commercial paper. On September 30, 2023, the County had \$39,838,287 invested. The value of the County's position in the pool is equal to the value of the pooled shares.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (continued)***

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.”

Under GASBC Section I50: *Investments*, 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. As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the County’s access to 100 percent of their account value in this external investment pool.

***Accounts Receivable***

For the Retail Water and Wastewater Fund, operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered for the period from the last billing date to September 30, 2023 (unbilled receivable), is estimated and accrued at year end. The County deems all amounts collectable therefore an allowance for doubtful accounts is not necessary. If payments are not received from customers, services are shut off and deposits are applied against negative balances.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Accounts Receivable (continued)***

All account receivables are shown net of allowances for uncollectable accounts for governmental funds. The accounts receivable and allowance for uncollectable accounts at September 30, 2023, were as follows:

	Accounts Receivable	Unbilled Receivable	Allowance for Uncollectible	Net
<b>Governmental Funds</b>				
General Fund	\$ 45,979,008	\$ -	\$ (34,190,314)	\$ 11,788,694
Tourist Development Fund	3,028,677	-	-	3,028,677
Transportation Fund	5,243	-	-	5,243
Other Governmental funds	3,195,555	-	-	3,195,555
<b>Enterprise Funds</b>				
Wholesale Water System Fund	1,470,484	-	-	1,470,484
Retail Water and Wastewater Fund	1,364,249	391,956	-	1,756,205
Solid Waste Fund	886,940	-	-	886,940
Building Safety Fund	7,876	-	-	7,876
Internal Service funds	159,287	-	-	159,287
<b>Total</b>	<b>\$ 56,097,319</b>	<b>\$ 391,956</b>	<b>\$ (34,190,314)</b>	<b>\$ 22,298,961</b>

Property taxes are considered fully collected during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2023. There are no other reserves for receivables recorded by the County as of September 30, 2023.

***Notes Receivable***

Notes receivable recorded by the County at September 30, 2023, are as follows:

**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%.	\$	1,707,903
<b>Total notes receivable – enterprise funds</b>	<b>\$</b>	<b>1,707,903</b>

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***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. The following amounts are payable from restricted assets:

	Governmental Activities	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Safety	Total
Customer deposits	\$ 19,310	\$ -	\$ 1,536,022	\$ 203,636	\$ 129,533	\$ 1,888,501
Accrued interest payable	616,409	127,142	81,580	59,578	119	884,828
Current maturities of bonds/notes	60,302,961	267,500	60,833	73,500	-	60,704,794
<b>Total payable from restricted assets</b>	<b>\$ 60,938,680</b>	<b>\$ 394,642</b>	<b>\$ 1,678,435</b>	<b>\$ 336,714</b>	<b>\$ 129,652</b>	<b>\$ 63,478,123</b>

***Capital Assets***

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

	September 30, 2022 (as restated)	Increases	Decreases	September 30, 2023
Capital assets, not being depreciated				
Land	\$ 21,010,594	\$ 5,964,077	\$ (295,800)	\$ 26,678,871
Construction in progress	20,957,932	63,410,572	(50,464,807)	33,903,697
<b>Total capital assets, not being depreciated</b>	<b>41,968,526</b>	<b>69,374,649</b>	<b>(50,760,607)</b>	<b>60,582,568</b>
Capital assets, being depreciated				
Books	1,618,819	291,018	-	1,909,837
Buildings and improvements	190,208,218	16,531,938	(995,910)	205,744,246
Furniture and equipment	78,548,726	11,639,823	(6,093,303)	84,095,246
Infrastructure	344,289,492	26,709,139	(534,654)	370,463,977
<b>Total capital assets, being depreciated</b>	<b>614,665,255</b>	<b>55,171,918</b>	<b>(7,623,867)</b>	<b>662,213,306</b>
Less accumulated depreciation				
Books	(813,197)	(329,821)	-	(1,143,018)
Buildings and improvements	(28,820,283)	(7,373,567)	393,609	(35,800,241)
Furniture and equipment	(53,570,051)	(8,743,348)	4,336,835	(57,976,564)
Infrastructure	(201,090,251)	(10,561,777)	534,654	(211,117,374)
<b>Total accumulated depreciation</b>	<b>(284,293,782)</b>	<b>(27,008,513)</b>	<b>5,265,098</b>	<b>(306,037,197)</b>
<b>Total capital assets, being depreciated, net</b>	<b>330,371,473</b>	<b>28,163,405</b>	<b>(2,358,769)</b>	<b>356,176,109</b>

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Capital Assets (continued)***

	September 30, 2022 (as restated)	Increases	Decreases	September 30, 2023
Right-to-use lease assets, being amortized				
Land	\$ 112,708	\$ -	\$ (74,845)	\$ 37,863
Equipment	662,795	46,308	-	709,103
Buildings	1,277,692	33,065	(13,469)	1,297,288
Right-to-use lease assets, being amortized	2,053,195	79,373	(88,314)	2,044,254
Less accumulated amortization				
Land	(9,937)	(70,207)	46,516	(33,628)
Equipment	(256,299)	(260,158)	-	(516,457)
Buildings	(126,335)	(142,414)	13,467	(255,282)
Total accumulated amortization	(392,571)	(472,779)	59,983	(805,367)
<b>Right-to-use lease assets being amortized, net</b>	<b>1,660,624</b>	<b>(393,406)</b>	<b>(28,331)</b>	<b>1,238,887</b>
Subscription-based information technology				
Right-to-use subscription Assets	1,117,801	830,039	-	1,947,840
Right-to-use subscription assets, being amortized	1,117,801	830,039	-	1,947,840
Less accumulated amortization for				
Subscription-based information technology				
Right-to-use subscription assets	-	(571,543)	-	(571,543)
Total accumulated amortization	-	(571,543)	-	(571,543)
<b>Right-to-use subscription assets being amortized, net</b>	<b>1,117,801</b>	<b>258,496</b>	<b>-</b>	<b>1,376,297</b>
Governmental-type activities capital assets, net	\$ 375,118,424	\$ 97,403,144	\$(53,147,707)	\$ 419,373,861

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Capital Assets (continued)***

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

	September 30, 2022	Increases	Decreases	September 30, 2023
<b>Capital assets, not being depreciated</b>				
Land	\$ 6,365,111	\$ 175,035	\$ -	\$ 6,540,146
Construction in progress	3,726,178	14,991,724	(6,503,876)	12,214,026
<b>Total capital assets, not being depreciated</b>	<b>10,091,289</b>	<b>15,166,759</b>	<b>(6,503,876)</b>	<b>18,754,172</b>
<b>Capital assets, being depreciated</b>				
Buildings	12,230,101	150,663	-	12,380,764
Improvements	4,453,908	-	-	4,453,908
Furniture and equipment	16,876,690	2,274,246	(4,657,878)	14,493,058
Infrastructure	196,152,373	9,289,998	(12,573,279)	192,869,092
<b>Total capital assets, being depreciated</b>	<b>229,713,072</b>	<b>11,714,907</b>	<b>(17,231,157)</b>	<b>224,196,822</b>
<b>Less accumulated depreciation</b>				
Buildings	(3,015,269)	(501,266)	-	(3,516,535)
Improvements	(599,461)	(270,369)	-	(869,830)
Furniture and equipment	(10,747,031)	(1,262,329)	3,449,871	(8,559,489)
Infrastructure	(89,391,009)	(7,500,475)	2,046,433	(94,845,051)
<b>Total accumulated depreciation</b>	<b>(103,752,770)</b>	<b>(9,534,439)</b>	<b>5,496,304</b>	<b>(107,790,905)</b>
<b>Total capital assets, being depreciated, net</b>	<b>125,960,302</b>	<b>2,180,468</b>	<b>(11,734,853)</b>	<b>116,405,917</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 136,051,591</b>	<b>\$ 17,347,227</b>	<b>\$ (18,238,729)</b>	<b>\$ 135,160,089</b>

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

<b>Governmental activities</b>	
General government	\$ 3,647,314
Public safety	9,176,545
Physical environment	694,275
Transportation	9,479,280
Economic environment	2,864,427
Human services	83,083
Culture and recreation	1,904,488
Internal service funds	203,423
<b>Total depreciation and amortization expense – governmental activities</b>	<b>\$ 28,052,835</b>
<b>Business-type activities</b>	
Wholesale water system	\$ 4,890,041
Retail water & wastewater	1,699,369
Solid waste	2,789,267
Building safety	155,761
<b>Total depreciation expense - business-type activities</b>	<b>\$ 9,534,438</b>

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Debt and Liabilities***

*Notes Payable*

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 note is secured by non-ad valorem revenue in accordance with Resolution No. 3243. The interest rate is 3.25%. Principal and interest are payable semi-annually, March 1 and September 1, commencing on March 1, 2015. This pledge remains in effect until extinguishment or maturity of the debt in 2024, whichever occurs first. Interest of \$2,308 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$41,000.

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. The note is collateralized by non-ad valorem revenue in accordance with Resolution No. 3308. The interest rate is 3.3%. Principal and interest are payable semiannually on March 1 and September 1. Interest of \$25,410 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$567,000.

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 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 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. Interest of \$190,683 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$4,648,000.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Notes Payable (continued)*

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 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 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 interest rate is 2.06%. Interest is payable semi-annually, September 1 and March 1. Principal is payable annually on September 1, commencing September 1, 2020. Interest of \$769,616 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$36,795,000.

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 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 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 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 interest rate is 2.06%. Interest is payable semi-annually, April 1 and October 1. Principal is payable annually on April 1, commencing April 1, 2020. Interest of \$592,920 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$25,210,000.



**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Notes Payable (continued)*

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 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 2027, whichever occurs first. The interest rate is 0.91%. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2021. Principal is payable annually on September 1, commencing on September 1, 2021. Interest of \$84,994 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$7,485,000.

On October 21, 2021 the County issued \$100,000,000 Revenue Refunding Note, Series 2021B. The proceeds of the note were used to refund the outstanding County's Revenue Note, Series 2019C, which was a non-revolving line of credit note. 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 refunding resulted in no difference between the reacquisition price and the net carrying amount of the old debt. The County completed the refunding to reduce its debt service payments over eleven years by \$20,891,500 and obtain an economic gain of \$16,243,974. 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. In the event of a default, the note shall bear interest at the greater of i) PNC Prime Rate plus 3%, ii) overnight Bank Funding Rate plus 3.5% and iii) 7.00% per annum. The note is secured by non-ad valorem revenue in accordance with Resolution No. 3917. This pledge remains in effect until extinguishment or maturity of the debt in 2024, whichever occurs first. The interest rate is .70%. Interest is payable semi-annually, March 1 and September 1, commencing on March 1, 2022. Principal is payable annually on September 1, commencing on September 1, 2022. Interest of \$699,204 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$99,886,218.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Notes Payable (continued)*

On November 12, 2020, the Sheriff agreed to finance \$938,211 for the purchase of fleet vehicles. The interest rate is 1.25%, principal and interest payable monthly, commencing on January 16, 2021. The loans were secured by the vehicles purchased with loan proceeds. Interest of \$3,151 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$79,534.

On December 9, 2021, the Sheriff agreed to finance \$939,122 for the purchase of fleet vehicles. The interest rate is 1.27%, principal and interest payable monthly, commencing on January 9, 2022. The loans were secured by the vehicles purchased with loan proceeds. Interest of \$7,175 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$395,651.

On July 15, 2022, the Sheriff agreed to finance \$950,000 for the purchase of fleet vehicles. The interest rate is 2.78%, principal and interest payable monthly, commencing on October 15, 2022. The loans were secured by the vehicles purchased with loan proceeds. Interest of \$26,777 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$463,921.

On September 8, 2022 the County issued \$10,055,000 Capital Improvement Revenue Note, Series 2022A, to provide funds for construction and renovations of a park and sports complex. 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. In the event of a default, the note 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 note is secured by non-ad valorem revenue in accordance with Resolution No. 3917. This pledge remains in effect until extinguishment or maturity of the debt in 2042, whichever occurs first. The interest rate is 3.09%. Interest is payable semi-annually, March 1 and September 1, commencing on March 1, 2023. Principal is payable annually on September 1, commencing on September 1, 2023. Interest of \$304,658 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$9,691,000.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Notes Payable (continued)*

On September 8, 2022 the County issued \$9,505,000 Capital Improvement Revenue Note, Series 2022B. The proceeds of the note were used to refund the outstanding County's Capital Improvement Revenue Note Series 2021 and to pay the cost of issuing the note. The refunding resulted in no difference between the reacquisition price and the net carrying amount of the old debt. The County completed the refunding to reduce its debt service payments over sixteen years by \$666,556 and obtain an economic gain of \$499,422. 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. In the event of a default, the note 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. The note is secured by non-ad valorem revenue in accordance with Resolution No. 3917. This pledge remains in effect until extinguishment or maturity of the debt in 2037, whichever occurs first. The interest rate is 2.88%. Interest is payable semi-annually, March 1 and September 1, commencing on March 1, 2023. Principal is payable annually on September 1, commencing on September 1, 2023. Interest of \$268,421 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$8,984,000.

On September 1, 2023, the County issued \$50,000,000 Capital Improvement Revenue Refunding Note, Series 2023. The proceeds of the note were used to refinance the County's Revenue Bond, Series 2020. Of the \$50,000,000 total, \$48,874,337 is related to the County and \$1,125,663 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 refunding resulted in no difference between the reacquisition price and the net carrying amount of the old debt. The County elected to refinance this debt issue to ensure cash availability for ongoing projects related to Hurricane Michael recovery. The County is anticipating the closeout of various FEMA projects in the coming fiscal year and aims to continue paying the remaining Hurricane Michael debt off as these funds are made available. The refunding resulted in an increase in debt service payments of \$6,576,953 and an economic loss of \$8,143,632. The note contains a provision that, in the event of a default, the lender may sue to protect and enforce the agreement and may take steps to enforce the agreement, including the declaration of all payments of principal and interest on the note to be immediately due and payable. The note is secured by non-ad valorem revenue in accordance with Resolution No. 4008. This pledge remains in effect until extinguishment or maturity of the debt in 2028, whichever occurs first. The interest rate is 3.99%. Interest is payable semi-annually, March 1 and September 1, commencing on March 1, 2024. Principal is payable annually on September 1, commencing on March 1, 2024. No interest was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$48,874,337.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Notes Payable (continued)*

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. The County completed the refunding to reduce its 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. 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. The interest rate is 3.31%. Interest is payable semiannually on March 1 and September 1, commencing on September 1, 2014. Principal is payable annually on September 1, commencing on September 1, 2014. Interest of \$64,015 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$1,474,000.

On June 17, 2014 the County issued \$18,925,000 Water System Revenue Note, Series 2014 to pay the cost of certain capital improvements to the Wholesale Water System. 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 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 note is 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 interest rate is 3.70%. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2014. Principal is payable annually on September 1, commencing on September 1, 2015. Interest of \$444,185 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$10,990,000.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Notes Payable (continued)*

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 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. The interest rate is 1.23%. Interest and principal are payable semi-annually, January 15 and July 15, commencing on January 15, 2021. Interest of \$1,490 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$233,905.

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 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. Interest and principal are payable semi-annually, January 15 and July 15, commencing on January 15, 2021. Interest of \$1,450 was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$111,629.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Notes Payable (continued)*

On August 1, 2023, the County issued Water Tank and Booster Pump Station Purchase Note, Series 2023 for \$2,493,751 to purchase a parcel from the City of Callaway that includes a ground storage tank and booster pump station. The note contains a provision that, in the event of a default, the remedy is specific performance of the contract. The note is secured by non-ad valorem revenue. This pledge remains in effect until extinguishment or maturity of the debt in 2037, whichever occurs first. The interest rate is 3.99%. Principal and interest are payable annually on December 31, commencing on December 31, 2023. No interest was paid on this note during the year ended September 30, 2023. As of September 30, 2023, the remaining principal on the note was \$2,493,752.

The following is a summary of governmental activities notes payable for the year ended September 30, 2023:

<i>For the years ending December 31,</i>	Governmental Activities					
	Taxable Series 2014A Revenue Note		Taxable Series 2015 Revenue Note		Non-Ad Valorem Revenue Note, Series 2018	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 41,000	\$ 1,008	\$ 279,000	\$ 16,434	\$ 2,289,000	\$ 123,110
2025	-	-	288,000	7,145	2,359,000	53,439
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029-2033	-	-	-	-	-	-
2034-2038	-	-	-	-	-	-
2039-2043	-	-	-	-	-	-
<b>Total</b>	41,000	1,008	567,000	23,579	4,648,000	176,549
<b>Current portion</b>	(41,000)	(1,008)	(279,000)	(16,434)	(2,289,000)	(123,110)
<b>Payable after one year</b>	\$ -	\$ -	\$ 288,000	\$ 7,145	\$ 2,359,000	\$ 53,439

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Notes Payable (continued)*

<i>For the years ending December 31,</i>	Governmental Activities					
	Sales Tax Revenue Refunding Note, Series 2020		Tourist Development Tax Revenue Refunding Note, Series 2020		Capital Improvement Revenue Refunding Note, Series 2021	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 3,770,000	\$ 757,977	\$ 2,290,000	\$ 544,536	\$ 1,860,000	\$ 68,114
2025	3,850,000	680,315	2,335,000	495,072	1,870,000	51,188
2026	3,925,000	601,005	2,385,000	444,636	1,875,000	34,171
2027	4,005,000	520,150	2,435,000	393,120	1,880,000	17,108
2028	4,095,000	437,647	2,490,000	340,524	-	-
2029-2033	17,150,000	890,847	13,275,000	872,532	-	-
2034-2038	-	-	-	-	-	-
2039-2043	-	-	-	-	-	-
<b>Total</b>	<b>36,795,000</b>	<b>3,887,941</b>	<b>25,210,000</b>	<b>3,090,420</b>	<b>7,485,000</b>	<b>170,581</b>
<b>Current portion</b>	<b>(3,770,000)</b>	<b>(757,977)</b>	<b>(2,290,000)</b>	<b>(544,536)</b>	<b>(1,860,000)</b>	<b>(68,114)</b>
<b>Payable after one year</b>	<b>\$33,025,000</b>	<b>\$ 3,129,964</b>	<b>\$22,920,000</b>	<b>\$ 2,545,884</b>	<b>\$ 5,625,000</b>	<b>\$ 102,467</b>

<i>For the years ending December 31,</i>	Governmental Activities					
	Revenue Refunding Note, Series 2021B		BB&T FY21 Fleet Loan		Truist FY22 Fleet Loan #1	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$99,886,218	\$ 349,602	\$ 79,534	\$ 166	\$ 316,018	\$ 3,189
2025	-	-	-	-	79,633	169
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029-2033	-	-	-	-	-	-
2034-2038	-	-	-	-	-	-
2039-2043	-	-	-	-	-	-
<b>Total</b>	<b>99,886,218</b>	<b>349,602</b>	<b>79,534</b>	<b>166</b>	<b>395,651</b>	<b>3,358</b>
<b>Current portion</b>	<b>(99,886,218)</b>	<b>(349,602)</b>	<b>(79,534)</b>	<b>(166)</b>	<b>(316,018)</b>	<b>(3,189)</b>
<b>Payable after one year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,633</b>	<b>\$ 169</b>

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Notes Payable (continued)*

<i>For the years ending December 31,</i>	Governmental Activities					
	Truist FY22 Fleet Loan #2		Capital Improvement Revenue Note, Series 2022A		Capital Improvement Revenue Refunding Note, Series 2022B	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 337,533	\$ 13,126	\$ 383,000	\$ 299,452	\$ 530,000	\$ 258,793
2025	126,388	3,673	394,000	287,617	546,000	243,475
2026	-	-	407,000	275,443	561,000	227,750
2027	-	-	419,000	262,866	577,000	211,594
2028	-	-	432,000	249,919	594,000	194,976
2029-2033	-	-	2,368,000	1,040,990	3,236,000	708,192
2034-2038	-	-	2,759,000	651,650	2,940,000	214,704
2039-2043	-	-	2,529,000	198,316	-	-
<b>Total</b>	<b>463,921</b>	<b>16,799</b>	<b>9,691,000</b>	<b>3,266,253</b>	<b>8,984,000</b>	<b>2,059,484</b>
<b>Current portion</b>	<b>(337,533)</b>	<b>(13,126)</b>	<b>(383,000)</b>	<b>(299,452)</b>	<b>(530,000)</b>	<b>(258,793)</b>
<b>Payable after one year</b>	<b>\$ 126,388</b>	<b>\$ 3,673</b>	<b>\$ 9,308,000</b>	<b>\$ 2,966,801</b>	<b>\$ 8,454,000</b>	<b>\$ 1,800,691</b>

<i>For the years ending December 31,</i>	Governmental Activities			
	Capital Improvement Revenue Refunding Note, Series 2023		Total	
	Principal	Interest	Principal	Interest
2024	\$ -	\$ 1,950,086	\$ 112,061,303	\$ 4,385,593
2025	-	1,950,086	11,848,021	3,772,179
2026	-	1,950,086	9,153,000	3,533,091
2027	-	1,950,086	9,316,000	3,354,924
2028	48,874,337	1,950,086	56,485,337	3,173,152
2029-2033	-	-	36,029,000	3,512,561
2034-2038	-	-	5,699,000	866,354
2039-2043	-	-	2,529,000	198,316
<b>Total</b>	<b>48,874,337</b>	<b>9,750,430</b>	<b>243,120,661</b>	<b>22,796,170</b>
<b>Current portion</b>	<b>-</b>	<b>(1,950,086)</b>	<b>(112,061,303)</b>	<b>(4,385,593)</b>
<b>Payable after one year</b>	<b>\$48,874,337</b>	<b>\$ 7,800,344</b>	<b>\$ 131,059,358</b>	<b>\$ 18,410,577</b>



**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Notes Payable (continued)*

The following is a summary of business-type activities notes payable for the year ended September 30, 2023:

<i>For the years ending December 31,</i>	Business-Type Activities					
	State Revolving Fund		State Revolving Fund		Wastewater Revenue	
	Program (Funding Number 0302E0)		Program (Funding Number DW 030200)		Refunding Note, Series 2014	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 12,451	\$ 1,419	\$ 5,932	\$ 1,377	\$ 477,000	\$ 48,789
2025	12,605	1,343	6,007	1,303	490,500	33,001
2026	12,760	1,265	6,082	1,227	506,500	16,765
2027	12,918	1,186	6,158	1,151	-	-
2028	13,077	1,106	6,236	1,074	-	-
2029-2033	67,845	4,302	32,370	4,176	-	-
2034-2038	72,135	2,157	34,451	2,095	-	-
2039-2043	30,114	232	14,393	226	-	-
<b>Total</b>	<b>233,905</b>	<b>13,010</b>	<b>111,629</b>	<b>12,629</b>	<b>1,474,000</b>	<b>98,555</b>
<b>Current portion</b>	<b>(12,451)</b>	<b>(1,419)</b>	<b>(5,932)</b>	<b>(1,377)</b>	<b>(477,000)</b>	<b>(48,789)</b>
<b>Payable after one year</b>	<b>\$ 221,454</b>	<b>\$ 11,591</b>	<b>\$ 105,697</b>	<b>\$ 11,252</b>	<b>\$ 997,000</b>	<b>\$ 49,766</b>

<i>For the years ending December 31,</i>	Business-Type Activities					
	Water System Revenue Note, Series 2014		2023 Water Tank and Booster Pump Station Purchase Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,050,000	\$ 406,630	\$ 95,709	\$ 144,291	\$ 1,641,092	\$ 602,506
2025	1,090,000	367,780	144,318	95,682	1,743,430	499,109
2026	1,130,000	327,450	150,076	89,924	1,805,418	436,631
2027	1,175,000	285,640	156,064	83,936	1,350,140	371,913
2028	1,215,000	242,165	162,291	77,709	1,396,604	322,054
2029-2033	5,330,000	501,905	913,913	286,087	6,344,128	796,470
2034-2038	-	-	871,381	88,620	977,967	92,872
2039-2043	-	-	-	-	44,507	458
<b>Total</b>	<b>10,990,000</b>	<b>2,131,570</b>	<b>2,493,752</b>	<b>866,249</b>	<b>15,303,286</b>	<b>3,122,013</b>
<b>Current portion</b>	<b>(1,050,000)</b>	<b>(406,630)</b>	<b>(95,709)</b>	<b>(144,291)</b>	<b>(1,641,092)</b>	<b>(602,506)</b>
<b>Payable after one year</b>	<b>\$ 9,940,000</b>	<b>\$ 1,724,940</b>	<b>\$ 2,398,043</b>	<b>\$ 721,958</b>	<b>\$13,662,194</b>	<b>\$ 2,519,507</b>

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Bonds Payable*

On July 12, 2011, the County issued \$2,340,000 Capital Improvement Revenue Bonds, Series 2011. The proceeds of the bonds were 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 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 interest rate is 3.96%. Interest is payable semi-annually, March 1 and September 1. Principal is payable annually on September 1, commencing September 1, 2012. Interest of \$29,201 was paid on this debt during the year ended September 30, 2023. The remaining principal this debt as of September 30, 2023, totaled \$561,000.

On February 22, 2018, the County issued \$11,023,000 Sales Tax Revenue Refunding Bonds, Series 2018A&B. The proceeds of the bonds were 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 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. This pledge remains in effect until extinguishment or maturity of the debt in 2032, whichever occurs first. The refunding bonds interest rate is 2.90%. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2018. Principal is payable annually on September 1, commencing on September 1, 2018. Interest of \$234,494 was paid on this debt during the year ended September 30, 2023. The remaining principal on this debt as of September 30, 2023, totaled \$7,378,000.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Bonds Payable (continued)*

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 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. 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 interest rate is 2.29%. Interest is payable semi-annually, March 1 and September 1, commencing on March 1, 2022. Principal is payable annually on September 1, commencing on September 1, 2022. Interest of \$331,569 was paid on this debt during the year ended September 30, 2023. The remaining principal on this debt as of September 30, 2023, totaled \$13,862,000.

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 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 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. This pledge remains in effect until extinguishment or maturity of the debt in 2045, whichever occurs first. 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 refunding bonds interest rate varies from 2.0%-5.0%. Interest is payable semi-annually, March 1 and September 1, commencing March 1, 2016. Principal is payable annually on September 1, commencing September 1, 2017. Interest of \$984,531 was paid on this debt during the year ended September 30, 2023. The remaining principal on this debt as of September 30, 2023, totaled \$24,165,000.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Bonds Payable (continued)*

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 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 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 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. This pledge remains in effect until extinguishment or maturity of the debt in 2030, whichever occurs first. The interest rate varies from 4.0% to 5.0%. Interest is payable semi-annually on March 1 and September 1, commencing on March 1, 2017. Principal is payable annually on September 1, commencing September 1, 2017. Interest of \$983,250 was paid on this debt during the year ended September 30, 2023. The remaining principal on this debt as of September 30, 2023, totaled \$17,610,000.

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. 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 interest rate is 1.87%. Interest is payable semi-annually, March 1 and September 1, commencing on March 1, 2022. Principal is payable annually on September 1, commencing on September 1, 2022. Interest of \$365,417 was paid on this debt during the year ended September 30, 2023. The remaining principal on this debt as of September 30, 2023, totaled \$18,675,000.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Bonds Payable (continued)*

The following is a summary of governmental activities bonds payable for the year ended September 30, 2023:

<i>For the years ending December 31,</i>	Governmental Activities			
	Capital Improvement Revenue Bonds, Series 2011		Sales Tax Revenue Refunding Bond, Series 2018A&B	
	Principal	Interest	Principal	Interest
2024	\$ 181,000	\$ 22,228	\$ 728,000	\$ 213,962
2025	187,000	15,056	750,000	192,850
2026	193,000	7,647	773,000	171,100
2027	-	-	794,000	148,683
2028	-	-	819,000	125,657
2029-2033	-	-	3,514,000	258,361
2034-2038	-	-	-	-
2039-2043	-	-	-	-
<b>Total</b>	<b>561,000</b>	<b>44,931</b>	<b>7,378,000</b>	<b>1,110,613</b>
<b>Current portion</b>	<b>(181,000)</b>	<b>(22,228)</b>	<b>(728,000)</b>	<b>(213,962)</b>
<b>Payable after one year</b>	<b>\$ 380,000</b>	<b>\$ 22,703</b>	<b>\$ 6,650,000</b>	<b>\$ 896,651</b>

<i>For the years ending December 31,</i>	Governmental Activities			
	Capital Improvement Revenue Bond, Series 2021A		Total	
	Principal	Interest	Principal	Interest
2024	\$ 631,000	\$ 317,440	\$ 1,540,000	\$ 553,630
2025	646,000	302,990	1,583,000	510,896
2026	660,000	288,197	1,626,000	466,944
2027	675,000	273,083	1,469,000	421,766
2028	691,000	257,625	1,510,000	383,282
2029-2033	3,699,000	1,043,416	7,213,000	1,301,777
2034-2038	4,141,000	600,117	4,141,000	600,117
2039-2043	2,719,000	125,469	2,719,000	125,469
<b>Total</b>	<b>13,862,000</b>	<b>3,208,337</b>	<b>21,801,000</b>	<b>4,363,881</b>
<b>Current portion</b>	<b>(631,000)</b>	<b>(317,440)</b>	<b>(1,540,000)</b>	<b>(553,630)</b>
<b>Payable after one year</b>	<b>\$13,231,000</b>	<b>\$ 2,890,897</b>	<b>\$20,261,000</b>	<b>\$ 3,810,251</b>

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

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

*Bonds Payable (continued)*

The following is a summary of business-type activities bonds payable for the year ended September 30, 2023:

<i>For the years ending December 31,</i>	Business-Type Activities			
	Water and Sewer System Revenue Refunding Bonds, Series 2015		Water System Revenue Refunding Bonds, Series 2016	
	Principal	Interest	Principal	Interest
2024	\$ 730,000	\$ 966,781	\$ 2,160,000	\$ 880,500
2025	750,000	947,619	2,270,000	772,500
2026	770,000	925,119	2,385,000	659,000
2027	795,000	902,019	2,505,000	539,750
2028	820,000	877,175	2,630,000	414,500
2029-2033	4,590,000	3,886,000	5,660,000	428,000
2034-2038	5,575,000	2,903,150	-	-
2039-2043	6,940,000	1,535,150	-	-
2044-2048	3,195,000	193,000	-	-
<b>Total</b>	<b>24,165,000</b>	<b>13,136,013</b>	<b>17,610,000</b>	<b>3,694,250</b>
<b>Current portion</b>	<b>(730,000)</b>	<b>(966,781)</b>	<b>(2,160,000)</b>	<b>(880,500)</b>
<b>Payable after one year</b>	<b>\$23,435,000</b>	<b>\$12,169,232</b>	<b>\$15,450,000</b>	<b>\$ 2,813,750</b>

<i>For the years ending December 31,</i>	Business-Type Activities			
	Solid Waste System Revenue Bond, Series 2021		Total	
	Principal	Interest	Principal	Interest
2024	\$ 882,000	\$ 349,223	\$ 3,772,000	\$ 2,196,504
2025	899,000	332,729	3,919,000	2,052,848
2026	916,000	315,918	4,071,000	1,900,037
2027	933,000	298,789	4,233,000	1,740,558
2028	950,000	281,342	4,400,000	1,573,017
2029-2033	5,023,000	1,133,482	15,273,000	5,447,482
2034-2038	5,511,000	645,898	11,086,000	3,549,048
2039-2043	3,561,000	134,004	10,501,000	1,669,154
	-	-	3,195,000	193,000
<b>Total</b>	<b>18,675,000</b>	<b>3,491,385</b>	<b>60,450,000</b>	<b>20,321,648</b>
<b>Current portion</b>	<b>(882,000)</b>	<b>(349,223)</b>	<b>(3,772,000)</b>	<b>(2,196,504)</b>
<b>Payable after one year</b>	<b>\$17,793,000</b>	<b>\$ 3,142,162</b>	<b>\$56,678,000</b>	<b>\$18,125,144</b>

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Leases – Lessee***

The County accounts for leases in accordance with GASBC Section L20, *Leases*. The County has entered into five lease agreements to obtain the right-to-use various buildings for offices and storage space. The total annual rental for these leases for the fiscal year ended September 30, 2023 was \$149,460. These leases have various lease terms ranging from one to five years. One lease includes optional renewal terms of two five year extensions, which are expected to be exercised. The payments for four leases are fixed and one lease includes a 3% annual escalation. Monthly payment amounts are \$13,288.

The County has entered into a lease agreement to obtain the right-to-use equipment. The total annual rental for this lease for the fiscal year ended September 30, 2023 was \$226,178. This lease expires in February 2024. The lease has no renewal terms and payments are fixed. Monthly payment amounts are \$18,848.

The County has entered into a lease agreement to obtain the right-to-use land for parking. The total annual rental for this lease for the fiscal year ended September 30, 2023 was \$15,750. The lease expires in December 2023 and includes optional renewal terms of two six month periods, which are expected to be exercised. There is no rent escalation in the lease.

The following is a schedule of minimum future lease payments from lease agreements as of September 30:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 334,362	\$ 26,169	\$ 360,531
2025	86,218	20,742	106,960
2026	72,619	18,788	91,407
2027	73,545	17,106	90,651
2028	66,450	15,412	81,862
2029-2033	373,482	54,620	428,102
2034-2038	329,277	13,420	342,697
<b>Total</b>	<b>\$ 1,335,953</b>	<b>\$ 166,257</b>	<b>\$ 1,502,210</b>

***Leases – Lessor***

The County’s operations consist of agreements for use of a building and use of radio towers. The agreements are made up of various non-cancelable agreements which expire between the years 2024 and 2047. The County recognized \$71,428 of lease principal revenue and \$18,855 of lease interest revenue for the year ended September 30, 2023. Minimum future revenues do not include contingent revenues, which are based on sales by the lessee of the building. Contingent revenues amounted to \$8,949 for the year ended September 30, 2023.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

The following is a schedule of minimum future revenues from non-cancelable agreements as of September 30:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 73,534	\$ 17,383	\$ 90,917
2025	66,889	15,846	82,735
2026	68,722	14,424	83,146
2027	70,586	12,964	83,550
2028	78,463	11,369	89,832
2029-2033	281,029	34,991	316,020
2034-2038	72,241	22,003	94,244
2039-2043	95,832	13,381	109,213
2044-2048	71,566	2,790	74,356
<b>Total</b>	<b>\$ 878,862</b>	<b>\$ 145,151</b>	<b>\$ 1,024,013</b>

***Subscription-Based Information Technology Arrangements***

The County has seven software arrangements that require recognition under GASBC Section S:80, *Subscription-Based Information Technology Arrangements* (SBITAs). The County now recognizes a subscription liability and an intangible right-to-use subscription asset for the on-premises calling software and the directory services software in Information Services and the operations management software for Public Works, Utilities, Facilities, and Parks. The County also recognizes a subscription liability and an intangible right-to-use subscription asset for the property information and online filing system software used by the Property Appraiser as well as the tax billing and collection software, and the accounting software, and the cloud-based productivity platform used by the Tax Collector.

The on-premises calling software arrangement is a five-year agreement, initiated in fiscal year 2021 with an annual payment of \$44,352. The County has used a 3.99% discount rate for this arrangement based on a debt issuance in the current fiscal year. There are no options to extend the agreement or purchase the software. There are no residual value guarantees in the agreement.

The directory services software arrangement is a three-year agreement, initiated in fiscal year 2023 with an annual payment of \$45,691. The County has used a 3.99% discount rate for this arrangement based on a debt issuance in the current fiscal year. There are no options to extend the agreement or purchase the software. There are no residual value guarantees in the agreement.

The operations management software arrangement is a forty-five month agreement, initiated in fiscal year 2023 with a payment of \$92,364 for a partial year in fiscal year 2023, increasing to \$193,088 in fiscal year 2024 and increasing 3.5% for each fiscal year 2025 and 2026. The County has used a 3.99% discount rate for this arrangement based on a debt issuance in the current fiscal year. The County and the vendor have a mutual option to terminate the agreement at the end of the term. There is no option to purchase the software. There are no residual value guarantees in the agreement.



**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Subscription-Based Information Technology Arrangements (continued)***

The property information and online filing system software arrangement used by the Property Appraiser is a four-year agreement, initiated in fiscal year 2022 with an annual payment of \$204,500. The County has used a 3.99% discount rate for this arrangement based on a debt issuance in the current fiscal year. The County and the vendor have a mutual option to terminate the agreement at the end of the term. There is no option to purchase the software. There are no residual value guarantees in the agreement.

The tax billing and collection software arrangement used by the Tax Collector is a five-year agreement initiated in fiscal year 2020 with a payment of \$160,355 in fiscal year 2023, increasing 2.25% for fiscal year 2024. The County has used a 3.99% discount rate for this arrangement based on a debt issuance in the current fiscal year. The County and the vendor have a mutual option to terminate the agreement at the end of the term. There is no option to purchase the software. There are no residual value guarantees in the agreement.

The accounting software arrangement used by the Tax Collector is a seven-year agreement initiated in fiscal year 2018 with annual payments of \$43,886. The County has used a 3.99% discount rate for this arrangement based on a debt issuance in the current fiscal year. The County and the vendor have a mutual option to terminate the agreement at the end of the term. There is no option to purchase the software. There are no residual value guarantees in the agreement.

The cloud-based productivity platform software arrangement used by the Tax Collector is a three-year agreement initiated in fiscal year 2023 with annual payments of \$13,976. The County has used a 3.99% discount rate for this arrangement based on a debt issuance in the current fiscal year. The County and the vendor have a mutual option to terminate the agreement at the end of the term. There is no option to purchase the software. There are no residual value guarantees in the agreement.

The following is a schedule of minimum future lease payments from SBITAs as of September 30:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 656,149	\$ 61,154	\$ 717,303
2025	481,256	19,268	500,524
2026	199,011	7,941	206,952
Total	\$ 1,336,416	\$ 88,363	\$ 1,424,779

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Changes in Long-Term Liabilities***

Long-term liability activity for the year ended September 30, 2023, was as follows for governmental activities:

	Balance (as restated) September 30, 2022	Additions	Deductions	Balance September 30, 2023	Due Within One Year
Bonds from direct placements	\$ 72,176,337	\$ -	\$ (50,375,337)	\$ 21,801,000	\$ 1,540,000
Notes from direct borrowings	202,488,296	49,662,169	(9,029,804)	243,120,661	112,061,303
Lease liability	1,656,580	36,307	(356,934)	1,335,953	334,362
Subscription liability	1,117,801	818,839	(600,224)	1,336,416	656,149
Finance purchase liability	566,391	2,568,541	(486,272)	2,648,660	575,396
Other postemployment benefits	12,086,337	115,581	-	12,201,918	438,417
Accrued compensated absences	6,023,877	3,212,672	(2,571,496)	6,665,053	2,591,482
Estimated liability for self-insured losses	4,300,000	368,582	(551,674)	4,116,908	884,010
Net pension liability	108,132,022	17,948,798	-	126,080,820	-
<b>Governmental activities long-term liabilities</b>	<b>\$ 408,547,641</b>	<b>\$ 74,731,489</b>	<b>\$ (63,971,741)</b>	<b>\$ 419,307,389</b>	<b>\$ 119,081,119</b>

As noted in Note 2, restatements related to the implementation of GASB Statement No. 96 were required and reflected in the above table.

Long-term liability activity for the year ended September 30, 2023, was as follows for business-type activities:

	Balance September 30, 2022	Additions	Deductions	Balance September 30, 2023	Due Within One Year
Revenue bonds	\$ 44,540,000	\$ -	\$ (2,765,000)	\$ 41,775,000	\$2,890,000
Adjusted for deferred amounts on Issuance discounts/premiums	3,684,630	-	(456,751)	3,227,879	-
<b>Total revenue bonds</b>	<b>48,224,630</b>	<b>-</b>	<b>(3,221,751)</b>	<b>45,002,879</b>	<b>2,890,000</b>
Bonds from direct placements	22,101,000	-	(3,426,000)	18,675,000	882,000
Notes from direct borrowings	14,302,694	2,493,752	(1,493,160)	15,303,286	1,641,092
Finance purchase liability	46,383	12,242	(26,200)	32,425	14,113
Other postemployment benefits	775,060	-	(107,914)	667,146	16,110
Accrued compensated absences	552,970	267,003	(227,555)	592,418	241,960
Landfill closure and postclosure liability	10,625,912	911,363	-	11,537,275	-
Net pension liability	5,936,601	869,890	-	6,806,491	-
<b>Business-type activity long-term liabilities</b>	<b>\$102,565,250</b>	<b>\$ 4,554,250</b>	<b>\$ (8,502,580)</b>	<b>\$98,616,920</b>	<b>\$5,685,275</b>

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.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Pledged Revenues***

The County has revenue notes outstanding at September 30, 2023, for which revenues of the County have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

	Amount Issued	Future Principal and Interest	Current Pledged Revenue	Current Year Principal and Interest	Current Percentage of Revenue
<b>Governmental Activities</b>					
<b>Revenue Notes</b>					
Taxable Series 2014A Revenue Note					
Maturity: 2024					
Interest rate: 3.25%	\$ 635,000	\$ 42,008	\$173,419,499	\$ 42,308	0.0%
Purpose: Improvements to Kings Point subdivision.					
Pledged revenue: Non-ad valorem revenue.					
Taxable Series 2015 Revenue Note					
Maturity: 2025					
Interest rate: 3.30%	\$ 2,500,000	\$ 590,579	\$173,419,499	\$ 295,410	0.2%
Purpose: Financing costs of County ambulance service.					
Pledged revenue: Non-ad valorem revenue.					
Non-Ad Valorem Revenue Note, Series 2018					
Maturity: 2025					
Interest rate: 3.02%	\$ 13,150,000	\$ 4,824,549	\$173,419,499	\$ 2,412,683	1.4%
Purpose: Financing costs of 800 MHz radio system.					
Pledged revenue: Non-ad valorem revenue.					
Sales Tax Revenue Refunding Note, Series 2020					
Maturity: 2032					
Interest rate: 2.06%	\$ 38,770,000	\$ 40,682,941	\$ 20,273,280	\$ 1,334,616	6.6%
Purpose: Refinance 2015 note.					
Pledged revenue: Local government half-cent sales tax.					
Tourist Development Tax Revenue Refunding Note, Series 2020					
Maturity: 2033					
Interest rate: 2.06%	\$ 32,120,000	\$ 28,300,420	\$ 29,622,231	\$ 2,808,728	9.5%
Purpose: Refinance 2018 note.					
Pledged revenue: Tourist Development Tax within the PCB TDT Sub-District.					
Capital Improvement Revenue Refunding Note, Series 2021					
Maturity: 2027					
Interest rate: 0.91%	\$ 11,235,000	\$ 7,655,581	\$173,419,499	\$ 1,939,994	1.1%
Purpose: Refinance 2011 bonds.					
Pledged revenue: Non-ad valorem revenue.					

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Pledged Revenues (continued)***

	Amount Issued	Future Principal and Interest	Current Pledged Revenue	Current Year Principal and Interest	Current Percentage of Revenue
Revenue Refunding Note, Series 2021B					
Maturity: 2024					
Interest rate: 0.70%	\$ 99,886,218	\$ 100,235,820	\$ 173,419,499	\$ 700,000	0.4%
Purpose: Refund 2019 Hurricane Michael note.					
Pledged revenue: Non-ad valorem revenue.					
Capital Improvement Revenue Note, Series 2022A					
Maturity: 2042					
Interest rate: 3.09%	\$ 10,055,000	\$ 12,957,253	\$ 173,419,499	\$ 668,658	0.4%
Purpose: Financing costs of construction and renovations of Southport Sports Complex.					
Pledged revenue: Non-ad valorem revenue.					
Capital Improvement Revenue Refunding Note, Series 2022B					
Maturity: 2037					
Interest rate: 2.88%	\$ 9,505,000	\$ 11,043,484	\$ 173,419,499	\$ 789,421	0.5%
Purpose: Refinance 2021 note.					
Pledged revenue: Non-ad valorem revenue.					
Capital Improvement Revenue Refunding Note, Series 2023					
Maturity: 2028					
Interest rate: 3.99%	\$ 48,874,337	\$ 58,624,767	\$ 173,419,499	N/A	0.0%
Purpose: Refinance 2020 Hurricane Michael note.					
Pledged revenue: Non-ad valorem revenue.					
<b>Governmental Activities</b>					
<b>Revenue Bonds</b>					
Capital Improvement Revenue Bonds, Series 2011					
Maturity: 2026					
Interest rate: 3.96%	\$ 2,340,000	\$ 605,931	\$ 173,419,499	\$ 205,201	0.1%
Purpose: Financing capital improvements for a fire station.					
Pledged revenue: Non-ad valorem revenue.					
Sales Tax Revenue Refunding Bond, Series 2018A&B					
Maturity: 2032					
Interest rate: 2.90%	\$ 11,023,000	\$ 8,488,613	\$ 20,273,280	\$ 942,494	4.6%
Purpose: Refinance 2007 bonds.					
Pledged revenue: Local government half-cent sales tax.					
Capital Improvement Revenue Bond, Series 2021A					
Maturity: 2041					
Interest rate: 2.29%	\$ 15,046,000	\$ 17,070,337	\$ 173,419,499	\$ 948,569	0.5%
Purpose: Financing costs of capital improvements within the County.					
Pledged revenue: Non-ad valorem revenue.					

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Pledged Revenues (continued)***

Amount Issued	Future Principal and Interest	Current Pledged Revenue	Current Year Principal and Interest	Current Percentage of Revenue
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**Business-Type Activities**

**Revenue Notes**

Water System Revenue Note - Series 2014

Maturity: 2032

Interest rate: 3.31%	\$ 18,925,000	\$ 1,572,555	\$ 18,111,874	\$ 1,459,185	8.1%
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Purpose: Financing capital improvements to the wholesale water system.

Pledged revenue: Impact fee and wholesale water system net revenue.

**Business-Type Activities**

**Revenue Bonds**

Water and Sewer System Revenue Refunding Bonds, Series 2015

Maturity: 2045

Interest rate: 2.00-5.00%	\$ 28,710,000	\$ 37,301,013	\$ 12,069,489	\$ 1,694,531	14.0%
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Purpose: Refund 2011 bonds.

Pledged revenue: Net revenues from the water system, connection fees, and allowable deposits.

Water System Revenue Refunding Bonds, Series 2016

Maturity: 2030

Interest rate: 4.00-5.00%	\$ 30,085,000	\$ 21,304,250	\$ 18,111,874	\$ 3,038,250	16.8%
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Purpose: Refund 2005 bonds.

Pledged revenue: Impact fee revenue and wholesale water system net revenue.

Solid Waste System Revenue Bond, Series 2021

Maturity: 2041

Interest rate: 1.87%	\$ 20,340,000	\$ 22,166,385	\$ 3,410,845	\$ 1,231,417	36.1%
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Purpose: Financing costs of capital improvements to County's solid waste system.

Pledged revenue: Net revenues of the Solid Waste Fund.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Interfund Receivables, Payables and Transfers, and Advances***

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, 2023, interfund receivables and payables are as follows:

	Due from										Total
	General Fund	Transportation Fund	Nonmajor Governmental funds	Hurricane Michael Fund	Wholesale Water Fund	Retail Water Fund	Solid Waste Fund	Building Safety Fund	Internal Service Funds		
<b>Due to:</b>											
General	\$ -	\$ -	\$ -	\$ 2,298,291	\$ -	\$ -	\$ 5,560,450	\$ -	\$ 2,427,353	\$ -	\$ 10,286,094
Transportation	61,999	-	-	-	-	-	-	-	406,121	-	468,120
Tourist Development	536,082	-	-	-	-	-	-	-	-	-	536,082
Nonmajor governmental	53,613	-	-	-	-	-	-	61,187	346,284	-	461,084
Wholesale Water	9,423	-	-	-	-	109,128	-	-	382,341	-	500,892
Retail Water	70,574	3,172	1,433	-	1,817	-	55	-	469,033	-	546,084
Solid Waste	2,013,083	-	-	-	-	-	-	-	175,656	-	2,188,739
Building Safety	12,184	-	-	-	-	-	-	-	-	-	12,184
Internal service funds	37,361	73,564	6,106	-	1,693	4,235	-	2,667	-	-	125,626
<b>Total</b>	<b>\$2,794,319</b>	<b>\$ 76,736</b>	<b>\$ 7,539</b>	<b>\$2,298,291</b>	<b>\$ 3,510</b>	<b>\$113,363</b>	<b>\$5,560,505</b>	<b>\$63,854</b>	<b>\$4,206,788</b>	<b>\$ -</b>	<b>\$ 15,124,905</b>

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, 2023, were as follows:

	Transfer from		
	General Fund	Nonmajor Governmental funds	Total
<b>Transfer to:</b>			
General	\$ -	\$ 36,595	\$ 36,595
Transportation	16,163,870	-	16,163,870
Nonmajor governmental	1,277,568	-	1,277,568
Hurricane Michael	7,233	342,838	350,071
Solid Waste	2,000,000	-	2,000,000
<b>Total</b>	<b>\$ 19,448,671</b>	<b>\$ 379,433</b>	<b>\$ 19,828,104</b>

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Interfund Receivables, Payables and Transfers, and Advances (continued)***

An interfund advance was made to the MSTU Fire Protection Fund from the Building Safety Fund in 2012 and 2014 to provide funds for operations. This advance is expected to be repaid within one year of September 30, 2023. The balance of this advance as of September 30, 2023, was \$61,266. There was also an interfund advance made to the Intergovernmental Radio Communications Fund from the General Fund in 2022 to provide funds for additional infrastructure and equipment costs incurred while constructing the newly upgraded 800 MHz system. This advance is expected to be repaid within two years of September 30, 2023. The balance of this advance as of September 30, 2023, was \$1,231,923.

**NOTE 5 – 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 qualified 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 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.

**NOTE 5 – RETIREMENT PLANS (Continued)**

***Defined Benefit Plans (continued)***

The Retiree Health Insurance Subsidy (HIS) Program is a non-qualified, 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 \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, *Florida Statutes*.

***Contributions***

The contribution requirements of plan members and the County 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 County's contribution rates as of September 30, 2023, were as follows:

	October 1, 2022 through June 30, 2023		July 1, 2023 through September 30, 2023	
	FRS	HIS	FRS	HIS
Regular class	10.25%	1.66%	11.57%	2.00%
Senior management	29.91%	1.66%	32.52%	2.00%
Special risk employee class	26.17%	1.66%	30.67%	2.00%
Elected officials	55.34%	1.66%	56.68%	2.00%
DROP plan participants	16.94%	1.66%	19.13%	2.00%

The County's contributions for the year ended September 30, 2023, were \$13,007,629 to the FRS Pension Plan and \$1,392,461 to the HIS program.



**NOTE 5 – RETIREMENT PLANS (Continued)**

***Pension Liabilities and Pension Expense***

In its financial statements for the year ended September 30, 2023, 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, 2023. 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	\$ 101,592,480	\$ 31,294,831
Proportion at:		
Current measurement date	0.254957463%	0.197038268%
Prior measurement date	0.250598139%	0.196603493%
Pension expense	20,832,824	11,997,046

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

At September 30, 2023, 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	\$ 9,538,657	\$ -
Changes of assumptions	6,622,640	-
Net difference between projected and actual earnings on pension plan investments	4,242,777	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,491,776	3,767,412
Employer contributions subsequent to the measurement date	3,498,206	-
<b>Total</b>	<b>\$ 27,394,056</b>	<b>\$ 3,767,412</b>

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 458,098	\$ 73,448
Changes of assumptions	822,665	2,711,584
Net difference between projected and actual earnings on pension plan investments	16,160	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,500,621	724,962
Employer contributions subsequent to the measurement date	388,291	-
<b>Total</b>	<b>\$ 3,185,835</b>	<b>\$ 3,509,994</b>

**NOTE 5 – RETIREMENT PLANS (Continued)**

***Deferred Outflows/Inflows of Resources Related to Pensions (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 net pension liability in the reporting period ending September 30, 2023.

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
2024	\$ 2,547,330	\$ (12,143)
2025	(1,572,937)	64,435
2026	16,670,895	(149,639)
2027	1,959,271	(379,541)
2028	523,879	(216,722)
Thereafter	-	(18,840)
<b>Total</b>	<b>\$ 20,128,438</b>	<b>\$ (712,450)</b>

***Actuarial Assumptions***

The total pension liability for each of the defined benefit plans was measured as of June 30, 2023. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2023. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2023. 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	6.70%	3.65%
Discount rate	6.70%	3.65%

For the FRS Pension Plan, the mortality rates were based on the PUB-2010 base table varies by member category and sex; projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

For the HIS Program, the mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The HIS program is funded on a pay as you go basis and no experience study has been completed for the program. Thus, the above actuarial assumptions that determine the total pension liability as of June 30, 2023 were based on certain results of an actuarial experience study of the FRS for the period of July 1, 2013 - June 30, 2018.

**NOTE 5 – RETIREMENT PLANS (Continued)**

***Actuarial Assumptions (continued)***

The following changes in key actuarial assumptions occurred in 2023:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.54% to 3.65%.

HIS: Chapter 2023-193, Laws of Florida (Senate Bill 7024), increased the level of monthly benefits from \$5 times years of service to \$7.50, with an increased minimum of \$45 and maximum of \$225. This change applies to all years of service for both members currently receiving benefits and members not yet receiving benefits.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
	100.0%			

***Discount Rate***

The discount rate used to measure the total pension liability was 6.70% for the FRS Pension Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 5 – RETIREMENT PLANS (Continued)**

***Discount Rate (continued)***

The discount rate used to measure the total pension liability was 3.65% for the HIS Program. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

***Sensitivity 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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
County’s proportionate share of the net pension liability	\$ 173,540,642	\$ 101,592,480	\$ 41,399,233
	HIS		
	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
County’s proportionate share of the net pension liability	\$ 35,699,636	\$ 31,294,831	\$ 27,638,923

***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, 2023, totaled \$3,595,300.

**NOTE 6 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (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. As a result, there have been no assets accumulated in a trust related to post employee benefits. Contribution rates for the Plan are established by the Board of County Commissioners 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.

***Plan Membership***

At the valuation dates September 30, 2021 for the County and September 30, 2022 for the Sheriff’s office, OPEB membership consisted of the following:

	County Employees	Sheriff’s Office Employees
Inactive members	21	19
Active members	694	520
<b>Total</b>	<b>715</b>	<b>539</b>

**NOTE 6 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)  
(Continued)**

***Actuarial Assumptions and Other Inputs***

At the September 30, 2022 measurement date for the County and at the September 30, 2023 measurement date for the Sheriff, the actuarial assumptions and other inputs, applied include the following:

**County**

Inflation rate	2.20%
Salary increases	3.25% including inflation
Discount rate	4.77% investment rate of return
Health care cost trend rates	4.00%
Retirees' share of benefit-related costs	100% of projected health insurance premium

**Sheriff's Office**

Inflation rate	2.50%
Salary increases	4.00% including inflation
Discount rate	4.87% investment rate of return
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 the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. Eligible bonds must be rated as least AA by S&P, Aa2 by Moody's or AA by Fitch. The high quality bond index at September 30, 2022 and September 30, 2023 was 4.77% and 4.87%, 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-2021. 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-2021.

The actuarial assumptions used in the September 30, 2021 and September 30, 2022 valuations were not based on the results of an actuarial experience study.

**NOTE 6 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)  
(Continued)**

At September 30, 2023, the County’s total OPEB liability of \$12,869,064 consists of \$3,948,098 for the County and \$8,920,966 for the Sheriff’s Office. The information has been provided as of the September 30, 2022 and September 30, 2023 measurement dates.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Total OPEB Liability (Asset) (a) - (b)
Balances at September 30, 2022	\$ 12,861,397	\$ -	\$ 12,861,397
Changes for the year			
Service cost	1,094,765	-	1,094,765
Interest	537,715	-	537,715
Changes of assumptions	(1,170,288)	-	(1,170,288)
Difference between expected and actual experience	-	-	-
Changes in benefit terms	-	-	-
Contributions - employer	-	-	-
Net investment income	-	-	-
Benefit payments	(454,525)	-	(454,525)
Administrative expenses	-	-	-
Net changes	7,667	-	7,667
Balance as of September 30, 2023	\$ 12,869,064	\$ -	\$ 12,869,064

***Sensitivity of the Net OPEB Liability***

The following table represents the County’s total and net OPEB liability, calculated using the discount rate of 4.77%, 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 (3.77%) or 1 percentage point higher (5.77%) than the current rate.

	1% Decrease 3.77%	Discount Rate 4.77%	1% Increase 5.77%
Net OPEB liability	\$ 4,375,987	\$ 3,948,098	\$ 3,573,629

**NOTE 6 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)  
(Continued)**

***Sensitivity of the Net OPEB Liability (continued)***

The following table represents the County’s total and net OPEB liability calculated using the health care cost trend rate of 4.00% - 7.50% as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 3.00%-6.50%	Ultimate Trend Rate 4.00%-7.50%	1% Increase 5.00%-8.50%
Net OPEB liability	\$ 3,434,728	\$ 3,948,098	\$ 4,576,095

The following table represents the Sheriff Office’s total and net OPEB liability calculated using the discount rate of 4.87%, 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 (3.87%) or 1 percentage point higher (5.87%) than the current rate.

	1% Decrease 3.87%	Discount Rate 4.87%	1% Increase 5.87%
Net OPEB liability	\$ 9,796,960	\$ 8,920,966	\$ 8,150,189

The following table represents the Sheriff Office’s total and net OPEB liability calculated using the health care cost trend rate 4.00% - 7.25% as well as what the Sheriff Office's total OPEB liability would be if it were calculated using health care cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current rates:

	1% Decrease 3.00%-6.25%	Ultimate Trend Rate 4.00%-7.25%	1% Increase 5.00%-8.25%
Net OPEB liability	\$ 8,053,218	\$ 8,920,966	\$ 9,949,980



**NOTE 6 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**  
**(Continued)**

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

For the fiscal year ended September 30, 2023, the County, including the Sheriff’s Office, recognized an OPEB expense of \$506,628. In addition, the County, including the Sheriff’s Office, reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 216,143	6,422,419
Differences between expected and actual experience	181,109	1,673,434
Contributions subsequent to the measurement date	129,975	-
Total	\$ 527,227	\$ 8,095,853

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, 2023. Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

*For the years ending September 30,*

2024	\$ (1,112,715)
2025	(1,112,715)
2026	(1,112,711)
2027	(1,071,918)
2028	(1,122,564)
Thereafter	(2,165,978)
Total	\$ (7,698,601)

**NOTE 7 – FUND BALANCE**

The detail related to fund balance classifications for governmental funds as of September 30, 2023, consists of the following:

	General	Tourist Development	Transportation	Hurricane Michael	Nonmajor Governmental	Total
<b>Nonspendable</b>						
Not in spendable form for interfund advances	\$ 1,231,923	\$ -	\$ -	\$ -	\$ -	1,231,923
prepaid items	1,470,577	18,365,963	17,140	-	222,810	20,076,490
<b>Total nonspendable</b>	<b>2,702,500</b>	<b>18,365,963</b>	<b>17,140</b>	<b>-</b>	<b>222,810</b>	<b>21,308,413</b>
<b>Restricted</b>						
Enabling legislation	3,195,455	72,317,314	31,646,858	27,665,538	14,447,511	149,272,676
Debt service	881,780	1,417,268	-	58,487,608	301,981	61,088,637
Impact fees	2,724,190	-	-	-	1,864,696	4,588,886
Contractual	2,371,585	-	-	-	-	2,371,585
Unspent bond proceeds	4,102,833	-	-	-	1,001,178	5,104,011
<b>Total restricted</b>	<b>13,275,843</b>	<b>73,734,582</b>	<b>31,646,858</b>	<b>86,153,146</b>	<b>17,615,366</b>	<b>222,425,795</b>
<b>Assigned</b>						
For disaster cleanup	1,000,000	-	-	-	-	1,000,000
For neighborhood infrastructure and improvement	62,951	-	-	-	-	62,951
For future insurance costs	669,000	346	41,784	-	21,503	732,633
For animal control	118,958	-	-	-	-	118,958
For literacy program	17,852	-	-	-	-	17,852
For following year expenditures	10,023,504	-	-	-	-	10,023,504
For the purpose of special revenue fund	-	-	9,802,791	-	572,840	10,375,631
<b>Total assigned</b>	<b>11,892,265</b>	<b>346</b>	<b>9,844,575</b>	<b>-</b>	<b>594,343</b>	<b>22,331,529</b>
<b>Unassigned</b>	<b>49,094,544</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,094,544</b>
<b>Total fund balances</b>	<b>\$ 76,965,152</b>	<b>\$ 92,100,891</b>	<b>\$ 41,508,573</b>	<b>\$ 86,153,146</b>	<b>\$ 18,432,519</b>	<b>\$ 315,160,281</b>

## **NOTE 8 – COMMITMENTS AND CONTINGENCIES**

### **Landfill Costs and Liabilities**

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.

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 2036. 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, 2023, 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 \$13,788,196 and the postclosure costs to maintain and monitor the Steelfield Landfill will be approximately \$134,540 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, 2023, in the amount of \$11,537,275 which represents the cumulative amount reported to date, based on 64% of the estimated capacity of the landfill. See Note 4 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 2023. Actual cost may be higher due to inflation, deflation, changes in technology, or changes in applicable laws and regulations.

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, 2023, \$8,950,080 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.

**NOTE 8 – COMMITMENTS AND CONTINGENCIES (Continued)**

**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, 2023, the County was contingently liable for the following amounts:

Wastewater System Revenue Refunding Bonds Series 2004 (see note 4)	\$ 1,474,000
Related interest expense	98,555
<hr/>	
Total contingent liability – joint venture	\$ 1,572,555

**Construction Commitments**

At September 30, 2023 the County had open construction contract commitments as follows:

Fund	Contract Amount	Expended to Date	Remaining Commitment
General fund	\$ 24,013,669	\$ 16,069,459	\$ 7,944,210
Transportation fund	61,071,090	34,238,616	26,832,474
Other nonmajor governmental fund	2,108,781	1,483,187	625,594
Tourist development fund	1,620,750	1,356,572	264,178
Wholesale water fund	16,678,074	12,579,129	4,098,945
Retail water fund	6,253,430	4,179,245	2,074,185
Internal service funds	8,678	8,678	-
Transportation planning organization	492,209	204,770	287,439
<hr/>			
Total contract commitments	\$ 112,246,681	\$ 70,119,656	\$ 42,127,025

**NOTE 9 – 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, 2023, are summarized as follows:

Issue	Date of Issue	Amount Outstanding September 30, 2023
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy) Series 2020	October 21, 2020	\$ 8,510,000
Bay County, Florida Industrial Development Revenue Refunding Bonds (Goodwill Industries - Big Bend, Inc.) Series 2017	April 1, 2017	\$ 8,195,941
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy Project) Series 2013 A & B	April 17, 2013	\$ 19,690,000
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy Project) Series 2016	October 1, 2016	\$ 4,375,000
Bay County, Florida Industrial Developmental Revenue Bonds (Gulf Power Company Project) Series 2020	June 1, 2020	\$ 50,000,000

**NOTE 10 – 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, 2023. The County purchases commercial insurance for claims in excess of coverage provided by the Workers' Compensation Fund. Settled claims exceeded the commercial coverage for fiscal year 2023 and 2022. Settled claims did not exceeded this commercial coverage for fiscal year 2021.

**NOTE 10 – INSURANCE (Continued)**

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 \$4,116,908 reported in the Workers' Compensation Fund at September 30, 2023, 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 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 2022 and 2023 were as follows:

Year Ending September 30,	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2022	\$ 4,480,761	\$ 1,557,045	\$ (1,737,806)	\$ 4,300,000
2023	\$ 4,300,000	\$ 368,582	\$ (551,674)	\$ 4,116,908

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.

Effective 2023, the County and its constitutional officers began participating in the Florida Sheriffs Employee Benefit Trust (FSEBT) self-insurance fund for health insurance purposes. FSEBT is a public entity providing various benefit services to Florida's counties and constitutional officers. The County and its constitutional officers participate in the self-insured consortium plan with other local units of governments throughout Florida. The FSEBT pools the funds of each entity. The agreement with FSEBT and the County requires the County to pay a premium amount, adjusted annually. The County is not invoiced nor pays for claims directly, but retains the risk associated with the plan. The plan includes stop loss coverage for claims that exceed \$250,000. As of September 30, 2023, the County paid premiums to FSEBT of \$15,996,773.

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.

**NOTE 10 – INSURANCE (Continued)**

Changes in the Self-Insurers’ Fund’s claims liability amount in fiscal years 2022 and 2023 were as follows:

Year Ending September 30,	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2022	\$ 250,000	\$ 4,055,281	\$ (4,055,281)	\$ 250,000
2023	\$ 250,000	\$ 4,954,342	\$ (4,954,342)	\$ 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 11 – 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 (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, 2023, the County’s investment in the joint venture was \$7,923,071. Complete financial statements for the joint venture may be obtained from the Operator at P.O. Box 2269, Panama City, Florida 32402.

**NOTE 11– JOINT VENTURE (Continued)**

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

Statement of Net Position September 30, 2023	
Assets	\$ 30,807,594
Deferred outflows	246,420
Liabilities	7,426,704
Net position	
Net investment in capital assets	16,878,929
Restricted for owners' rate reserve	2,019,646
Unrestricted	4,728,735
Total net position	\$ 23,627,310

Statement of Activities Year Ended September 30, 2023	
Operating revenues	\$ 5,261,170
Operating expenses	(5,899,875)
Operating income	(638,705)
Nonoperating revenues (expenses), net	1,792,727
Income before distributions	1,154,022
Distributions to owners	(248,479)
Change in net position	905,543
Net position, beginning of year as restated	22,721,767
Net position, end of year	\$ 23,627,310

As of September 30, 2023, the County's portion of contributions and net position in the joint venture is as follows:

County investment, at September 30, 2022	\$ 7,650,229
Add: 2023 County share of net income	326,042
Less: 2023 distributions payable	(53,200)
County investment in joint venture at September 30, 2023	\$ 7,923,071



**NOTE 12 – RELATED PARTY TRANSACTIONS**

During the year ended September 30, 2023, the MPAWTF provided services to the County’s Retail Water & Wastewater Fund. For the year ended September 30, 2023, the billings for these services totaled \$1,792,340.

As described in Note 11, 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 \$3,116,057 for the year ended September 30, 2023.

Receivables/payables arising from all non-billing transactions with MPAWTF are recorded as “due from” or “due to” amounts. MPAWTF has recorded \$4,069,895 in “due from” the County and \$1,217,966 in “due to” the County.

In addition, during the current year the County recognized \$62,736 in interest income from the joint venture, which was subsequently used to satisfy interest expense of \$62,736, related to the State Revolving Fund Loan Program as discussed in Note 4.

**NOTE 13 – COUNTY TAX ABATEMENTS**

County property tax revenues were reduced by \$126,130 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, 2023, there were nine County abatement agreements with County businesses, five of which were entered into prior to the fiscal year.

**NOTE 14 – HURRICANE MICHAEL**

The total amount of damages related to Hurricane Michael are estimated to be \$387,920,381. During fiscal year 2023, there were 109 open eligible projects and a total of \$281,737,517 has been submitted for reimbursement through September 30, 2023. 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.

**NOTE 15 – SUBSEQUENT EVENT**

On February 21, 2024, the Board of County Commissioners approved Resolution No. 4065. This authorized the County to issue its \$50,000,000 Revenue Refunding Note, Series 2024, which refinanced a portion of its \$100,000,000 Revenue Refunding Note, Series 2021B. The remainder of the 2021B Note was paid off at the time of refinancing. The County elected to retain a portion of the debt to ensure cash availability for ongoing projects related to Hurricane Michael recovery. The County is anticipating the closeout of various FEMA projects in the coming fiscal year and aims to continue paying the remaining Hurricane Michael debt off as these funds are made available. The interest rate on the Revenue Refunding Note, Series 2024, is 4.00%

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## 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>2023</b>	<b>2022</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)	0.2549575%	0.2505981%	0.2449620%	0.2587725%	0.2689660%	0.2556707%	0.2529244%	0.2550759%	0.2425663%
County's proportionate share of the net pension liability (asset)	\$101,592,480	\$ 93,242,646	\$ 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)	\$ 78,248,148	\$ 71,444,499	\$ 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	129.83%	130.51%	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	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
<b>Health Insurance Subsidy Program</b>	<b>2023</b>	<b>2022</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)	0.1970383%	0.1966035%	0.1898645%	0.1854461%	0.1933694%	0.1844422%	0.1821278%	0.1822235%	0.1808524%
County's proportionate share of the net pension liability (asset)	\$ 31,294,831	\$ 20,825,977	\$ 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)	\$ 78,248,148	\$ 71,444,499	\$ 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	39.99%	29.15%	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	4.12%	4.81%	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>2023</b>	<b>2022</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	\$ 13,007,629	\$ 10,853,252	\$ 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	(13,007,629)	(10,853,252)	(9,562,643)	(8,816,675)	(8,511,906)	(7,416,042)	(6,712,153)	(6,485,810)	(5,913,973)	(5,192,563)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll (1)	\$ 80,122,291	\$ 71,424,306	\$ 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	16.23%	15.20%	14.14%	13.49%	13.03%	12.26%	13.39%	13.18%	12.58%	11.38%
<b>Health Insurance Subsidy Program</b>	<b>2023</b>	<b>2022</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	\$ 1,392,461	\$ 1,191,366	\$ 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	(1,392,461)	(1,191,366)	(1,120,926)	(1,084,563)	(1,084,094)	(1,003,122)	(975,599)	(959,484)	(691,330)	(608,663)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll (1)	\$ 80,122,291	\$ 71,424,306	\$ 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	1.74%	1.67%	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

<i>As of and for the year ended September 30,</i>	<b>2023</b>	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>						
Service cost	\$ 1,094,765	\$ 1,322,858	\$ 1,347,822	\$ 1,075,210	\$ 1,485,216	\$ 1,592,740
Interest	537,715	336,634	306,940	753,846	694,272	581,292
Differences between expected and actual experiences	(1,170,288)	(545,204)	-	(1,918,450)	96,096	-
Changes of assumptions	-	(1,043,117)	(236,273)	(5,882,790)	(47,426)	(915,074)
Benefit payments	(454,525)	(401,094)	(356,487)	(311,632)	(564,122)	(593,463)
Net change in total OPEB liability	7,667	(329,923)	1,062,002	(6,283,816)	1,664,036	665,495
Total OPEB liability - beginning	12,861,397	13,191,320	12,129,318	18,404,522	16,740,486	16,307,935
Total OPEB liability - ending	12,869,064	12,861,397	13,191,320	12,120,706	18,404,522	16,973,430
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	454,525	401,094	356,486	311,632	564,122	593,463
Benefit payments	(454,525)	(401,094)	(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	\$ 12,869,064	\$ 12,861,397	\$ 13,191,320	\$ 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%	0.00%	0.00%
<b>Covered-employee payroll</b>	<b>58,647,124</b>	56,633,806	54,952,529	53,653,130	52,657,577	51,896,540
<b>Net OPEB liability as a percentage of covered payroll</b>	<b>21.94%</b>	22.71%	24.00%	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



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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.

*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.

<i>September 30, 2023</i>	Public Safety	Intergovernmental Radio Communications	District Mosquito Control
<b>ASSETS</b>			
Cash and cash equivalents	\$ 31,221	\$ 1,321	\$ 13,928
Accounts receivable, net	-	2,790,195	-
Lease receivable	-	350,452	-
Accrued interest receivable	6,027	3,150	2,797
Investments	2,761,020	116,847	1,231,742
Prepaid items	182,042	12,947	665
Due from other funds	2,069	1,297	6,659
Due from other governments	317,494	53,681	9,414
Restricted assets			
Cash and cash equivalents	-	13,455	-
Investments	-	1,189,920	-
<b>Total assets</b>	<b>\$ 3,299,873</b>	<b>\$ 4,533,265</b>	<b>\$ 1,265,205</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 41,532	\$ 1,083,925	\$ 111,081
Unearned revenues	-	-	18
Due to other funds	-	-	3,994
Advance from other funds	-	1,231,923	-
<b>Total liabilities</b>	<b>41,532</b>	<b>2,315,848</b>	<b>115,093</b>
<b>Deferred inflows of resources</b>			
Deferred revenue related to leases	-	310,087	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>310,087</b>	<b>-</b>
<b>Fund balance</b>			
Nonspendable	182,042	12,947	665
Restricted	3,075,533	1,321,543	1,145,123
Assigned	766	572,840	4,324
<b>Total fund balance</b>	<b>3,258,341</b>	<b>1,907,330</b>	<b>1,150,112</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,299,873</b>	<b>\$ 4,533,265</b>	<b>\$ 1,265,205</b>

Bay County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds

Special Revenue					
MSTU Fire Protection	Court	Records Modernization - Records	Records Modernization - Court		
\$ 39,944	\$ 757,978	\$ 829,346	\$ 1,531,747		
420	123,678	-	-		
-	-	-	-		
13,482	-	-	-		
3,532,431	-	-	-		
7,145	16,308	-	3,703		
451,059	-	-	-		
219,144	26,742	-	1,250		
21,310	-	-	-		
1,884,546	-	-	-		
\$ 6,169,481	\$ 924,706	\$ 829,346	\$ 1,536,700		
\$ 394,572	\$ 395,610	\$ -	\$ 46,624		
-	-	-	-		
3,545	-	-	-		
61,266	-	-	-		
459,383	395,610	-	46,624		
-	-	-	-		
-	-	-	-		
7,145	16,308	-	3,703		
5,686,540	512,788	829,346	1,486,373		
16,413	-	-	-		
5,710,098	529,096	829,346	1,490,076		
\$ 6,169,481	\$ 924,706	\$ 829,346	\$ 1,536,700		

Continued

<i>September 30, 2023</i>	Law Enforcement Training	Special Law Enforcement Trust	Special Contribution
<b>ASSETS</b>			
Cash and cash equivalents	\$ 36,098	\$ 161,023	\$ 14,097
Accounts receivable, net	18,280	-	-
Lease receivable	-	-	-
Accrued interest receivable	-	-	-
Investments	-	-	-
Prepaid items	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Restricted assets			
Cash and cash equivalents	-	-	-
Investments	-	-	-
<b>Total assets</b>	<b>\$ 54,378</b>	<b>\$ 161,023</b>	<b>\$ 14,097</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 2,488	\$ 400	\$ -
Unearned revenues	-	-	-
Due to other funds	-	-	-
Advance from other funds	-	-	-
<b>Total liabilities</b>	<b>2,488</b>	<b>400</b>	<b>-</b>
<b>Deferred inflows of resources</b>			
Deferred revenue related to leases	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance</b>			
Nonspendable	-	-	-
Restricted	51,890	160,623	14,097
Assigned	-	-	-
<b>Total fund balance</b>	<b>51,890</b>	<b>160,623</b>	<b>14,097</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 54,378</b>	<b>\$ 161,023</b>	<b>\$ 14,097</b>

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

Special Revenue

Crime Prevention	Chapter 705	Inmate Welfare	Total Nonmajor Governmental Funds
\$ 147,007	\$ 158,933	\$ 2,769,848	\$ 6,492,491
-	-	262,982	3,195,555
-	-	-	350,452
-	-	-	25,456
-	-	-	7,642,040
-	-	-	222,810
-	-	-	461,084
-	-	-	627,725
-	-	-	34,765
-	-	-	3,074,466
<u>\$ 147,007</u>	<u>\$ 158,933</u>	<u>\$ 3,032,830</u>	<u>\$ 22,126,844</u>
\$ -	\$ 7,260	\$ -	\$ 2,083,492
-	-	-	18
-	-	-	7,539
-	-	-	1,293,189
-	7,260	-	3,384,238
-	-	-	310,087
-	-	-	310,087
-	-	-	222,810
147,007	151,673	3,032,830	17,615,366
-	-	-	594,343
<u>147,007</u>	<u>151,673</u>	<u>3,032,830</u>	<u>18,432,519</u>
<u>\$ 147,007</u>	<u>\$ 158,933</u>	<u>\$ 3,032,830</u>	<u>\$ 22,126,844</u>

<i>For the year ended September 30, 2023</i>	Public Safety	Intergovernmental Radio Communications	District Mosquito Control
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 1,618,673
Intergovernmental	253,976	-	83,004
Charges for services	964,453	1,537,443	1,201
Investment earnings	139,158	84,223	66,825
Contributions and donations	-	26,257	-
Miscellaneous	-	35,776	125
<b>Total revenues</b>	<b>1,357,587</b>	<b>1,683,699</b>	<b>1,769,828</b>
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Public safety	1,216,997	596,594	-
Human services	-	-	1,586,281
Capital outlay			
General government	-	-	-
Public safety	74,214	164,302	-
Human services	-	-	84,352
Debt service			
Principal	7,321	2,226,926	1,616
Interest	877	241,055	4,649
<b>Total expenditures</b>	<b>1,299,409</b>	<b>3,228,877</b>	<b>1,676,898</b>
Excess (deficiency) of revenues over (under) expenditures	58,178	(1,545,178)	92,930
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	1,198,235	79,333
Transfers out	(349,996)	-	-
Issuance of debt	-	-	-
Proceeds from sale of capital assets	-	-	-
<b>Net other financing sources (uses)</b>	<b>(349,996)</b>	<b>1,198,235</b>	<b>79,333</b>
Net change in fund balance	(291,818)	(346,943)	172,263
Fund balance, beginning of year	3,550,159	2,254,273	977,849
<b>Fund balance, end of year</b>	<b>\$ 3,258,341</b>	<b>\$ 1,907,330</b>	<b>\$ 1,150,112</b>

Bay County, Florida  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Nonmajor Governmental Funds

Special Revenue					
MSTU Fire Protection	Court	Records Modernization - Records	Records Modernization - Court		
\$ 12,154,043	\$ -	\$ -	\$ -		
226,982	-	-	-		
874,807	4,230,348	142,053	429,568		
356,998	-	-	-		
88,194	-	-	-		
305,651	-	-	-		
14,006,675	4,230,348	142,053	429,568		
-	4,185,089	53,687	344,432		
12,318,420	-	-	-		
-	-	-	-		
-	-	-	1,414		
215,064	-	-	-		
-	-	-	-		
423,522	-	-	-		
107,847	-	-	-		
13,064,853	4,185,089	53,687	345,846		
941,822	45,259	88,366	83,722		
-	-	-	-		
(29,437)	-	-	-		
14,558	-	-	-		
-	-	-	-		
(14,879)	-	-	-		
926,943	45,259	88,366	83,722		
4,783,155	483,837	740,980	1,406,354		
\$ 5,710,098	\$ 529,096	\$ 829,346	\$ 1,490,076		

Continued



<i>For the year ended September 30, 2023</i>	Law Enforcement Training	Special Law Enforcement Trust	Special Contribution
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	75,441	166,375	5,600
Charges for services	-	-	-
Investment earnings	-	-	-
Contributions and donations	-	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>75,441</b>	<b>166,375</b>	<b>5,600</b>
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Public safety	75,825	103,899	5,000
Human services	-	-	-
Capital outlay			
General government	-	-	-
Public safety	-	90,048	-
Human services	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total expenditures</b>	<b>75,825</b>	<b>193,947</b>	<b>5,000</b>
Excess (deficiency) of revenues over (under) expenditures	(384)	(27,572)	600
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Issuance of debt	-	-	-
Proceeds from sale of capital assets	-	88,882	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>88,882</b>	<b>-</b>
Net change in fund balance	(384)	61,310	600
Fund balance, beginning of year	52,274	99,313	13,497
<b>Fund balance, end of year</b>	<b>\$ 51,890</b>	<b>\$ 160,623</b>	<b>\$ 14,097</b>

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

Special Revenue							
	Crime Prevention		Chapter 705		Inmate Welfare		Total Nonmajor Governmental Funds
\$	-	\$	-	\$	-	\$	13,772,716
	4,715		157,567		-		973,660
	-		-		2,137,928		10,317,801
	-		-		-		647,204
	-		-		-		114,451
	-		-		-		341,552
	4,715		157,567		2,137,928		26,167,384
	-		-		-		4,583,208
	101,313		100,552		1,376,064		15,894,664
	-		-		-		1,586,281
	-		-		-		1,414
	-		-		183,663		727,291
	-		-		-		84,352
	-		-		-		2,659,385
	-		-		-		354,428
	101,313		100,552		1,559,727		25,891,023
	(96,598)		57,015		578,201		276,361
	-		-		-		1,277,568
	-		-		-		(379,433)
	-		-		-		14,558
	-		-		-		88,882
	-		-		-		1,001,575
	(96,598)		57,015		578,201		1,277,936
	243,605		94,658		2,454,629		17,154,583
\$	147,007	\$	151,673	\$	3,032,830	\$	18,432,519

Bay County, Florida  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Public Safety

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 251,650	\$ 253,976	\$ 2,326
Charges for services	805,000	805,000	964,453	159,453
Investment earnings	7,500	7,500	139,158	131,658
<b>Total revenues</b>	<b>812,500</b>	<b>1,064,150</b>	<b>1,357,587</b>	<b>293,437</b>
<b>EXPENDITURES</b>				
Current				
Public safety	1,375,391	2,202,074	1,216,997	985,077
Capital outlay				
Public safety	-	327,268	74,214	253,054
Debt service				
Principal	-	-	7,321	(7,321)
Interest	-	22	877	(855)
<b>Total expenditures</b>	<b>1,375,391</b>	<b>2,529,364</b>	<b>1,299,409</b>	<b>1,229,955</b>
Excess (deficiency) of revenues over (under) expenditures	(562,891)	(1,465,214)	58,178	1,523,392
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(349,996)	(349,996)
Net other financing sources (uses)	-	-	(349,996)	(349,996)
<b>Net change in fund balance</b>	<b>\$ (562,891)</b>	<b>\$ (1,465,214)</b>	<b>(291,818)</b>	<b>\$ 1,173,396</b>
Fund balance, beginning of year			<u>3,550,159</u>	
Fund balance, end of year			<u>\$ 3,258,341</u>	

Bay County, Florida  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Intergovernmental Radio Communications

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 2,446,013	\$ 2,446,013	\$ 1,537,443	\$ (908,570)
Investment earnings	-	-	84,223	84,223
Contributions and donations	-	-	26,257	26,257
Miscellaneous	-	-	35,776	35,776
<b>Total revenues</b>	<b>2,446,013</b>	<b>2,446,013</b>	<b>1,683,699</b>	<b>(762,314)</b>
<b>EXPENDITURES</b>				
Current				
Public safety	814,327	806,006	596,594	209,412
Capital outlay				
Public safety	27,000	35,971	164,302	(128,331)
Debt service				
Principal	2,222,000	2,222,000	2,226,926	(4,926)
Interest	192,153	240,153	241,055	(902)
<b>Total expenditures</b>	<b>3,255,480</b>	<b>3,304,130</b>	<b>3,228,877</b>	<b>75,253</b>
Excess (deficiency) of revenues over (under) expenditures	(809,467)	(858,117)	(1,545,178)	(687,061)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,198,235	1,198,235	1,198,235	-
<b>Net other financing sources (uses)</b>	<b>1,198,235</b>	<b>1,198,235</b>	<b>1,198,235</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 388,768</b>	<b>\$ 340,118</b>	<b>(346,943)</b>	<b>\$ (687,061)</b>
Fund balance, beginning of year			<u>2,254,273</u>	
Fund balance, end of year			<u>\$ 1,907,330</u>	

Bay County, Florida  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
District Mosquito Control

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,588,646	\$ 1,588,646	\$ 1,618,673	\$ 30,027
Intergovernmental	83,004	73,182	83,004	9,822
Charges for services	-	-	1,201	1,201
Investment earnings	3,000	3,000	66,825	63,825
Miscellaneous	-	-	125	125
<b>Total revenues</b>	<b>1,674,650</b>	<b>1,664,828</b>	<b>1,769,828</b>	<b>105,000</b>
<b>EXPENDITURES</b>				
Current				
Human services	1,835,606	1,827,814	1,586,281	241,533
Capital outlay				
Human services	-	75,000	84,352	(9,352)
Debt service				
Principal	-	-	1,616	(1,616)
Interest	4,410	4,410	4,649	(239)
<b>Total expenditures</b>	<b>1,840,016</b>	<b>1,907,224</b>	<b>1,676,898</b>	<b>230,326</b>
Excess (deficiency) of revenues over (under) expenditures	(165,366)	(242,396)	92,930	335,326
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	79,333	79,333	79,333	-
<b>Net other financing sources (uses)</b>	<b>79,333</b>	<b>79,333</b>	<b>79,333</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (86,033)</b>	<b>\$ (163,063)</b>	<b>\$ 172,263</b>	<b>\$ 335,326</b>
Fund balance, beginning of year			<u>977,849</u>	
Fund balance, end of year			<u>\$ 1,150,112</u>	

Bay County, Florida  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
MSTU Fire Protection

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 11,936,791	\$ 11,936,791	\$ 12,154,043	\$ 217,252
Intergovernmental	380,262	380,262	226,982	(153,280)
Charges for services	480,000	596,761	874,807	278,046
Investment earnings	15,000	15,000	356,998	341,998
Contributions and donations	-	-	88,194	88,194
Miscellaneous	-	283,945	305,651	21,706
<b>Total revenues</b>	<b>12,812,053</b>	<b>13,212,759</b>	<b>14,006,675</b>	<b>793,916</b>
<b>EXPENDITURES</b>				
Current				
Public safety	11,791,351	12,895,461	12,318,420	577,041
Capital outlay				
Public safety	123,000	1,017,834	215,064	802,770
Debt service				
Principal	455,160	455,160	423,522	31,638
Interest	101,719	101,739	107,847	(6,108)
<b>Total expenditures</b>	<b>12,471,230</b>	<b>14,470,194</b>	<b>13,064,853</b>	<b>1,405,341</b>
Excess (deficiency) of revenues over (under) expenditures	340,823	(1,257,435)	941,822	2,199,257
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	14,558	14,558
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(14,879)</b>	<b>(14,879)</b>
<b>Net change in fund balance</b>	<b>\$ 340,823</b>	<b>\$ (1,257,435)</b>	<b>926,943</b>	<b>\$ 2,184,378</b>
Fund balance, beginning of year			<u>4,783,155</u>	
Fund balance, end of year			<u>\$ 5,710,098</u>	

Bay County, Florida  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Court

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 3,941,758	\$ 4,185,166	\$ 4,230,348	\$ 45,182
Total revenues	3,941,758	4,185,166	4,230,348	45,182
<b>EXPENDITURES</b>				
Current				
General government	3,941,758	4,185,166	4,185,089	77
Total expenditures	3,941,758	4,185,166	4,185,089	77
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	45,259	\$ 45,259
Fund balance, beginning of year			483,837	
Fund balance, end of year			\$ 529,096	

Bay County, Florida  
Statement of Revenues, Expenses, and Changes in Net Position  
Bay County Transportation Planning Organization

<i>For the year ended September 30, 2023</i>	Total
<b>OPERATING REVENUES</b>	
Charges for services	\$ 540,130
Total operating revenues	540,130
<b>OPERATING EXPENSES</b>	
Personal services	407,394
Contracted services	4,431,439
Repairs and maintenance	114,038
Utilities	52,868
Depreciation	696,269
Other operating expenses	377,539
Total operating expenses	6,079,547
Operating income (loss)	(5,539,417)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Intergovernmental revenues-grants	5,906,112
Investment earnings (loss)	(1,255)
Interest and fiscal charges	(15,477)
Proceeds from sales of capital assets	7,648
Contributions	500,913
Total nonoperating revenues (expenses)	6,397,941
Change in net position	858,524
Net position, beginning of year	9,562,686
Net position, end of year	\$ 10,421,210



Bay County, Florida  
Statement of Cash Flows  
Bay County Transportation Planning Organization

*For the year ended September 30, 2023*

Total

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$	367,440
Cash paid to suppliers for goods and services		(4,587,814)
Cash paid to employees for services		(407,704)
Net cash provided by (used in) operating activities		(4,628,078)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Contributions received		6,407,025
Net cash provided by (used in) noncapital financing activities		6,407,025

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

Interest paid on long-term debt		(12,747)
Proceeds from sale of capital assets		7,648
Purchase of capital assets		(1,192,567)
Net cash provided by (used in) capital and related financing activities		(1,197,666)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from sale and maturities of investment securities		1,906,673
Purchase of investments		(2,545,170)
Return of investment		(1,255)
Net cash provided by (used in) investing activities		(639,752)

Net change in cash and cash equivalents		(58,471)
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Cash and cash equivalents - beginning		84,352
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Cash and cash equivalents - ending	\$	25,881
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Classified as

Current assets	\$	25,095
Restricted assets		786
Total		\$ 25,881

Continued

Bay County, Florida  
Statement of Cash Flows (Continued)  
Bay County Transportation Planning Organization

*For the year ended September 30, 2023*

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

<u>Operating income</u>	<u>\$</u>	<u>(5,539,417)</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation		696,269
(Increase) decrease in assets		
Accounts receivable, net		(97,512)
Prepaid expenses		(53,063)
Due from other governments		(100,118)
Other postemployment benefits		(2,785)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities		441,159
Unearned revenue		24,940
Accrued compensated absences		2,343
Due to primary government		(26)
Decrease (increase) in deferred outflows: related to OPEB		132
<u>Total adjustments</u>		<u>911,339</u>
Net cash provided by (used in) operating activities	<u>\$</u>	<u>(4,628,078)</u>

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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

<i>September 30, 2023</i>	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 11,248	\$ 86,163	\$ -	\$ 18,014	\$ 115,425
Accounts receivable, net	146,354	-	-	12,933	159,287
Accrued interest	1,222	12,856	-	2,731	16,809
Prepaid items	3,021	51,142	3,604,540	11,759	3,670,462
Investments	928,383	7,264,370	-	1,593,102	9,785,855
Due from component units	62	-	-	-	62
Due from other governments	2,856	-	-	-	2,856
Due from other funds	114,456	872	1,011	10,357	126,696
<b>Total current assets</b>	<b>1,207,602</b>	<b>7,415,403</b>	<b>3,605,551</b>	<b>1,648,896</b>	<b>13,877,452</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	626,464	41,298	42,182	525,123	1,235,067
Less: accumulated depreciation	(613,945)	(12,475)	(39,680)	(492,478)	(1,158,578)
Right-to-use subscription assets, net	51,059	-	-	234,763	285,822
<b>Total noncurrent assets</b>	<b>468,066</b>	<b>28,823</b>	<b>2,502</b>	<b>611,243</b>	<b>1,110,634</b>
<b>Total assets</b>	<b>1,675,668</b>	<b>7,444,226</b>	<b>3,608,053</b>	<b>2,260,139</b>	<b>14,988,086</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to OPEB	8,989	954	444	6,821	17,208
Deferred outflows related to pension	204,363	22,463	18,442	206,982	452,250
<b>Total deferred outflows of resources</b>	<b>213,352</b>	<b>23,417</b>	<b>18,886</b>	<b>213,803</b>	<b>469,458</b>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued liabilities	332,139	15,640	316,272	81,104	745,155
Accrued interest payable	692	7	1,165	11	1,875
Compensated absences	57,123	8,845	7,657	43,674	117,299
Current portion of other postemployment benefits	3,301	275	268	3,022	6,866
Due to other funds	360,789	1,602,057	1,823,503	421,509	4,207,858
Current portion of finance purchase liability	5,947	1,030	1,182	6,332	14,491
Current portion of subscription liability	16,132	-	-	74,172	90,304
Estimated liability for self insured losses, current	-	884,010	-	-	884,010
<b>Total current liabilities</b>	<b>776,123</b>	<b>2,511,864</b>	<b>2,150,047</b>	<b>629,824</b>	<b>6,067,858</b>
Noncurrent liabilities					
Compensated absences	97,020	14,882	8,368	71,024	191,294
Finance purchase liability due after one year	9,600	1,145	2,011	10,066	22,822
Subscription liability due after one year	36,192	-	-	166,405	202,597
Estimated liability for self insured losses	-	3,232,898	-	-	3,232,898
Other postemployment benefits	78,043	1,606	644	17,706	97,999
Net pension liability	1,080,275	230,446	151,253	1,183,200	2,645,174
<b>Total noncurrent liabilities</b>	<b>1,301,130</b>	<b>3,480,977</b>	<b>162,276</b>	<b>1,448,401</b>	<b>6,392,784</b>
<b>Total liabilities</b>	<b>2,077,253</b>	<b>5,992,841</b>	<b>2,312,323</b>	<b>2,078,225</b>	<b>12,460,642</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pension	178,753	(4,051)	32,529	(38,863)	168,368
Deferred inflows related to OPEB	195,591	21,514	8,177	126,461	351,743
<b>Total deferred inflows of resources</b>	<b>374,344</b>	<b>17,463</b>	<b>40,706</b>	<b>87,598</b>	<b>520,111</b>
<b>NET POSITION</b>					
Net investment in capital assets	400,195	26,648	(691)	354,268	780,420
Unrestricted	(962,772)	1,430,691	1,274,601	(46,149)	1,696,371
<b>Total net position</b>	<b>\$ (562,577)</b>	<b>\$ 1,457,339</b>	<b>\$ 1,273,910</b>	<b>\$ 308,119</b>	<b>\$ 2,476,791</b>

Bay County, Florida  
Combining Statement of Revenues, Expenses,  
and Changes in Fund Net Position  
Internal Service Funds

<i>For the year ended September 30, 2023</i>	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 6,459,295	\$ 892,098	\$ 5,271,786	\$ 2,528,401	\$ 15,151,580
Insurance proceeds	-	-	1,350	-	1,350
Miscellaneous	2,346	248,983	-	253	251,582
<b>Total operating revenues</b>	<b>6,461,641</b>	<b>1,141,081</b>	<b>5,273,136</b>	<b>2,528,654</b>	<b>15,404,512</b>
<b>OPERATING EXPENSES</b>					
Personal services	2,012,676	319,587	297,913	1,773,480	4,403,656
Contracted services	31,243	42,015	9,538	393,715	476,511
Repairs and maintenance	1,360,343	206	1,165	17,933	1,379,647
Utilities	407,954	-	-	19,611	427,565
Depreciation	93,551	9,225	1,377	99,270	203,423
Materials	2,592,530	-	-	-	2,592,530
Insurance claims	-	790,698	-	-	790,698
Other operating expenses	302,866	70,004	4,959,427	272,178	5,604,475
<b>Total operating expenses</b>	<b>6,801,163</b>	<b>1,231,735</b>	<b>5,269,420</b>	<b>2,576,187</b>	<b>15,878,505</b>
Operating income (loss)	(339,522)	(90,654)	3,716	(47,533)	(473,993)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues-grants	3,182	-	-	-	3,182
Interest and fiscal charges	(3,999)	(266)	-	(419)	(4,684)
Investment earnings (loss)	22,489	275,104	(2,988)	41,987	336,592
<b>Total nonoperating revenues (expenses)</b>	<b>21,672</b>	<b>274,838</b>	<b>(2,988)</b>	<b>41,568</b>	<b>335,090</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
CONTRIBUTIONS AND TRANSFERS	(317,850)	184,184	728	(5,965)	(138,903)
Capital contributions	108,968	-	-	-	108,968
Change in net position	(208,882)	184,184	728	(5,965)	(29,935)
Net position, beginning of year	(353,695)	1,273,155	1,273,182	314,084	2,506,726
Net position, end of year	\$ (562,577)	\$ 1,457,339	\$ 1,273,910	\$ 308,119	\$ 2,476,791

Bay County, Florida  
Combining Statement of Cash Flows  
Internal Service Funds

<i>For the year ended September 30, 2023</i>	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and others	\$ 6,422,147	\$ 900,383	\$ 5,272,125	\$ 2,519,750	\$ 15,114,405
Cash received from miscellaneous operating activities	2,346	248,983	-	253	251,582
Cash paid to suppliers for goods and services	(5,035,381)	(735,198)	(5,514,198)	(487,595)	(11,772,372)
Cash paid to employees for services	(1,775,103)	(268,382)	(252,019)	(1,574,318)	(3,869,822)
Net cash provided by (used in) operating activities	(385,991)	145,786	(494,092)	458,090	(276,207)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Contributions received	3,182	-	-	-	3,182
Net cash provided by (used in) noncapital financing activities	3,182	-	-	-	3,182
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of capital assets	-	-	24,089	-	24,089
Principal paid on long-term debt	(9,616)	(1,233)	(1,266)	(9,002)	(21,117)
Principal paid on subscription liabilities	(8,718)	-	-	(40,086)	(48,804)
Interest paid on long-term debt and subscription liabilities	(4,609)	(266)	-	(5,275)	(10,150)
Aquisition of capital assets	(57,003)	-	(26,505)	(70,759)	(154,267)
Proceeds from long-term debt	12,007	-	2,416	19,129	33,552
Net cash provided by (used in) capital and related financing activities	(67,939)	(1,499)	(1,266)	(105,993)	(176,697)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale and maturities of investment securities	1,827,469	8,368,874	789,674	1,357,100	12,343,117
Purchase of investments	(1,448,075)	(9,006,319)	(306,951)	(1,788,038)	(12,549,383)
Interest and dividends on investments	15,078	240,550	(11,625)	37,346	281,349
Net cash provided by (used in) investing activities	394,472	(396,895)	471,098	(393,592)	75,083
Net increase (decrease) in cash and cash equivalents	(56,276)	(252,608)	(24,260)	(41,495)	(374,639)
Cash and cash equivalents - beginning	67,524	338,771	24,260	59,509	490,064
Cash and cash equivalents - ending	\$ 11,248	\$ 86,163	\$ -	\$ 18,014	\$ 115,425
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
Assets acquired via lease	\$ 12,007	\$ -	\$ 2,416	\$ 19,129	\$ 33,552
Assets acquired via subscription-based information technology arrangements	\$ 62,099	\$ -	\$ -	\$ 285,522	\$ 347,621

Continued

Bay County, Florida  
Combining Statement of Cash Flows (Continued)  
Internal Service Funds

<i>For the year ended September 30, 2023</i>	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income	\$ (339,522)	\$ (90,654)	\$ 3,716	\$ (47,533)	\$ (473,993)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	93,551	9,225	1,377	99,270	203,423
(Increase) decrease in assets					
Accounts receivable, net	(12,418)	-	-	(8,129)	(20,547)
Prepaid expenses	(54)	(826)	(1,246,113)	(9,808)	(1,256,801)
Due from other funds	(21,900)	8,285	(1,011)	(522)	(15,148)
Due from other governments	(2,856)	9,157	-	-	6,301
Due from component unit	26	-	-	-	26
Increase (decrease) in liabilities					
Accounts payable and accrued liabilities	75,148	(25,820)	19,984	4,729	74,041
Deferred revenue	-	-	-	-	-
Accrued compensated absences	21,821	(3,672)	3,987	1,224	23,360
Due to other funds	(415,539)	368,306	682,061	220,921	855,749
Other postemployment benefits	(22,109)	(1,840)	(1,795)	(20,243)	(45,987)
Net pension liability	187,894	45,838	35,207	172,360	441,299
Estimated liability for self insured losses	-	(183,092)	-	-	(183,092)
Decrease (increase) in deferred outflows:					
related to net pension	46,344	11,307	8,683	42,513	108,847
related to OPEB	697	58	57	638	1,450
Decrease (increase) in deferred inflows					
related to OPEB	7,468	622	606	6,837	15,533
related to net pension	(4,542)	(1,108)	(851)	(4,167)	(10,668)
<b>Total adjustments</b>	<b>(46,469)</b>	<b>236,440</b>	<b>(497,808)</b>	<b>505,623</b>	<b>197,786</b>
Net cash provided by (used in) operating activities	\$ (385,991)	\$ 145,786	\$ (494,092)	\$ 458,090	\$ (276,207)



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*Fines and Forfeitures* – 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.

*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.

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

Custodial Funds

<i>September 30, 2023</i>	Fines and Forfeitures	Jury and Witness	Tax Deed	Support	Court Registry	Cash Bond	Restitution
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,536,912	\$ 30,922	\$ 682,289	\$ 37,138	\$ 2,073,064	\$ 1,804,543	\$ 152,664
Accounts receivable, net	53	-	2,875	-	-	-	-
<b>Total assets</b>	<b>\$ 4,536,965</b>	<b>\$ 30,922</b>	<b>\$ 685,164</b>	<b>\$ 37,138</b>	<b>\$ 2,073,064</b>	<b>\$ 1,804,543</b>	<b>\$ 152,664</b>
<b>LIABILITIES</b>							
Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to others	22,959	-	-	5,925	-	-	26,289
Due to other governments	1,910,425	22	1,225	31,213	9,376	20,179	126,375
<b>Total liabilities</b>	<b>\$ 1,933,384</b>	<b>\$ 22</b>	<b>\$ 1,225</b>	<b>\$ 37,138</b>	<b>\$ 9,376</b>	<b>\$ 20,179</b>	<b>\$ 152,664</b>
<b>NET POSITION</b>							
Restricted for							
Held for others	\$ 2,603,581	\$ 30,900	\$ 683,939	\$ -	\$ 2,063,688	\$ 1,784,364	\$ -
<b>Total net position</b>	<b>\$ 2,603,581</b>	<b>\$ 30,900</b>	<b>\$ 683,939</b>	<b>\$ -</b>	<b>\$ 2,063,688</b>	<b>\$ 1,784,364</b>	<b>\$ -</b>

Bay County, Florida  
 Combining Statement of Fiduciary Net Position  
 Fiduciary Funds

Custodial Funds

Property Tax	Tag	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene	Total
\$ 2,717,719	\$ 594,916	\$ -	\$ 254,263	\$ 33,859	\$ 30,265	\$ 233,332	\$ 13,181,886
-	40	-	-	-	-	-	2,968
<u>\$ 2,717,719</u>	<u>\$ 594,956</u>	<u>\$ -</u>	<u>\$ 254,263</u>	<u>\$ 33,859</u>	<u>\$ 30,265</u>	<u>\$ 233,332</u>	<u>\$ 13,184,854</u>
\$ 2,297,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,297,730
162,328	594,956	-	-	-	-	-	812,457
257,661	-	-	-	33,859	30,265	-	2,420,600
<u>\$ 2,717,719</u>	<u>\$ 594,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,859</u>	<u>\$ 30,265</u>	<u>\$ -</u>	<u>\$ 5,530,787</u>
\$ -	\$ -	\$ -	\$ 254,263	\$ -	\$ -	\$ 233,332	\$ 7,654,067
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,332</u>	<u>\$ 7,654,067</u>

Custodial Funds

<i>For the year ended September 30, 2023</i>	Fines and Forfeitures	Jury and Witness	Tax Deed	Support	Court Registry	Cash Bond
<b>Additions</b>						
Funds held for others	\$ 57,269,744	\$ -	\$ 1,864,909	\$ 1,322,015	\$ 18,081,912	\$ 2,151,435
Court costs	-	25,022	-	-	-	-
Property taxes collected for other governments	-	-	-	-	-	-
Seizures	-	-	-	-	-	-
Bonds, purges, and levies	-	-	-	-	-	-
<b>Total additions</b>	<b>57,269,744</b>	<b>25,022</b>	<b>1,864,909</b>	<b>1,322,015</b>	<b>18,081,912</b>	<b>2,151,435</b>
<b>Deductions</b>						
Funds held for others	59,035,903	-	1,792,700	1,322,015	17,656,805	2,603,840
Court costs	-	20,313	-	-	-	-
Property taxes distributed to other governments	-	-	-	-	-	-
Seizures	-	-	-	-	-	-
Bonds, purges, and levies	-	-	-	-	-	-
<b>Total deductions</b>	<b>59,035,903</b>	<b>20,313</b>	<b>1,792,700</b>	<b>1,322,015</b>	<b>17,656,805</b>	<b>2,603,840</b>
Net increase (decrease) in fiduciary net position	(1,766,159)	4,709	72,209	-	425,107	(452,405)
Net position, beginning of year	4,369,740	26,191	611,730	-	1,638,581	2,236,769
Net position, end of year	\$ 2,603,581	\$ 30,900	\$ 683,939	\$ -	\$ 2,063,688	\$ 1,784,364

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

Custodial Funds

Restitution	Property Tax	Tag	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene	Total
\$ 920,399	\$ -	\$ 28,363,602	\$ -	\$ -	\$ 33,859	\$ 30,265	\$ -	\$ 110,038,140
-	-	-	-	-	-	-	-	25,022
-	312,877,374	-	-	-	-	-	-	312,877,374
-	-	-	-	232,549	-	-	148,595	381,144
-	-	-	78,319	-	-	-	-	78,319
920,399	312,877,374	28,363,602	78,319	232,549	33,859	30,265	148,595	423,399,999
920,399	-	28,363,602	-	-	33,859	30,265	-	111,759,388
-	-	-	-	-	-	-	-	20,313
-	312,877,374	-	-	-	-	-	-	312,877,374
-	-	-	-	589,512	-	-	16,312	605,824
-	-	-	88,259	-	-	-	-	88,259
920,399	312,877,374	28,363,602	88,259	589,512	33,859	30,265	16,312	425,351,158
-	-	-	(9,940)	(356,963)	-	-	132,283	(1,951,159)
-	-	-	9,940	611,226	-	-	101,049	9,605,226
\$ -	\$ -	\$ -	\$ -	\$ 254,263	\$ -	\$ -	\$ 233,332	\$ 7,654,067

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*This part of Bay County’s annual comprehensive 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 annual comprehensive financial reports for the relevant year.*



	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 171,575,742	\$ 170,031,683	\$ 174,625,157	\$ 185,942,825
Restricted	68,225,355	64,930,455	62,482,780	52,028,548
Unrestricted	(11,964,402)	(48,500,836)	(39,893,820)	(37,426,236)
<b>Total governmental activities net position</b>	<b>\$ 227,836,695</b>	<b>\$ 186,461,302</b>	<b>\$ 197,214,117</b>	<b>\$ 200,545,137</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 77,905,570	\$ 85,630,990	\$ 77,098,606	\$ 76,389,185
Restricted	12,794,516	14,775,326	16,126,502	14,690,995
Unrestricted	35,598,707	25,641,282	28,101,073	30,278,469
<b>Total business-type activities net position</b>	<b>\$ 126,298,793</b>	<b>\$ 126,047,598</b>	<b>\$ 121,326,181</b>	<b>\$ 121,358,649</b>
<b>Primary Government</b>				
Net investment in capital assets	\$ 249,481,312	\$ 255,662,673	\$ 251,723,763	\$ 262,332,010
Restricted	81,019,871	79,705,781	78,609,282	66,719,543
Unrestricted	23,634,305	(22,859,554)	(11,792,747)	(7,147,767)
<b>Total primary government net position</b>	<b>\$ 354,135,488</b>	<b>\$ 312,508,900</b>	<b>\$ 318,540,298</b>	<b>\$ 321,903,786</b>

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

Schedule 1

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 197,386,933	\$ 193,766,314	\$ 236,648,268	\$ 120,938,759	\$ 108,094,420	\$ 153,393,159
89,936,688	75,496,876	77,167,310	174,469,887	199,054,853	217,312,873
(69,050,293)	(63,690,229)	(56,254,053)	(26,191,204)	(19,082,548)	(30,044,513)
<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>	<b><u>\$ 288,066,725</u></b>	<b><u>\$ 340,661,519</u></b>
\$ 76,550,659	\$ 70,196,300	\$ 94,423,482	\$ 85,408,521	\$ 52,582,324	\$ 56,875,136
16,031,428	18,132,682	19,762,480	23,506,603	25,306,873	25,088,798
27,227,589	22,925,271	23,097,094	42,687,082	45,069,252	52,989,735
<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>	<b><u>\$ 122,958,449</u></b>	<b><u>\$ 134,953,669</u></b>
\$ 273,937,592	\$ 263,962,614	\$ 331,071,750	\$ 206,347,280	\$ 160,676,744	\$ 210,268,295
105,968,116	93,629,558	96,929,790	197,976,490	224,361,726	242,401,671
(41,822,704)	(40,764,958)	(33,156,959)	16,495,878	25,986,704	22,945,222
<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>	<b><u>\$ 411,025,174</u></b>	<b><u>\$ 475,615,188</u></b>

	<b>Fiscal Year</b>			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Expenses</b>				
<b>Governmental activities:</b>				
General government	\$ 39,201,075	\$ 39,149,936	\$ 47,032,293	\$ 52,467,733
Public safety	38,289,031	40,034,847	41,041,309	43,679,953
Physical environment	1,659,241	859,398	734,092	894,857
Transportation	24,938,922	28,918,058	25,079,518	34,898,777
Economic environment	22,137,297	31,517,039	25,070,779	22,692,937
Human services	5,272,176	5,774,723	6,280,176	6,506,744
Culture/recreation	5,608,860	5,944,644	6,428,430	8,242,201
Interest on long-term debt	3,593,220	3,315,923	3,096,600	3,001,553
Total governmental activities expenses	<u>140,699,822</u>	<u>155,514,568</u>	<u>154,763,197</u>	<u>172,384,755</u>
<b>Business-type activities:</b>				
Wholesale water system	11,942,948	12,258,486	18,861,132	15,169,886
Retail water and wastewater	11,153,219	10,572,655	11,834,678	11,965,300
Industrial wastewater	-	-	-	-
Solid waste fund	16,283,995	21,281,558	18,820,367	17,118,847
Building services	1,283,093	1,388,854	1,418,602	1,729,303
Emergency medical services	6,936,224	6,605,406	7,534,405	8,341,115
Total business-type activities expenses	<u>47,599,479</u>	<u>52,106,959</u>	<u>58,469,184</u>	<u>54,324,451</u>
<b>Total primary government expenses</b>	<b><u>\$ 188,299,301</u></b>	<b><u>\$ 207,621,527</u></b>	<b><u>\$ 213,232,381</u></b>	<b><u>\$ 226,709,206</u></b>
<b>Program Revenues</b>				
<b>Governmental activities:</b>				
Charges for services:				
General government	\$ 15,126,991	\$ 14,937,260	\$ 15,185,508	\$ 15,874,222
Public safety	1,121,128	1,118,265	1,105,411	1,131,986
Physical environment	44,827	204,132	52,747	54,853
Transportation	2,346,351	2,769,342	3,961,322	3,838,239
Economic Environment	-	-	-	-
Human services	500	670	740	34,055
Culture and recreation	682,133	644,267	681,635	732,517
Operating grants and contributions	6,337,973	7,955,071	7,067,621	8,241,334
Capital grants and contributions	9,439,100	10,653,053	12,615,670	6,904,530
Total governmental activities program revenue	<u>35,099,003</u>	<u>38,282,060</u>	<u>40,670,654</u>	<u>36,811,736</u>
<b>Business-type activities:</b>				
Charges for services:				
Water system revenue	15,816,100	16,456,994	16,541,878	16,175,074
Retail water and wastewater	8,620,964	10,521,926	11,439,766	12,516,809
Industrial wastewater	-	-	-	-
Solid waste fund	13,203,200	11,127,783	12,329,777	13,305,785
Building services	1,231,381	1,009,679	996,913	1,122,403
Emergency medical services	6,822,477	6,869,420	6,545,020	6,585,072
Operating grants and contributions	1,759,674	4,052,543	476,979	150,000
Capital grants and contributions	738,232	1,004,435	1,204,633	2,351,683
Total business-type activities program revenue	<u>48,192,028</u>	<u>51,042,780</u>	<u>49,534,966</u>	<u>52,206,826</u>
<b>Total primary government program revenues</b>	<b><u>\$ 83,291,031</u></b>	<b><u>\$ 89,324,840</u></b>	<b><u>\$ 90,205,620</u></b>	<b><u>\$ 89,018,562</u></b>

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

Schedule 2

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	48,503,172	\$	78,986,762	\$	61,187,391	\$	60,318,488	\$	64,293,176	\$	68,467,815
	48,589,600		60,835,929		64,341,274		63,386,157		77,704,743		97,335,805
	1,321,473		55,390,912		2,866,863		7,337,452		1,941,335		2,179,996
	37,826,331		39,136,958		54,852,605		45,958,641		48,600,739		44,868,091
	25,346,097		30,229,959		25,407,109		35,212,367		38,180,350		56,338,868
	6,795,314		10,701,839		9,550,736		9,999,680		17,061,983		19,912,173
	7,721,631		8,029,123		16,520,956		7,540,895		7,654,642		9,631,733
	3,883,725		5,169,215		5,341,928		4,192,989		3,627,191		4,041,923
	<u>179,987,343</u>		<u>288,480,697</u>		<u>240,068,862</u>		<u>233,946,669</u>		<u>259,064,159</u>		<u>302,776,404</u>
	17,679,973		17,259,688		14,902,015		16,575,079		17,909,903		17,511,086
	12,362,477		12,398,623		12,586,365		13,035,165		13,228,101		14,554,797
	-		-		-		-		-		-
	18,611,836		161,271,639		33,209,638		15,111,930		10,187,092		20,698,301
	1,721,266		2,542,238		2,145,009		2,388,445		2,660,784		4,839,862
	7,503,778		8,985,778		9,783,291		-		-		-
	<u>57,879,330</u>		<u>202,457,966</u>		<u>72,626,318</u>		<u>47,110,619</u>		<u>43,985,880</u>		<u>57,604,046</u>
<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>	<b>\$</b>	<b><u>303,050,039</u></b>	<b>\$</b>	<b><u>360,380,450</u></b>
\$	16,862,500	\$	17,658,780	\$	17,526,143	\$	24,064,424	\$	22,981,708	\$	26,993,774
	1,111,888		2,385,314		3,009,865		3,942,395		8,523,926		4,518,082
	53,480		51,765		53,466		54,060		50,388		55,802
	4,416,377		3,718,393		6,544,563		4,329,649		5,548,401		5,610,467
	-		174,509		1,344,272		2,055,762		2,436,247		2,637,326
	885		780		700		1,050		10,360,620		16,823,078
	790,868		748,323		967,009		563,441		-		-
	6,549,827		64,469,343		80,462,659		34,183,855		33,301,062		64,700,814
	18,508,077		14,473,955		15,347,227		3,801,596		5,486,406		18,188,351
	<u>48,293,902</u>		<u>103,681,162</u>		<u>125,255,904</u>		<u>72,996,232</u>		<u>88,688,758</u>		<u>139,527,694</u>
	16,368,156		16,590,875		16,908,666		16,838,892		17,659,999		18,904,013
	12,325,470		11,851,146		12,958,573		13,561,300		13,600,686		15,199,583
	-		-		-		-		-		-
	13,748,203		26,744,257		14,975,174		11,376,795		9,187,266		9,184,905
	1,577,734		3,392,383		3,600,931		3,938,803		3,609,995		2,673,477
	6,391,539		4,830,323		3,940,583		-		-		-
	203,482		126,015,464		33,034,028		341,186		25,927		674,036
	1,761,121		2,372,524		2,845,817		4,444,947		4,475,020		4,696,935
	<u>52,375,705</u>		<u>191,796,972</u>		<u>88,263,772</u>		<u>50,501,923</u>		<u>48,558,893</u>		<u>51,332,949</u>
<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>	<b>\$</b>	<b><u>137,247,651</u></b>	<b>\$</b>	<b><u>190,860,643</u></b>

Continued

	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (105,600,819)	\$ (117,232,508)	\$ (114,092,543)	\$ (135,573,019)
Business-type activities	592,549	(1,064,179)	(8,934,218)	(2,117,625)
Total primary government net expenses	<u>(105,008,270)</u>	<u>(118,296,687)</u>	<u>(123,026,761)</u>	<u>(137,690,644)</u>
<b>General Revenue and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	55,438,164	72,337,961	74,587,688	77,143,203
Sales taxes	37,248,717	41,461,764	42,572,741	54,634,864
State shared revenues	3,607,298	3,916,783	4,034,294	4,234,003
Investment earnings	142,401	843,450	716,243	907,602
Miscellaneous	2,816,892	2,157,506	2,934,392	1,984,367
Transfers	-	27,680	-	-
Total governmental activities	<u>99,253,472</u>	<u>120,745,144</u>	<u>124,845,358</u>	<u>138,904,039</u>
Business-type activities:				
Sales tax	3,000	2,500	2,000	1,700
State shared revenues	-	-	-	-
Investment earnings	1,613,968	1,556,455	1,416,516	-
Miscellaneous	9,920,373	5,415,800	3,327,188	1,687,573
Transfers	-	(27,680)	-	460,820
Total business-type activities	<u>11,537,341</u>	<u>6,947,075</u>	<u>4,745,704</u>	<u>2,150,093</u>
<b>Total primary government</b>	<b><u>\$ 110,790,813</u></b>	<b><u>\$ 127,692,219</u></b>	<b><u>\$ 129,591,062</u></b>	<b><u>\$ 141,054,132</u></b>
<b>Change in Net Position, before extraordinary item</b>				
Governmental activities	\$ (6,347,347)	\$ 3,512,636	\$ 10,752,815	\$ 3,331,020
Business-type activities	12,129,890	5,882,896	(4,188,514)	32,468
<b>Total primary government, before extraordinary item</b>	<b><u>\$ 5,782,543</u></b>	<b><u>\$ 9,395,532</u></b>	<b><u>\$ 6,564,301</u></b>	<b><u>\$ 3,363,488</u></b>
<b>Extraordinary item</b>				
Governmental activities	\$ -	\$ -	\$ -	\$ -
Business-type activities	-	-	-	-
<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	(6,347,347)	3,512,636	10,752,815	3,331,020
Business-type activities	12,129,890	5,882,896	(4,188,514)	32,468
<b>Total primary government, after extraordinary item</b>	<b><u>\$ 5,782,543</u></b>	<b><u>\$ 9,395,532</u></b>	<b><u>\$ 6,564,301</u></b>	<b><u>\$ 3,363,488</u></b>

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

Schedule 2

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ (131,693,441)	\$ (184,799,535)	\$ (114,812,958)	\$ (160,950,437)	\$ (170,375,401)	\$ (163,248,710)
(5,503,625)	(10,660,994)	15,637,454	3,391,304	4,573,013	(6,271,097)
<u>(137,197,066)</u>	<u>(195,460,529)</u>	<u>(99,175,504)</u>	<u>(157,559,133)</u>	<u>(165,802,388)</u>	<u>(169,519,807)</u>
76,315,124	83,829,900	78,486,505	85,706,636	95,141,991	110,406,779
60,723,275	66,131,285	59,458,898	84,964,163	89,556,226	89,746,332
4,446,400	4,650,451	4,347,686	5,118,893	6,575,457	7,050,330
1,708,726	3,894,275	3,380,139	520,522	(2,614,316)	13,256,949
2,185,037	24,196,176	25,280,329	6,197,675	3,302,763	3,782,730
<u>(2,143,650)</u>	<u>(2,689,977)</u>	<u>(4,152,035)</u>	<u>(6,070,901)</u>	<u>(3,040,888)</u>	<u>(13,566,692)</u>
<u>143,234,912</u>	<u>180,012,110</u>	<u>166,801,522</u>	<u>176,436,988</u>	<u>188,921,233</u>	<u>210,676,428</u>
1,700	1,200	1,503	1,100	2,700	1,700
-	-	-	-	-	-
1,668,127	4,299,425	2,647,998	468,836	16,207	3,885,256
697,981	954,242	3,589,813	528,790	554,468	812,669
<u>2,143,650</u>	<u>2,689,977</u>	<u>4,152,035</u>	<u>6,070,901</u>	<u>3,040,888</u>	<u>13,566,692</u>
<u>4,511,458</u>	<u>7,944,844</u>	<u>10,391,349</u>	<u>7,069,627</u>	<u>3,614,263</u>	<u>18,266,317</u>
<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>	<b><u>\$ 192,535,496</u></b>	<b><u>\$ 228,942,745</u></b>
\$ 11,541,471	\$ (4,787,425)	\$ 51,988,564	\$ 15,486,551	\$ 18,574,767	\$ 47,427,718
(992,167)	(2,716,150)	26,028,803	10,460,931	8,187,276	11,995,220
<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>	<b><u>\$ 26,762,043</u></b>	<b><u>\$ 59,422,938</u></b>
\$ -	\$ (11,537,225)	\$ -	\$ -	\$ -	\$ -
-	(5,839,273)	-	-	(36,831,033)	-
<b><u>\$ -</u></b>	<b><u>\$ (17,376,498)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (36,831,033)</u></b>	<b><u>\$ -</u></b>
11,541,471	(16,324,650)	51,988,564	15,486,551	18,574,767	47,427,718
(992,167)	(8,555,423)	26,028,803	10,460,931	(28,643,757)	11,995,220
<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><u>\$ (10,068,990)</u></b>	<b><u>\$ 59,422,938</u></b>

	<b>Fiscal Year</b>			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Fund</b>				
Nonspendable	\$ 202,696	\$ 225,262	\$ 1,611,560	\$ 1,451,579
Restricted	25,007,377	21,698,079	11,788,083	11,861,948
Assigned	2,333,790	3,890,036	3,586,221	3,383,981
Unassigned	10,653,467	10,538,830	13,084,012	13,969,729
<b>Total general fund</b>	<u><u>\$ 38,197,330</u></u>	<u><u>\$ 36,352,207</u></u>	<u><u>\$ 30,069,876</u></u>	<u><u>\$ 30,667,237</u></u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 125,156	\$ 112,387	\$ 712,143	\$ 860,173
Restricted	42,671,978	43,259,246	50,694,697	40,166,602
Assigned	5,448,333	6,893,278	8,435,005	17,303,832
Unassigned	-	(20,587)	(581,660)	-
<b>Total all other governmental funds</b>	<u><u>\$ 48,245,467</u></u>	<u><u>\$ 50,244,324</u></u>	<u><u>\$ 59,260,185</u></u>	<u><u>\$ 58,330,607</u></u>

**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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,311,571	\$ 1,249,322	\$ 194,560	\$ 383,806	\$ 2,468,393	\$ 2,702,500
11,414,198	15,003,479	12,612,735	8,482,195	21,237,450	13,275,843
2,030,176	5,472,669	2,233,168	8,848,122	9,398,381	11,892,265
11,823,770	8,252,362	22,681,796	46,840,719	40,834,470	49,094,544
<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>	<b><u>\$ 73,938,694</u></b>	<b><u>\$ 76,965,152</u></b>
\$ 616,207	\$ 722,876	\$ 1,169,214	\$ 609,230	\$ 22,086,064	\$ 18,605,913
78,522,490	70,033,326	73,375,273	187,963,286	193,596,462	209,149,952
20,029,225	44,260,717	72,824,177	32,141,013	11,410,382	10,439,264
-	-	-	-	-	-
<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><u>\$ 227,092,908</u></b>	<b><u>\$ 238,195,129</u></b>



	<b>Fiscal Year</b>			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>				
Taxes	\$ 77,988,344	\$ 98,305,773	\$ 100,785,637	\$ 115,035,942
Licenses and permits	1,190	2,130	460	1,095
Intergovernmental revenue	34,376,446	38,527,525	37,529,977	36,791,038
Charges for services	19,031,979	19,219,347	19,562,691	20,742,328
Fines and forfeitures	223,463	170,018	331,800	225,728
Special assessments	57,233	281,876	52,747	54,853
Investment earnings	160,594	830,159	747,971	926,264
Contributions and donations	214,295	443,476	1,407,714	567,619
Miscellaneous	1,477,872	900,547	1,364,082	607,936
Total revenues	<u>133,531,416</u>	<u>158,680,851</u>	<u>161,783,079</u>	<u>174,952,803</u>
<b>Expenditures</b>				
General government	18,945,602	20,932,005	21,162,373	22,295,589
Public safety	56,483,530	59,748,975	61,838,320	63,049,920
Physical environment	1,338,866	466,235	375,620	523,899
Transportation	14,272,182	14,006,805	12,949,706	24,007,106
Economic environment	21,333,649	33,353,190	24,411,239	22,020,464
Human services	5,138,392	5,639,354	6,151,154	6,427,087
Culture and recreation	4,294,971	4,532,509	4,957,231	5,740,804
Capital Outlay	10,796,658	15,395,555	21,074,039	27,821,652
Debt service				
Principal retirement	2,596,381	2,762,184	4,178,784	3,504,228
Interest and fiscal charges	3,574,117	2,967,116	3,190,413	2,706,371
Bond issuance costs	-	-	-	-
Total expenditures	<u>138,774,348</u>	<u>159,803,928</u>	<u>160,288,879</u>	<u>178,097,120</u>
Excess of revenues over (under) expenditures	<u>(5,242,932)</u>	<u>(1,123,077)</u>	<u>1,494,200</u>	<u>(3,144,317)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	2,712,974	3,770,224	3,253,337	13,927,938
Operating transfers out	(2,712,974)	(3,742,544)	(3,253,337)	(13,961,758)
Debt issuance	832,077	41,254,325	791,395	969,986
Premium on bonds issued	-	-	-	-
Reversion to State of Florida	-	-	-	-
Payment to refunded bond escrow agent	-	(40,125,166)	-	-
Proceeds from sale of capital assets	<u>143,506</u>	<u>119,972</u>	<u>447,935</u>	<u>1,875,934</u>
Total other financing sources (uses)	<u>975,583</u>	<u>1,276,811</u>	<u>1,239,330</u>	<u>2,812,100</u>
<b>Net change in fund balance</b>	<b><u>\$ (4,267,349)</u></b>	<b><u>\$ 153,734</u></b>	<b><u>\$ 2,733,530</u></b>	<b><u>\$ (332,217)</u></b>
Debt service as a percentage of noncapital expenditures	4.82%	3.97%	5.29%	4.13%

**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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 120,024,081	\$ 130,750,695	\$ 120,088,645	\$ 148,505,828	\$ 160,768,688	\$ 176,035,506
2,815	2,770	2,555	4,509	4,468	6,535
46,171,944	87,368,951	117,601,549	63,089,558	68,867,428	103,451,631
21,586,101	22,551,494	24,385,992	31,569,799	33,635,093	36,563,846
313,645	279,904	315,735	626,258	652,846	1,471,547
55,182	51,765	53,466	54,060	10,259,673	16,726,499
1,670,988	3,739,452	3,239,224	417,574	(2,545,028)	12,921,570
1,687,661	11,548,389	1,060,865	1,366,222	7,543,441	10,445,021
909,244	5,791,674	7,226,898	6,398,218	5,547,830	4,746,336
<u>192,421,661</u>	<u>262,085,094</u>	<u>273,974,929</u>	<u>252,032,026</u>	<u>284,734,439</u>	<u>362,368,491</u>
23,258,808	46,193,805	38,332,102	33,518,621	35,041,079	33,054,934
65,883,500	78,295,705	80,538,734	87,094,376	88,977,682	101,461,763
813,413	54,532,108	2,624,906	6,821,055	1,357,424	1,788,253
25,649,626	26,832,825	39,257,688	39,305,491	40,437,074	35,513,540
24,377,905	29,224,121	24,667,792	33,969,821	35,962,596	52,958,799
6,728,281	10,605,163	9,450,103	9,904,220	17,065,777	20,093,956
5,897,373	6,049,738	7,813,714	6,108,051	7,457,642	7,572,188
33,364,368	55,975,171	39,916,217	28,745,233	38,804,955	81,845,622
3,745,186	9,812,355	57,941,060	59,609,306	11,876,314	11,934,639
2,847,826	4,916,810	5,464,380	4,023,799	3,871,823	3,941,884
193,200	127,288	214,888	184,030	225,755	102,281
<u>192,759,486</u>	<u>322,565,089</u>	<u>306,221,584</u>	<u>309,284,003</u>	<u>281,078,121</u>	<u>350,267,859</u>
<u>(337,825)</u>	<u>(60,479,995)</u>	<u>(32,246,655)</u>	<u>(57,251,977)</u>	<u>3,656,318</u>	<u>12,100,632</u>
9,653,749	11,243,950	14,521,295	596,016,501	18,576,646	17,828,104
(11,797,399)	(13,016,907)	(15,784,957)	(506,507,917)	(18,578,595)	(19,828,104)
51,840,840	81,601,475	107,026,883	76,800,894	121,092,232	52,710,598
-	-	-	-	-	-
-	-	-	-	-	-
(12,416,559)	-	(33,533,489)	(11,320,087)	(109,391,218)	(48,874,337)
<u>4,097</u>	<u>108,407</u>	<u>113,095</u>	<u>108,509</u>	<u>274,041</u>	<u>191,786</u>
<u>37,284,728</u>	<u>79,936,925</u>	<u>72,342,827</u>	<u>155,097,900</u>	<u>11,973,106</u>	<u>2,028,047</u>
<b><u>\$ 36,946,903</u></b>	<b><u>\$ 19,456,930</u></b>	<b><u>\$ 40,096,172</u></b>	<b><u>\$ 97,845,923</u></b>	<b><u>\$ 15,629,424</u></b>	<b><u>\$ 14,128,679</u></b>
4.14%	5.53%	23.81%	22.68%	6.50%	5.91%

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>
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%
2022	\$ 18,762,611	\$ 3,271,330	\$ 2,303,196	\$ 553,830	\$ 77,861	\$ 36,709	\$ 4,417,470	\$ (6,911,118)	\$ 22,511,889	6.0162	\$ 33,698,770	66.80%
2023	\$ 23,114,768	\$ 3,697,605	\$ 2,615,949	\$ 633,694	\$ 81,226	\$ 35,777	\$ 4,509,982	\$ (8,198,349)	\$ 26,490,652	7.0162	\$ 40,565,953	65.30%

**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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>County Direct Rates:</b>										
General	4.6500	4.6500	4.6500	4.4362	4.4362	4.4362	4.4362	4.4362	4.4362	5.4362
Mosquito Control	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
MSTU	<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>	<u>1.3800</u>	<u>1.3800</u>
<b>Total Direct Rate</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>6.0162</b>	<b>7.0162</b>
<b>Municipalities:</b>										
City of Panama City	3.8570	3.9740	3.9740	3.9740	4.3500	5.5469	4.9999	4.8999	4.7999	4.7999
Panama City Downtown Improvement Board	2.8918	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
City of Lynn Haven	3.9000	3.9000	3.9000	3.9000	3.9000	3.9000	4.3000	4.1000	4.1000	4.0000
City of Mexico Beach	5.0290	4.9270	5.1840	5.3510	5.3270	8.0000	8.0000	7.0000	6.5000	5.9999
City of Callaway	2.2500	2.2500	2.2500	2.2500	1.9900	2.7500	2.7500	2.7500	2.7500	2.7500
City of Parker *	--	--	--	--	--	--	--	--	--	3.0000
City of Springfield	3.3950	3.4650	3.4650	3.4650	3.4650	3.4650	3.4650	3.4650	4.4650	4.8650
<b>School Districts</b>	<b>6.8890</b>	<b>6.9070</b>	<b>6.4750</b>	<b>6.3410</b>	<b>6.1220</b>	<b>5.9476</b>	<b>5.9860</b>	<b>5.8470</b>	<b>5.5040</b>	<b>5.4980</b>
<b>Northwest Florida Water Management District</b>	<b>0.0390</b>	<b>0.0378</b>	<b>0.0366</b>	<b>0.0353</b>	<b>0.0338</b>	<b>0.0327</b>	<b>0.0311</b>	<b>0.0294</b>	<b>0.0261</b>	<b>0.0234</b>
<b>Special District:</b>										
Beach Mosquito Control	0.2230	0.2230	0.2955	0.4100	0.5450	0.5240	0.3500	0.3000	0.2200	0.1800

\* City of Parker City Council voted in the 3.8% ad valorem tax in January 11, 2023 Special Meeting.

*Source: Bay County Tax Collector*



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)			Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Amount		Percentage of Original Levy	
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%
2022	\$ 98,369,504	\$ 126,855	\$ 98,496,359	\$ 94,998,817	97%	\$ 95,028	\$ 95,093,845	97%
2023	\$ 114,136,561	\$ 149,639	\$ 114,286,200	\$ 110,199,987	97%	\$ 190,474	\$ 110,390,461	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 2014-2023  
 (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>
2014	\$ 1,678,701,571	18.75%	\$ 10,963,389	20.98%
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%
2022	\$ 2,474,875,657	14.70%	\$ 17,867,287	8.57%
2023	\$ 2,919,480,751	17.96%	\$ 20,305,142	13.64%

*Source: Florida Department of Revenue*

Distribution of Half-Cent  
Sales Tax in Bay County, Florida  
For Ten Year Period 2014-2023  
(Unaudited)

Schedule 10

**Fiscal Year 2014 - 2023 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>
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%
2022	\$ 17,867,287	60%	\$ 12,154,828	40%
2023	\$ 20,305,142	59%	\$ 13,866,637	41%

**Source:** Florida Department of Revenue



	<b>Fiscal Year</b>			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Governmental Activities</b>				
Revenue bonds	\$ 89,194,188	\$ 48,849,178	\$ 45,864,991	\$ 43,625,804
Leases	232,427	765,740	983,547	1,066,501
Notes payable	635,000	40,715,000	40,099,000	39,726,000
Subscription payable	-	-	-	-
<b>Total Governmental Activities</b>	<u>\$ 90,061,615</u>	<u>\$ 90,329,918</u>	<u>\$ 86,947,538</u>	<u>\$ 84,418,305</u>
<b>Business-type Activities</b>				
Revenue bonds	\$ 90,552,459	\$ 85,461,023	\$ 83,298,094	\$ 77,083,388
Leases	27,564	29,812	26,772	14,962
Notes payable	31,115,546	29,485,087	27,075,284	24,584,285
<b>Total Business-type Activities</b>	<u>\$ 121,695,569</u>	<u>\$ 114,975,922</u>	<u>\$ 110,400,150</u>	<u>\$ 101,682,635</u>
<b>Total Primary Government</b>	<u>\$ 211,757,184</u>	<u>\$ 205,305,840</u>	<u>\$ 197,347,688</u>	<u>\$ 186,100,940</u>
<b>Debt as a Percentage of Personal Income</b>	3.1%	2.8%	2.6%	2.4%
<b>Amount of Debt per Capita</b>	\$ 1,139	\$ 1,184	\$ 1,128	\$ 1,073

\*Information not available

**Note:** Details regarding the County's debt can be found in Note 4 of the financial statements.

See Schedule 16 for personal income and population data.

Revenue bonds are reported with unamortized premiums and/or discounts.

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

Schedule 11

<b>Fiscal Year</b>						
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
\$ 39,877,000	\$ 64,927,344	\$ 48,507,314	\$ 84,570,954	\$ 72,167,337	\$ 21,801,000	
1,209,207	1,114,348	1,334,091	2,437,055	2,222,971	3,984,613	
79,095,000	127,745,191	158,787,416	188,875,218	202,488,296	243,120,661	
-	-	-	-	-	1,336,416	
<u>\$ 120,181,207</u>	<u>\$ 193,786,883</u>	<u>\$ 208,628,821</u>	<u>\$ 275,883,227</u>	<u>\$ 276,878,604</u>	<u>\$ 270,242,690</u>	
\$ 72,146,636	\$ 170,932,654	\$ 96,462,820	\$ 76,726,382	\$ 70,325,630	\$ 63,677,879	
1,412,235	2,175,892	1,614,933	17,369	46,383	32,425	
22,011,712	27,705,653	41,179,049	15,742,970	14,302,694	15,303,286	
<u>\$ 95,570,583</u>	<u>\$ 200,814,199</u>	<u>\$ 139,256,802</u>	<u>\$ 92,486,721</u>	<u>\$ 84,674,707</u>	<u>\$ 79,013,590</u>	
<b><u>\$ 215,751,790</u></b>	<b><u>\$ 394,601,082</u></b>	<b><u>\$ 347,885,623</u></b>	<b><u>\$ 368,369,948</u></b>	<b><u>\$ 361,553,311</u></b>	<b><u>\$ 349,256,280</u></b>	
2.7%	5.2%	4.7%	3.8%	3.6%	*	
\$ 1,041	\$ 1,191	\$ 2,359	\$ 2,066	\$ 1,965	\$ 1,862	

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Water System Revenue Bonds</b>										
<b>Series 2005</b>										
Revenue - sale of goods and services	\$ 16,441,561	\$ 17,293,612	\$ 17,342,106							
Less: Operating expenses	(6,889,538)	(7,270,249)	(12,137,362)							
<b>Net available revenue</b>	<b>\$ 9,552,023</b>	<b>\$ 10,023,363</b>	<b>\$ 5,204,744</b>							
Debt service										
Principal	\$ 1,615,000	\$ 1,700,000	\$ 1,780,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 2,055,550	\$ 1,974,800	\$ 1,889,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage*	2.6	2.7	1.4	N/A	N/A	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	\$ 11,325,809	\$ 12,039,862	\$ 12,775,077	\$ 13,090,888						
Less: Operating expenses	-	-	-	-						
<b>Net available revenue</b>	<b>\$ 11,325,809</b>	<b>\$ 12,039,862</b>	<b>\$ 12,775,077</b>	<b>\$ 13,090,888</b>						
Debt service										
Principal	\$ 515,000	\$ 540,000	\$ 560,000	\$ 580,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 620,050	\$ 599,450	\$ 577,850	\$ 555,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage*	10.0	10.6	11.2	11.5	N/A	N/A	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	\$ 16,398,471	\$ 23,904,161
Less: Operating expenses			(8,731,126)	(8,912,053)	(9,473,050)	(9,667,672)	(9,882,997)	(10,250,824)	(10,532,342)	(11,834,664)
<b>Net available revenue</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>	<b>\$ 5,866,129</b>	<b>\$ 12,069,497</b>
Debt service										
Principal	\$ -	\$ -	\$ -	\$ 585,000	\$ 600,000	\$ 625,000	\$ 650,000	\$ 680,000	\$ 695,000	\$ 710,000
Interest	\$ -	\$ -	\$ 918,075	\$ 1,112,819	\$ 1,095,268	\$ 1,071,268	\$ 1,046,268	\$ 1,013,769	\$ 1,000,169	\$ 984,531
Coverage*	N/A	N/A	3.1	2.2	1.8	2.7	3.7	3.8	3.5	7.1
<b>Capital Improvement Revenue Bond</b>										
<b>Series 2012</b>										
Revenue - County Revenue Sharing Funds (50%)	\$ 1,803,649	\$ 1,958,391	\$ 2,017,147	\$ 2,117,002	\$ 2,223,200	\$ 2,325,226	\$ 2,173,843	\$ 2,559,447	\$ 3,287,728	\$ -
Less: Operating expenses	-	-	-	-	-	-	-	-	-	-
<b>Net available revenue</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>\$ 3,287,728</b>	<b>\$ -</b>
Debt service										
Principal	\$ 388,000	\$ 399,000	\$ 809,000	\$ 410,000	\$ 424,000	\$ 437,000	\$ 450,000	\$ 463,000	\$ 478,000	\$ -
Interest	\$ 405,591	\$ 394,190	\$ 580,775	\$ 383,141	\$ 363,256	\$ 350,205	\$ 337,665	\$ 322,922	\$ 308,660	\$ -
Coverage*	2.3	2.5	1.5	2.7	2.8	3.0	2.8	3.3	4.2	N/A
<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	\$ 19,848,410	\$ 29,734,291
Less: Operating expenses		(7,270,249)	(12,137,362)	(8,948,101)	(11,857,100)	(11,645,521)	(9,207,462)	(10,532,908)	(11,936,461)	(11,622,418)
<b>Net available revenue</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>	<b>\$ 7,911,949</b>	<b>\$ 18,111,873</b>
Debt service										
Principal	\$ -	\$ 760,000	\$ 785,000	\$ 815,000	\$ 845,000	\$ 880,000	\$ 910,000	\$ 945,000	\$ 980,000	\$ 1,015,000
Interest	\$ -	\$ 700,225	\$ 672,105	\$ 643,060	\$ 612,906	\$ 581,640	\$ 549,080	\$ 515,410	\$ 480,445	\$ 444,185
Coverage*	N/A	6.9	3.6	5.0	3.3	4.8	6.5	5.7	5.4	12.4
<b>Sales Tax Refunding Revenue Note</b>										
<b>Series 2015</b>										
Revenue - proceeds of the Local Government										
Half-Cent Sales Tax		\$ 12,039,862	\$ 12,775,077	\$ 13,090,888	\$ 13,320,982	\$ 15,467,835				
Less: Operating expenses		-	-	-	-	-				
<b>Net available revenue</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>				
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	17.0	7.6	7.8	7.9	9.2	NA	NA	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	\$	19,848,410	\$	29,734,291	
Less: Operating expenses					(8,948,101)		(11,857,100)		(11,645,521)		(9,207,462)		(10,532,908)		(11,936,461)		(11,622,418)	
<b>Net available revenue</b>				<b>\$</b>	<b>7,238,588</b>	<b>\$</b>	<b>4,845,156</b>	<b>\$</b>	<b>7,044,969</b>	<b>\$</b>	<b>9,472,493</b>	<b>\$</b>	<b>8,368,673</b>	<b>\$</b>	<b>7,911,949</b>	<b>\$</b>	<b>18,111,873</b>	
Debt service																		
Principal					\$	1,450,000	\$	1,650,000	\$	1,710,000	\$	1,780,000	\$	1,870,000	\$	1,960,000	\$	2,055,000
Interest					\$	1,290,311	\$	1,398,150	\$	1,332,150	\$	1,263,750	\$	1,174,750	\$	1,081,250	\$	983,250
Coverage*	N/A	N/A	N/A		2.6		1.6		2.3		3.1		2.7		2.6		6.0	

**Sales Tax Revenue Refunding Bonds**

**Series 2018 A&B**

Revenue - proceeds of the Local Government																	
Half-Cent Sales Tax						\$	13,320,982	\$	15,467,835	\$	14,459,113	\$	18,503,876	\$	20,029,849	\$	20,273,280
Less: Operating expenses							-		-		-		-		-		-
<b>Net available revenue</b>				<b>\$</b>	<b>-</b>	<b>\$</b>	<b>13,320,982</b>	<b>\$</b>	<b>15,467,835</b>	<b>\$</b>	<b>14,459,113</b>	<b>\$</b>	<b>18,503,876</b>	<b>\$</b>	<b>20,029,849</b>	<b>\$</b>	<b>20,273,280</b>
Debt service																	
Principal						\$	303,000	\$	631,000	\$	649,000	\$	666,000	\$	688,000	\$	708,000
Interest						\$	167,825	\$	310,880	\$	292,581	\$	273,760	\$	254,446	\$	234,494
Coverage*	N/A	N/A	N/A				28.3		16.4		15.4		19.7		21.3		21.5

**Tourist Development Tax Revenue Note**

**Series 2018**

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

**Sales Tax Revenue Refunding Bonds**

**Series 2020**

Revenue - proceeds of the Local Government																	
Half-Cent Sales Tax										\$	14,459,113	\$	18,503,876	\$	20,029,849	\$	20,273,280
Less: Operating expenses											-		-		-		-
<b>Net available revenue</b>				<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>14,459,113</b>	<b>\$</b>	<b>18,503,876</b>	<b>\$</b>	<b>20,029,849</b>	<b>\$</b>	<b>20,273,280</b>
Debt service																	
Principal										\$	305,000	\$	550,000	\$	555,000	\$	565,000
Interest										\$	423,735	\$	792,379	\$	781,049	\$	769,616
Coverage*	N/A	N/A	N/A				N/A		N/A		19.8		13.8		15.0		15.2

**Tourist Development Tax Revenue Refunding Note**

**Series 2020**

Revenue -proceeds of up to four cents of the																	
Tourist Development Tax ***										\$	16,804,364	\$	29,176,570	\$	30,036,253	\$	29,622,231
Less: Operating expenses											-		-		-		-
<b>Net available revenue</b>				<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>16,804,364</b>	<b>\$</b>	<b>29,176,570</b>	<b>\$</b>	<b>30,036,253</b>	<b>\$</b>	<b>29,622,231</b>
Debt service																	
Principal										\$	340,000	\$	2,140,000	\$	2,190,000	\$	2,240,000
Interest										\$	79,015	\$	686,448	\$	640,224	\$	592,920
Coverage* ,***	N/A	N/A	N/A				N/A		N/A		40.1		10.3		10.6		10.5

**Solid Waste System Revenue Bond**

**Series 2021**

Revenue - sales of goods and services													\$	11,559,753	\$	9,380,558	\$	9,633,212
Less: Operating expenses														(9,514,687)		(6,167,319)		(6,222,369)
<b>Net available revenue</b>				<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>2,045,066</b>	<b>\$</b>	<b>3,213,239</b>	<b>\$</b>	<b>3,410,843</b>
Debt service																		
Principal													\$	-	\$	799,000	\$	866,000
Interest													\$	-	\$	357,114	\$	365,417
Coverage* ,***	N/A	N/A	N/A				N/A		N/A		N/A		N/A		N/A	2.8		2.8

\*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

	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues	\$ 15,875,773	\$ 16,486,712	\$ 16,543,379	\$ 16,186,689
Interest	104,892	340,622	249,936	419,970
Other Revenue	-	-	-	-
<b>Gross Revenues</b>	<b><u>\$ 15,980,665</u></b>	<b><u>\$ 16,827,334</u></b>	<b><u>\$ 16,793,315</u></b>	<b><u>\$ 16,606,659</u></b>
Operating Expenses	<u>\$ 6,889,538</u>	<u>\$ 7,270,244</u>	<u>\$ 12,137,362</u>	<u>\$ 8,948,101</u>
<b>Net Revenue</b>	<b><u>\$ 9,091,127</u></b>	<b><u>\$ 9,557,090</u></b>	<b><u>\$ 4,655,953</u></b>	<b><u>\$ 7,658,558</u></b>
Debt Service 2005 Issue	3,633,529	3,674,800	3,669,800	-
Debt Service 2014 Issue	285,525	1,460,225	1,457,105	1,458,060
Debt Service 2016 Issue	-	-	-	2,740,311
Advance from Other Funds	-	-	-	-
<b>Total Debt Service</b>	<b><u>\$ 3,919,054</u></b>	<b><u>\$ 5,135,025</u></b>	<b><u>\$ 5,126,905</u></b>	<b><u>\$ 4,198,371</u></b>
<b>Coverage Factor</b>	<b><u>2.320</u></b>	<b><u>1.861</u></b>	<b><u>0.908</u></b>	<b><u>1.824</u></b>

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>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
\$ 16,702,256	\$ 17,592,185	\$ 18,182,584	\$ 18,835,308	\$ 19,603,614	\$ 29,112,124
502,426	1,098,305	497,371	66,273	244,796	622,167
-	-	-	-	-	-
<b><u>\$ 17,204,682</u></b>	<b><u>\$ 18,690,490</u></b>	<b><u>\$ 18,679,955</u></b>	<b><u>\$ 18,901,581</u></b>	<b><u>\$ 19,848,410</u></b>	<b><u>\$ 29,734,291</u></b>
\$ 11,857,100	\$ 11,645,521	\$ 9,207,462	\$ 11,645,521	\$ 11,936,461	\$ 11,622,415
<b><u>\$ 5,347,582</u></b>	<b><u>\$ 7,044,969</u></b>	<b><u>\$ 9,472,493</u></b>	<b><u>\$ 7,256,060</u></b>	<b><u>\$ 7,911,949</u></b>	<b><u>\$ 18,111,876</u></b>
-	-	-	-	-	-
1,457,906	1,461,640	1,459,080	1,460,410	1,460,445	1,459,185
3,048,150	3,042,150	3,043,750	3,044,750	3,041,250	3,038,250
-	-	-	-	-	-
<b><u>\$ 4,506,056</u></b>	<b><u>\$ 4,503,790</u></b>	<b><u>\$ 4,502,830</u></b>	<b><u>\$ 4,505,160</u></b>	<b><u>\$ 4,501,695</u></b>	<b><u>\$ 4,497,435</u></b>
<b><u>1.187</u></b>	<b><u>1.564</u></b>	<b><u>2.104</u></b>	<b><u>1.611</u></b>	<b><u>1.758</u></b>	<b><u>4.027</u></b>

	<b>Fiscal Year</b>			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Half-Cent Sales Tax Receipts (1)	\$ 11,325,809	\$ 12,039,862	\$ 12,775,077	\$ 13,090,888
Series 2006 Bond (2)	5,134,488	-	-	-
Series 2007 Bond (3)	1,141,450	1,141,450	1,141,450	1,141,450
Series 2015 Note (4)	-	4,875,187	4,875,187	4,875,187
Series 2018 A&B Note (5)	-	-	-	-
Series 2020 Note (6)	-	-	-	-
<b>Total Maximum Annual Debt Service</b>	<b>\$ 6,275,938</b>	<b>\$ 6,016,637</b>	<b>\$ 6,016,637</b>	<b>\$ 6,016,637</b>
<b>Coverage of Maximum Annual Debt Service by Sales Tax Revenues</b>	<b>1.80</b>	<b>2.00</b>	<b>2.12</b>	<b>2.18</b>

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

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

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

(4) Maximum debt service is in year 2030

(5) Maximum debt service is in year 2028

(6) 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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
\$ 13,320,982	\$ 15,467,835	\$ 14,459,113	\$ 18,503,876	\$ 20,029,849	\$ 20,273,280	
-	-	-	-	-	-	
-	-	-	-	-	-	
4,875,187	4,875,187	-	-	-	-	
944,657	944,657	944,657	944,657	944,657	944,657	
-	-	4,532,388	4,532,647	4,532,647	4,532,647	
<b>\$ 5,819,844</b>	<b>\$ 5,819,844</b>	<b>\$ 5,477,045</b>	<b>\$ 5,477,304</b>	<b>\$ 5,477,304</b>	<b>\$ 5,477,304</b>	
<b>2.29</b>	<b>2.66</b>	<b>2.64</b>	<b>3.38</b>	<b>3.66</b>	<b>3.70</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:			
Certificates of Participation	\$ 160,625	100.00%	\$ 160,625
	160,625		160,625
Bay County direct debt	270,243		270,243
<b>Total direct and overlapping debt</b>			<b>\$ 430,868</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
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	\$ 8,737,281	\$ 50,069	6.3%
2021	178,282	\$ 9,807,417	\$ 54,638	4.0%
2022	184,002	\$ 10,046,785	\$ 54,268	2.7%
2023	187,545	*	*	2.7%

\* 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>2023</u>			<u>2014</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	4.70%	4,411	2	4.71%
Tyndall Air Force Base	2,540	2	2.85%	6,471	1	6.91%
LHP Bay County (formerly Bay Medical Center)	1,436	3	1.61%	2,000	4	2.14%
Maximus Federal (formerly General Dynamics)	1,376	4	1.55%	-	-	-
Gulf Coast Medical Center	988	5	1.11%	631	6	0.67%
Trane	698	6	0.78%	575	8	0.61%
Publix Supermarkets	671	7	0.75%	-	-	-
Bay County Board of County Commissioners	662	8	0.74%	589	7	0.63%
Gulf Coast State College	633	9	0.71%	665	-	0.71%
Royal American Management	612	10	0.69%	-	-	-
Naval Support Activity	-	-	-	3,170	3	3.38%
Eastern Shipbuilding	-	-	-	1,450	5	1.55%
City of Panama City	-	-	-	537	9	0.57%
RockTenn (Smurfit-Stone Container)	-	-	-	480	10	0.51%
	<u>13,797</u>		<u>15.50%</u>	<u>20,979</u>		<u>22.40%</u>
<b>Total Bay County Labor Force</b>	<u><b>89,000</b></u>			<u><b>93,676</b></u>		

*Source: FloridaJobs.org*

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>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
General Government	59	60	61	89	73	73	72	71	74	74
Public Safety	189	200	203	202	238	201	212	220	223	234
Physical Environment	129	125	131	138	138	130	129	130	135	136
Transportation	114	112	112	118	121	119	113	107	107	116
Economic Environment	2	2	2	2	2	1	1	3	5	1
Human Services	14	14	13	14	13	13	12	13	13	13
Culture/Recreation	74	74	79	90	90	83	72	78	70	79
Judicial System	8	9	10	11	12	9	11	11	9	9
<b>Total</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>	<b>636</b>	<b>662</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>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>General Government</b>										
Assessed properties	113,640	114,147	114,556	114,810	116,155	117,208	118,531	120,087	122,469	125,147
Court cases:										
Circuit Criminal	4,764	5,529	5,716	5,739	6,017	6,074	5,302	5,296	5,530	5,051
County Criminal	9,336	8,629	8,056	7,856	7,792	7,964	6,095	5,989	5,869	6,439
<b>Public Safety</b>										
E-911 calls***	151,850	227,484	240,482	213,008	216,511	207,119	485,905	139,100	298,773	294,445
Building permits issued*										
Commercial	172	128	78	85	87	125	215	200	186	647
Residential	992	853	899	951	960	3,646	3,286	2,568	2,741	5,298
<b>Physical Environment****</b>										
Landfill and incinerator										
Collections in tonnage	266,930	251,260	258,758	290,493	233,025	596,176	258,835	268,016	261,369	226,970
<b>Transportation</b>										
Road miles maintained	728.53	721.31	724.85	724.20	725.76	726.84	720.29	722.00	725.83	730.09
<b>Economic Environment</b>										
Tourist Development Tax										
Registered Units**	16,907	19,231	19,324	19,717	19,747	19,839	20,416	20,887	22,049	23,408
<b>Human Services</b>										
Baker Act admissions	376	430	377	457	394	359	351	340	328	364

\* 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.  
 \*\*\*\*Bay County Incinerator was closed during FY21.  
**Sources:** County finance office and individual county departments

Bay County, Florida  
 Capital Asset Statistics by Function  
 Last Ten Fiscal Years  
 (Unaudited)

Schedule 20

<b><u>Function/Program</u></b>	<b><u>Fiscal Year</u></b>									
	<b><u>2014</u></b>	<b><u>2015</u></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>	<b><u>2022</u></b>	<b><u>2023</u></b>
<b>Public Safety</b>										
Correction facility capacities	1,098	1,098	1,098	1,098	1,098	1,098	1,134	1,134	1,134	1,134
Emergency responder facilities*	17	19	19	19	19	16	15	15	15	17
<b>Culture &amp; Recreation</b>										
Parks	31	31	31	32	32	32	24	32	32	30
Park acreage	331.5	331.5	331.5	731.41	731.41	731.41	827	807.51	580.71	854
Boat ramps	20	20	20	21	21	21	21	22	21	21
<b>Transportation</b>										
Road miles	728.53	721.31	724.85	724.20	725.76	726.84	720.29	722.00	725.83	730.09
Bridges	51	51	51	51	51	50	48	48	48	48
Traffic signals	17	17	17	17	17	17	10	11	11	11
<b>Physical Environment</b>										
Water mains (miles)**	293	299	299	300	302	307	315	322	326	338

\*Includes fire and EMS facilities

\*\*In fiscal year 2022, 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 AUDITOR’S 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, 2023, and have issued our report thereon dated March 28, 2024.

**Auditor’s Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s 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 Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 28, 2024, 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>2021-22 FY Finding #</b>	<b>2020-21 FY Finding #</b>
2023-001	2022-001	2021-001



### **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 the financial statements. The legal authority of Bay County as well as component unit information is disclosed in the notes to the financial statements.

### **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.

### **Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6., Rules of the Auditor General, the Bay County Law Library reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 0.

**Specific Information (continued)**

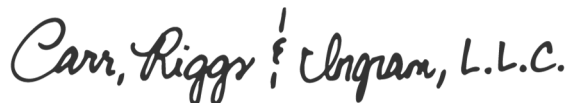
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as N/A.

**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, LLC  
Panama City Beach, Florida  
March 28, 2024

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## INDEPENDENT ACCOUNTANT'S 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*; Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*; and Section 288.8018, Florida Statutes, *Gulf Coast audits*; for the year ended September 30, 2023. 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 AICPA. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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*; Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*; and Section 288.8018, Florida Statutes, *Gulf Coast audits*; for the year ended September 30, 2023.

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.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

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INDEPENDENT AUDITOR'S 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, 2023, 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 28, 2024.

**Report on 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 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 were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

The Honorable County Commissioners  
Bay County, Florida  
Page Two

### **Report on 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**

*Government Auditing Standards* requires the auditor to perform limited procedures on Bay County, Florida's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Bay County, Florida's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

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

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

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

The Honorable County Commissioners  
Bay County, Florida

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

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

We have audited Bay County, Florida’s (County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *Department of Financial Services’ State Projects Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs and major state projects for the year ended September 30, 2023. The County’s major federal programs and major state projects are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2023.

***Basis for Opinion on Each Major Federal Program and Major State Project***

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; and 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*. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550, *State of Florida Rules of the Auditor General*, are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and major state project. Our audit does not provide a legal determination of County’s compliance with the compliance requirements referred to above.



***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County's federal programs and state projects.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, *State of Florida Rules of the Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, *State of Florida Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

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***Section I - Summary of Auditor's Results***

*Financial Statements*

Type of auditor's 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 auditor's 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>
14.228	Community Development Block Grants
21.027	COVID-19 Coronavirus State and Local Recovery Funds
97.039	Hazard Mitigation

Bay County, Florida  
 Schedule of Findings and Questioned Costs  
 Federal Awards and State Financial Assistance (Continued)  
 Year Ended September 30, 2023

<u>CFSA Number</u>	<u>Major State Projects</u>
37.003	<u>Beach Management Funding Assistance Program</u>
40.902	<u>Hurricane Housing Recovery Program</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>Federal</u>	<u>State</u>
	\$ 1,410,635	\$ 750,000
Auditee qualified as a low-risk auditee for federal purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

***Section II - Financial Statement Findings***

**Finding**

**Bay County 2023-001 (prior years 2022-001 and 2021-001) (initially reported in 2020)**

Condition/Criteria: The County issued permits that were not in accordance with the permit fee schedule established by the County through Resolution 3945 and Resolution 3957.

Cause: Issues in the permit system resulted in permits being incorrectly calculated for certain permit types.

Effect: The County issued permits that were not in accordance with Resolution 3945 and Resolution 3957. As a result, a payable entry was recorded projecting the dollar amount of permits that were calculated in excess of the rates established in the resolutions.

Recommendation: We recommend that the County correct issues in the permit system to ensure permits are properly calculated. We also recommend that the County determine the impact of permits that were calculated in excess of the rates established in the resolution and initiate a plan of action to remedy those permits.

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, 2023

***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, 2023

**The County has taken corrective action for the findings included in the prior year audit report, with the exception of Bay County 2023-001.**

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	5307 Capital, Operating & Planning for Bay County TPO--FL-2021-058-00	\$ -	\$ 1,318,929
Federal Transit-Formula Grants	20.507	5307 Operating, Capital, and Planning for Bay County TPO--FL-2020-064-00	-	304,613
Federal Transit-Formula Grants	20.507	Bay County TPO FFY 2015 5307 Capital & Operating Urbanized Area--FL-2018-086-00	-	50,000
COVID-19 Federal Transit-Formula Grants	20.507	COVID-19 CARES ACT Capital, Operating & Planning, Bay County TPO--FL-2021-074-00	-	1,046,472
Federal Transit-Formula Grants	20.507	Bay County TPO FFY 2016/2017 Operating and Capital Grant--FL-2017-096-00	-	24,920
Federal Transit-Formula Grants	20.507	5307 FHWA Flex Funds--FL-2022-053-00	-	153,177
Federal Transit-Formula Grants	20.507	5307 Capital, Operating & Planning for Bay County TPO--FL-2022-044-00	-	368,168
<b>Total Federal Transit-Formula Grants</b>			-	<b>3,266,279</b>
Bus and Bus Facilities Formula Grants				
Bus and Bus Facilities Formula Grants	20.526	FFY20 Capital Urban Grant--FL-2021-037-00	-	496,972
Bus and Bus Facilities Formula Grants	20.526	FFY19 Capital Urban Grant--FL-2021-036-00	-	486,420
Bus and Bus Facilities Formula Grants	20.526	FFY18 Capital Urbanized Area Grant--FL-2019-057-00	-	12,496
<b>Total Bus and Bus Facilities Formula Grants</b>			-	<b>995,888</b>
<b>Total Department of Transportation</b>			-	<b>4,262,167</b>
<b>Total Federal Transit Cluster-Cluster</b>			-	<b>4,262,167</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 Construction - Phase III (LAP)--G2I12	-	37,397
Highway Planning and Construction	20.205	CR2297 Allanton Rd Safety Improvements (LAP)--G2534	-	21,049
<b>Total Highway Planning and Construction</b>			-	<b>58,446</b>
<b>Total Department of Transportation</b>			-	<b>58,446</b>
<b>Total Highway Planning and Construction Cluster-Cluster</b>			-	<b>58,446</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-2023-00163-G2F35	-	56,855
<b>Total State and Community Highway Safety</b>			-	<b>56,855</b>
Passed through Florida Department of Transportation				
National Priority Safety Programs				
National Priority Safety Programs	20.616	Enhanced Impaired Driving Enforcement, Equipment & OT--M5HVE-2023-0211-G2D1	-	14,095
<b>Total National Priority Safety Programs</b>			-	<b>14,095</b>
<b>Total Department of Transportation</b>			-	<b>70,950</b>
<b>Total Highway Safety Cluster-Cluster</b>			-	<b>70,950</b>
<b>Other Programs</b>				
Gulf Coast Ecosystem Restoration Council				
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	92,442	92,442
<b>Total Gulf Coast Ecosystem Restoration Council (RESTORE)</b>			92,442	<b>92,442</b>
<b>Total Gulf Coast Ecosystem Restoration Council</b>			92,442	<b>92,442</b>

(Continued)



Bay County, Florida  
Schedule of Expenditures of Federal Awards  
and State Financial Assistance (Continued)  
Year Ended September 30, 2023

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 Homeland Security</b>				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)				
Passed through Florida Division of Emergency Management				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA - DR4564 Hurricane Sally--Z2646	-	39,575
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA -Michael- DR4399--Z0884	-	14,576,428
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA -Michael- DR4399--Z1038	-	14,677
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA -Michael- DR4399--Z0915	-	66,955
<b>Total Disaster Grants-Public Assistance (Presidentially Declared Disasters)</b>			-	<b>14,697,635</b>
<b>Hazard Mitigation Grant (HMGP)</b>				
Passed through Florida Division of Emergency Management				
Hazard Mitigation Grant (HMGP)	97.039	HMGP-HS-003R --H0837	-	272,927
COVID-19 Hazard Mitigation Grant (HMGP)	97.039	COVID-19 Hazard Mitigation Grant Program (HMGP)- COVID DR4486-11R--H0985	-	2,615
Hazard Mitigation Grant (HMGP)	97.039	HMGP-HS-022R --H0840	-	335,023
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-016R--H0640	-	1,742,805
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-038R--H0679	-	1,560,407
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-128R--H0724	-	44,039
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-022R--H0591	-	92,606
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-020R--H0588	-	46,504
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-119R--H0754	-	68,703
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-107R--H0694	-	500,120
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-031R--H0602	-	148,826
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-023R--H0592	-	118,626
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-131R--H0798	-	1,085,897
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-111R--H0793	-	111,848
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-014R--H0583	-	205,399
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-018R--H0587	-	5,663
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-021R--H0589	-	18,926
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-013R--H0582	-	152,729
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-133R--H0808	-	243,642
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-159R--H0803	-	169,547
Hazard Mitigation Grant (HMGP)	97.039	HMGP-HS-002R --H0832	-	335,479
<b>Total Hazard Mitigation Grant (HMGP)</b>			-	<b>7,262,331</b>
<b>Emergency Management Performance Grants</b>				
Passed through Florida Division of Emergency Management				
Emergency Management Performance Grants	97.042	Emergency Management Performance Grant (EMPG) SFY23--G0389	-	82,358
Passed through Florida Commission on Community Service		Volunteer Florida Community Emergency Response Team (CERT) Citizens Corps F--22-05	-	4,998
<b>Total Emergency Management Performance Grants</b>			-	<b>87,356</b>
<b>Homeland Security Grant Program</b>				
Passed through Florida Division of Emergency Management				
Homeland Security Grant Program	97.067	State Homeland Security--FY 19 SHSGP #R0200	-	257,966
Homeland Security Grant Program	97.067	State Homeland Security--SHSGP FY 19 #R0743	-	60,410
Homeland Security Grant Program	97.067	State Homeland Security--SHSGP FY 22 #R0745	-	25,066
Homeland Security Grant Program	97.067	State Homeland Security--SHSGP FY 19 #R0753	-	475,102
Homeland Security Grant Program	97.067	State Homeland Security--SHSGP FY 21 #R0462	-	150,000
Homeland Security Grant Program	97.067	State Homeland Security--SHSGP FY 22 #R0576	-	328,590
<b>Total Homeland Security Grant Program</b>			-	<b>1,297,134</b>
<b>Total Department of Homeland Security</b>			-	<b>23,344,456</b>

(Continued)

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing No./CFSA	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
<b>United States Department of Justice</b>				
Crime Victim Assistance				
Passed through State of Florida Department of Legal Affairs				
Crime Victim Assistance	16,575	Victims of Crime Act (VOCA)--Voca-2022-884	-	111,806
<b>Total Crime Victim Assistance</b>			-	<b>111,806</b>
<b>Violence Against Women Formula Grants</b>				
Passed through Florida Department of Children and Families				
Violence Against Women Formula Grants	16,588	Intimate Violence Enhanced Service Team (InVEST) -LN259	-	40,521
Violence Against Women Formula Grants	16,588	Intimate Violence Enhanced Service Team (InVEST) -LN 179	-	223,617
<b>Total Violence Against Women Formula Grants</b>			-	<b>264,138</b>
<b>Edward Byrne Memorial Justice Assistance Grant Program</b>				
Passed through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16,738	JAG - Bay County RTCC Fusus Year 2--15PBJA-21- GG-00241-M	-	85,563
Edward Byrne Memorial Justice Assistance Grant Program	16,738	JAG - Offender registry RTCC--BJA-2022-171368	-	23,469
<b>Total Edward Byrne Memorial Justice Assistance Grant Program</b>			-	<b>109,032</b>
<b>Comprehensive Opioid, Stimulant, and Substance Abuse Program</b>				
Passed through Seminole County Sheriffs Office				
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16,838	ODMAP (Overdose Detection Mapping Application Program)--2017-AR-BX-K003	-	34,409
<b>Total Comprehensive Opioid, Stimulant, and Substance Abuse Program</b>			-	<b>34,409</b>
<b>Total United States Department of Justice</b>				
			-	<b>519,385</b>
<b>Department of Transportation</b>				
Formula Grants for Rural Areas				
Passed through Florida Department of Transportation				
COVID-19 Formula Grants for Rural Areas	20,509	COVID-19 5311 Operating Assistance through CRRSAA & ARPA--G2C86	-	467,717
Formula Grants for Rural Areas			-	467,717
<b>Total United States Department of Transportation</b>			-	<b>467,717</b>
<b>United States Environmental Protection Agency</b>				
Nonpoint Source Implementation Grants				
Passed through Florida Department of Environmental Protection				
Nonpoint Source Implementation Grants	66,460	Sweetwater Branch Rd Sediment Reduction Project-- NF074	-	1,095,521
Nonpoint Source Implementation Grants	66,460	West Linger Longer Rd DEP Grant--NF087	-	32,639
<b>Total Nonpoint Source Implementation Grants</b>			-	<b>1,128,160</b>
<b>Total United States Environmental Protection Agency</b>				
			-	<b>1,128,160</b>
<b>Department of Health and Human Services</b>				
Child Support Enforcement				
Passed through Florida Department of Revenue				
Child Support Enforcement	93,563	Bay County Clerk of Court/ Child Support Enforcement --COC03	-	117,542
<b>Total Child Support Enforcement</b>			-	<b>117,542</b>
<b>Mental Health Disaster Assistance and Emergency Mental Health</b>				
Passed through Northwest Florida Health Network				
Mental Health Disaster Assistance and Emergency Mental Health	93,982	NW FL Health Network--C0200	-	272,399
Mental Health Disaster Assistance and Emergency Mental Health			-	272,399
<b>Total Department of Health and Human Services</b>			-	<b>389,941</b>

(Continued)

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 Housing and Urban Development</b>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				
Passed through Florida Department of Economic Opportunity				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDBG-Voluntary Home Buyout-Disaster Recovery M0027--M0027	-	2,848,937
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) M0169 Fountain Complex--M0169	-	75,241
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0147--M0147	-	39,761
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M00161--M0161	-	69,398
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0121--M0121	-	50,873
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0061--M0061	-	1,888
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0063--M0063	-	54,596
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0072--M0072	-	15,047
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0060--M0060	-	6,309
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0057--M0057	-	51,821
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0074--M0074	-	612,968
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDBG-DR Phase 1 Redwood Drainage Project (FEMA 4399-DR) M0015--M0015	-	161,792
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0071--M0071	-	548,021
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0062--M0062	-	72,084
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0070--M0070	-	175,636
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0058--M0058	-	33,719
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0059--M0059	-	15,654
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Dev. Block Grant Disaster Recovery (CDBG-DR) Mexico Beach Restoration--M0177	-	138,607
<b>Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii</b>			-	<b>4,972,352</b>
<b>Total Department of Housing and Urban Development</b>			-	<b>4,972,352</b>
<b>Department of the Treasury</b>				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (Gulf Restore)				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (Gulf Restore)	21.015	East Bay Shoreline & Seagrass Project-- RDCGR030342-01-00	12,757	12,757
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (Gulf Restore)	21.015	Bay Cty Stormwater Master Plan--1 RDCGR 0300039-01-0	-	29,975
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (Gulf Restore)	21.015	Bay County East Pass Environmental Impact Statement and Inlet and Beach Mgm--1 RDCGR030119-01-00	-	70,567
Passed through Office of Fiscal Assistant Secretary Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (Gulf Restore)	21.015	St. Andrew/St. Joseph Bays Estuary Program--1RDCGR030140-01-00	-	231,969
<b>Total Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (Gulf Restore)</b>			<b>12,757</b>	<b>345,268</b>
<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-- 1505-0271	-	11,275,439
<b>Total Coronavirus State and Local Fiscal Recovery Funds</b>			-	<b>11,275,439</b>
<b>Total Department of the Treasury</b>			<b>12,757</b>	<b>11,620,707</b>
<b>Various Agencies - 2</b>				
2018 HAVA Election Security Grants				
Passed through Florida Department of State Division of Elections				
2018 HAVA Election Security Grants	90.404	Supervisor of Elections - Election Security-- 23.e.es.100.003	-	94,440
<b>Total 2018 HAVA Election Security Grants</b>			-	<b>94,440</b>
<b>Total Various Agencies - 2</b>			-	<b>94,440</b>
<b>Total Other Programs</b>			<b>105,199</b>	<b>42,629,600</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 105,199</b>	<b>\$ 47,021,163</b>

(Continued)

State Agency Pass-through Entity State Project	CSFA No.	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
<b>STATE FINANCIAL ASSISTANCE</b>				
<b>Executive Office of the Governor</b>				
Emergency Management Programs				
Emergency Management Programs	31.063	A0392	\$ -	\$ 24,345
Emergency Management Programs	31.063	A0255	-	77,871
<b>Total Emergency Management Programs</b>			-	<b>102,216</b>
Hurricane Shelter Retrofit Project				
Hurricane Shelter Retrofit Project	31.068	F0082	-	200,000
<b>Total Hurricane Shelter Retrofit Project</b>			-	<b>200,000</b>
<b>Total Executive Office of the Governor</b>			-	<b>302,216</b>
<b>Department of Environmental Protection</b>				
Beach Management Funding Assistance Program				
Beach Management Funding Assistance Program	37.003	20BA1	-	41,407
Beach Management Funding Assistance Program	37.003	21BA1	-	50,000
Beach Management Funding Assistance Program	37.003	22BA3	-	42,292
Beach Management Funding Assistance Program	37.003	21BA2	-	3,595,225
<b>Total Beach Management Funding Assistance Program</b>			-	<b>3,728,924</b>
Statewide Water Quality Restoration Projects				
Statewide Water Quality Restoration Projects	37.039	LPA0143	-	144,018
<b>Total Statewide Water Quality Restoration Projects</b>			-	<b>144,018</b>
Resilient Florida Program				
Resilient Florida Program	37.098	22PLN28	-	46,186
<b>Total Resilient Florida Program</b>			-	<b>46,186</b>
<b>Total Department of Environmental Protection</b>			-	<b>3,919,128</b>
<b>Department of Economic Opportunity</b>				
Growth Management Implementation				
Growth Management Implementation	40.024	P0476	-	50,000
<b>Total Growth Management Implementation</b>			-	<b>50,000</b>
Economic Development Partnerships				
Economic Development Partnerships	40.040	S0110	-	299,485
<b>Total Economic Development Partnerships</b>			-	<b>299,485</b>
Regional Community Development and Infrastructure				
Regional Community Development and Infrastructure	40.042	S0134	-	332,850
<b>Total Regional Community Development and Infrastructure</b>			-	<b>332,850</b>
<b>Total Department of Economic Opportunity</b>			-	<b>682,335</b>
<b>Department of Agriculture and Consumer Services</b>				
Mosquito Control				
Mosquito Control	42.003	29350	-	78,579
<b>Total Mosquito Control</b>			-	<b>78,579</b>
<b>Total Department of Agriculture and Consumer Services</b>			-	<b>78,579</b>
<b>Florida Housing Finance Corporation</b>				
State Housing Initiatives Partnership (SHIP) Program				
State Housing Initiatives Partnership (SHIP) Program	40.901	Bay County	20,728	169,793
<b>Total State Housing Initiatives Partnership (SHIP) Program</b>			20,728	<b>169,793</b>
Hurricane Housing Recovery Program				
Hurricane Housing Recovery Program	40.902	Bay County	159,011	13,799,364
<b>Total Hurricane Housing Recovery Program</b>			159,011	<b>13,799,364</b>
<b>Total Florida Housing Finance Corporation</b>			179,739	<b>13,969,157</b>
<b>Florida Department of Financial Services</b>				
Fire Decontamination Equipment Grant Project				
Fire Decontamination Equipment Grant Project	43.013	FM746	-	3,899
<b>Total Fire Decontamination Equipment Grant Project</b>			-	<b>3,899</b>
<b>Total Florida Department of Financial Services</b>			-	<b>3,899</b>
<b>Department of State, Division of Library and Information Services</b>				
State Aid to Libraries				
State Aid to Libraries	45.030	22-ST-42	-	9,317
State Aid to Libraries	45.030	22-ST-41	-	36,365
State Aid to Libraries	45.030	22-ST-43	-	5,576
State Aid to Libraries	45.030	22-ST-44	-	27,586
State Aid to Libraries	45.030	23-ST-41	-	332,757
State Aid to Libraries	45.030	23-ST-42	-	13,228
State Aid to Libraries	45.030	23-ST-43	-	44,387
<b>Total State Aid to Libraries</b>			-	<b>469,216</b>
<b>Total Department of State, Division of Library and Information Services</b>			-	<b>469,216</b>

(Continued)

State Agency Pass-through Entity State Project	CSFA No.	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
<b>Department of Transportation</b>				
Florida Commission for the Transportation Disadvantaged				
Florida Commission for the Transportation Disadvantaged	55.001	G2K24	-	117,605
Florida Commission for the Transportation Disadvantaged	55.001	G2991	-	354,474
<b>Total Florida Commission for the Transportation Disadvantaged</b>			-	<b>472,079</b>
Small County Outreach Program	55.009	G2G22	-	89,065
Small County Outreach Program	55.009	G2504	-	79,314
Small County Outreach Program	55.009	G2C35	-	147,501
<b>Total Small County Outreach Program</b>			-	<b>315,880</b>
Public Transit Block Grant				
Public Transit Block Grant	55.010	G2F57	-	452,240
<b>Total Public Transit Block Grant</b>			-	<b>452,240</b>
Transit Corridor Development Program				
Transit Corridor Development Program	55.013	G2F60	-	191,134
Transit Corridor Development Program	55.013	G2393	-	46,097
<b>Total Transit Corridor Development Program</b>			-	<b>237,231</b>
Local Transportation Projects				
Local Transportation Projects	55.039	G1Z93	-	274,358
<b>Total Local Transportation Projects</b>			-	<b>274,358</b>
<b>Total Department of Transportation</b>			-	<b>1,751,788</b>
<b>Department of Health</b>				
County Grant Awards				
County Grant Awards	64.005	C1003	-	21,465
<b>Total County Grant Awards</b>			-	<b>21,465</b>
<b>Total Department of Health</b>			-	<b>21,465</b>
<b>Department of Law Enforcement</b>				
Bay County Jail Bed Expansion for Substance Abuse				
Bay County Jail Bed Expansion for Substance Abuse	71.055	7G001	-	236,917
<b>Total Bay County Jail Bed Expansion for Substance Abuse</b>			-	<b>236,917</b>
<b>Total Department of Law Enforcement</b>			-	<b>236,917</b>
<b>Department of Management Services</b>				
Prepaid Next Generation 911 (NG911) State Grant Program				
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S17-21-02-50	-	159,900
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S17-21-02-51	-	91,215
<b>Total Prepaid Next Generation 911 (NG911) State Grant Program</b>			-	<b>251,115</b>
Local Government Cybersecurity Grant Program				
Local Government Cybersecurity Grant Program	72.009	DMS-22/23-438	-	112,883
<b>Total Local Government Cybersecurity Grant Program</b>			-	<b>112,883</b>
<b>Total Department of Management Services</b>			-	<b>363,998</b>
<b>Department of Highway Safety and Motor Vehicles</b>				
Florida Arts License Plates Project				
Florida Arts License Plates Project	76.041	2022TAGS	-	78
<b>Total Florida Arts License Plates Project</b>			-	<b>78</b>
<b>Total Department of Highway Safety and Motor Vehicles</b>			-	<b>78</b>
<b>Fish and Wildlife Conservation Commission</b>				
Artificial Reef Grants Program				
Artificial Reef Grants Program	77.007	21369	-	2,800
<b>Total Artificial Reef Grants Program</b>			-	<b>2,800</b>
<b>Total Fish and Wildlife Conservation Commission</b>			-	<b>2,800</b>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<b>\$ 179,739</b>	<b>\$ 21,801,576</b>

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% de minimis cost rate allowed under the Uniform Guidance.
3. Expenditures reported under ALN No. 97.036 include costs of \$1,090,551 reported on the financial statements in a prior period.
4. There were no noncash federal expenditures, and no federally funded insurance.

Bay County, Florida

Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill

	Amount Received in the 2022-23 Fiscal Year	Amount Expended in the 2022-23 Fiscal Year
<i>For the year ended September 30, 2023</i>		
<hr/>		
Source		
<b>Triumph Gulf Coast, Inc.:</b>		
Agreement No: Bay County/Project Lightning Strike #258	\$ 5,070,887	\$ 5,070,887
Agreement No: Bay County/Project Cast #273	\$ 3,675,000	\$ 3,675,000
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Note: This does not include funds related to the Deepwater Horizon oil spill that are considered federal awards or state financial assistance. No such funds were received in the 2022-23 year.

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**BOARD OF COUNTY  
COMMISSIONERS**

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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

CLAIR PEASE  
DISTRICT V

ROBERT J. MAJKA JR.  
COUNTY MANAGER

March 28, 2024

**Bay County, Florida  
Management's Corrective Action Plan  
For the Fiscal Year Ended September 30, 2023**

**Finding Number: 2023-001**

**Planned Corrective Action:**

The Builders Safety Division of Bay County implemented a new software for calculating and collecting building permits. As part of the implementation, permit calculations have been reviewed and verified by the division to ensure that permit fees are being calculated accurately. In addition, the Bay County Clerk of Court and Comptroller Department of Inspector General will perform periodic reviews of the permits to confirm that the calculations are accurate based on the annual fines and fees schedule approved by the Bay County Board of County Commissioners.

In an effort to determine the impact of permits that were calculated in excess of the rates established by Bay County and initiate a plan to remedy those permits, the Builders Safety Division has contracted with a third party to review and recalculate permits from the prior fiscal years.

**Anticipated Completion Date: 9/30/2024**

**Responsible Contact Person: Katy Nail**

A handwritten signature in blue ink that reads "Katy Nail". The signature is written in a cursive style.

Katy Nail, Chief Financial Officer



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BAY COUNTY, FLORIDA  
CONSTITUTIONAL OFFICERS  
FOR THE FISCAL YEAR-ENDED SEPTEMBER 30, 2023

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 AUDITOR'S REPORT

The Honorable Mark Andersen  
Bay County Supervisor of Elections  
Bay County, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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 year ended September 30, 2023, 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.

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, 2023, the changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bay County Supervisor of Elections and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***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, 2023, 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.



***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bay County Supervisor of Elections' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bay County Supervisor of Elections' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bay County Supervisor of Elections' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, 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, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

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Bay County Supervisor of Elections  
Special-Purpose Balance Sheet  
Governmental Fund

<i>September 30, 2023</i>	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 293,019
Total assets	\$ 293,019
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts payable and accrued liabilities	\$ 92,556
Due to other governments	200,463
Total liabilities	293,019
Fund balance	-
Total liabilities and fund balance	\$ 293,019

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

<i>For the year ended September 30, 2023</i>	General Fund
<b>REVENUES</b>	
Intergovernmental	\$ 94,440
Charges for services	23,941
<hr/>	
Total revenues	118,381
<b>EXPENDITURES</b>	
Current	
General government	1,997,362
Capital outlay	
General government	261,354
<hr/>	
Total expenditures	2,258,716
Excess (deficiency) of revenues over (under) expenditures	(2,140,335)
<b>OTHER FINANCING SOURCES (USES)</b>	
Budget appropriations from Board of County Commissioners	2,339,298
Transfer out/return of excess fees	(198,963)
<hr/>	
Net other financing sources (uses)	2,140,335
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance, beginning of year	-
<hr/>	
Fund balance, end of year	\$ -
<hr/> <hr/>	

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

<i>For the year ended September 30, 2023</i>	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 94,440	\$ 94,440	\$ -
Charges for services	-	23,941	23,941	-
<hr/>				
Total revenues	-	118,381	118,381	-
<b>EXPENDITURES</b>				
Current				
General government	2,205,998	2,129,239	1,997,362	131,877
Capital outlay				
General government	8,500	328,440	261,354	67,086
<hr/>				
Total expenditures	2,214,498	2,457,679	2,258,716	198,963
Excess (deficiency) of revenues over (under) expenditures	(2,214,498)	(2,339,298)	(2,140,335)	198,963
<b>OTHER FINANCING SOURCES (USES)</b>				
Budget appropriations from Board of County Commissioners	2,214,498	2,339,298	2,339,298	-
Transfer out/return of excess fees	-	-	(198,963)	(198,963)
<hr/>				
Net other financing sources (uses)	2,214,498	2,339,298	2,140,335	(198,963)
<hr/>				
Net change in fund balance	\$ -	\$ -	-	\$ -
<hr/> <hr/>				
Fund balance, beginning of year			-	
Fund balance, 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 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, 2023, 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. 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 leases are reported as other financing sources.

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

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

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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Supervisor of Elections.

***Fund Financial Statements***

The Supervisor of Elections reports the following major governmental funds:

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 Fund Balance***

***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.



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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Balance (continued)***

*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.

***Categories and Classification of Fund Balance***

*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 GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Supervisor of Elections’ highest level of decision-making authority. The 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.

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

### *Categories and Classification of Fund Balance (continued)*

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the Supervisor of Elections for specific purposes but do not meet the criteria to be classified as committed. The 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.

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

### *Use of Estimates*

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

### *Subsequent events*

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 28, 2024 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*

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. There were no significant impacts of implementing this Statement.

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

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

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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

## NOTE 2 – DETAILED NOTES ON ALL FUNDS

### *Deposits and Investments*

As of September 30, 2023, 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)).

**NOTE 3 – RETIREMENT PLANS (Continued)**

*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, 2022 through June 30, 2023, were 11.91%, 31.57%, and 57.00% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2023 through September 30, 2023, were 13.57%, 34.52%, and 58.68% 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 18.60% for October 1, 2022 through June 30, 2023 and 21.13% for July 1, 2023 through September 30, 2023, 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, 2023, 2022, and 2021 were \$94,366, \$98,884, and \$121,227, 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, 2023, were \$13,462.

***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, 2023, totaled \$16,770.

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.

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mark Andersen  
Bay County Supervisor of Elections  
Bay County, Florida

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

We have audited the special-purpose financial statements of the Bay County Supervisor of Elections as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 28, 2024.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2024, 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 Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, 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.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024



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## INDEPENDENT ACCOUNTANT'S 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, 2023. 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 with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2023.

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.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024



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INDEPENDENT AUDITOR'S 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, 2023, 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 28, 2024, 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.

### **Report on 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 or significant deficiencies may exist that were not identified.

## **Report on 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, Riggs & Ingram, L.L.C.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

## INDEPENDENT AUDITOR'S REPORT

The Honorable Bill Kinsaul  
Bay County Clerk of Court and Comptroller  
Bay County, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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 year ended September 30, 2023, 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.

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, 2023, the changes in financial position thereof, and the respective budgetary comparison for the General Fund and the Court Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bay County Clerk of Court and Comptroller and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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 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, 2023, 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.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bay County Clerk of Court and Comptroller's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bay County Clerk of Court and Comptroller's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bay County Clerk of Court and Comptroller's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

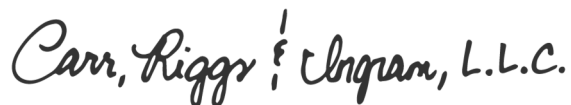
### **Supplementary Information**

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 accompanying 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose 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 basic financial statements as a whole.

The Honorable Bill Kinsaul  
Bay County Clerk of Court and Comptroller  
Page Four

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, 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, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

Bay County Clerk of Court and Comptroller  
Special-Purpose Balance Sheet  
Governmental Funds

<i>September 30, 2023</i>	General Fund	Court	Records Modernization - Records	Records Modernization - Court	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 713,200	\$ 757,978	\$ 829,346	\$ 1,531,747	\$ 3,832,271
Accounts receivable, net	60,720	123,678	-	-	184,398
Due from other governments	21,433	26,742	-	1,250	49,425
Prepaid items	63,729	16,308	-	3,703	83,740
<b>Total assets</b>	<b>\$ 859,082</b>	<b>\$ 924,706</b>	<b>\$ 829,346</b>	<b>\$ 1,536,700</b>	<b>\$ 4,149,834</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities					
Accounts payable and accrued liabilities	\$ 259,661	\$ 395,610	\$ -	\$ 46,624	\$ 701,895
Due to other governments	599,421	-	-	-	599,421
<b>Total liabilities</b>	<b>859,082</b>	<b>395,610</b>	<b>-</b>	<b>46,624</b>	<b>1,301,316</b>
Fund balance					
Nonspendable	63,729	16,308	-	3,703	83,740
Restricted	-	512,788	829,346	1,486,373	2,828,507
Unassigned	(63,729)	-	-	-	(63,729)
<b>Total fund balance</b>	<b>-</b>	<b>529,096</b>	<b>829,346</b>	<b>1,490,076</b>	<b>2,848,518</b>
<b>Total liabilities and fund balance</b>	<b>\$ 859,082</b>	<b>\$ 924,706</b>	<b>\$ 829,346</b>	<b>\$ 1,536,700</b>	<b>\$ 4,149,834</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

<i>For the year ended September 30, 2023</i>	General Fund	Court	Records Modernization - Records	Records Modernization - Court	Total Governmental Funds
<b>REVENUES</b>					
Intergovernmental revenue	\$ 114,167	\$ -	\$ -	\$ -	\$ 114,167
Charges for services	2,797,404	4,230,348	142,053	429,568	7,599,373
Miscellaneous	32,995	-	-	-	32,995
<b>Total revenues</b>	<b>2,944,566</b>	<b>4,230,348</b>	<b>142,053</b>	<b>429,568</b>	<b>7,746,535</b>
<b>EXPENDITURES</b>					
Current					
General government	4,768,686	4,185,089	53,687	344,432	9,351,894
Capital outlay					
General government	207,964	-	-	1,414	209,378
<b>Total expenditures</b>	<b>4,976,650</b>	<b>4,185,089</b>	<b>53,687</b>	<b>345,846</b>	<b>9,561,272</b>
Excess (deficiency) of revenues over (under) expenditures	(2,032,084)	45,259	88,366	83,722	(1,814,737)
<b>OTHER FINANCING SOURCES (USES)</b>					
Budget appropriations from Board of County Commissioners					
Transfer out/return of excess fees	2,096,421	-	-	-	2,096,421
	(64,337)	-	-	-	(64,337)
<b>Net other financing sources (uses)</b>	<b>2,032,084</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,032,084</b>
Net change in fund balance	-	45,259	88,366	83,722	217,347
Fund balance, beginning of year	-	483,837	740,980	1,406,354	2,631,171
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 529,096</b>	<b>\$ 829,346</b>	<b>\$ 1,490,076</b>	<b>\$ 2,848,518</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

<i>For the year ended September 30, 2023</i>	<u>Budgeted Amounts</u>			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Intergovernmental revenue	\$ 150,000	\$ 114,168	\$ 114,167	\$ (1)
Charges for services	2,945,836	2,723,904	2,797,404	73,500
Miscellaneous	33,160	30,843	32,995	2,152
<b>Total revenues</b>	<b>3,128,996</b>	<b>2,868,915</b>	<b>2,944,566</b>	<b>75,651</b>
<b>EXPENDITURES</b>				
Current				
General government	5,139,417	4,900,431	4,768,686	131,745
Capital outlay				
General government	86,000	64,905	207,964	(143,059)
<b>Total expenditures</b>	<b>5,225,417</b>	<b>4,965,336</b>	<b>4,976,650</b>	<b>(11,314)</b>
Excess (deficiency) of revenues over (under) expenditures	(2,096,421)	(2,096,421)	(2,032,084)	64,337
<b>OTHER FINANCING SOURCES (USES)</b>				
Budget appropriations from Board of County Commissioners	2,096,421	2,096,421	2,096,421	-
Transfer out/return of excess fees	-	-	(64,337)	(64,337)
<b>Net other financing sources (uses)</b>	<b>2,096,421</b>	<b>2,096,421</b>	<b>2,032,084</b>	<b>(64,337)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance, beginning of year			-	
Fund balance, end of year			-	

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

<i>For the year ended September 30, 2023</i>	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 3,941,758	\$ 4,185,166	\$ 4,230,348	\$ 45,182
Total revenues	3,941,758	4,185,166	4,230,348	45,182
<b>EXPENDITURES</b>				
Current				
General government	3,941,758	4,185,166	4,185,089	77
Total expenditures	3,941,758	4,185,166	4,185,089	77
Excess of revenues over expenditures	-	-	45,259	45,259
<u>Net change in fund balance</u>	<u>\$ -</u>	<u>\$ -</u>	<u>45,259</u>	<u>\$ 45,259</u>
Fund balance, beginning of year			<u>483,837</u>	
Fund balance, end of year			<u>\$ 529,096</u>	

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

<i>September 30, 2023</i>	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 9,317,532
Accounts receivable, net	2,928
<hr/>	
Total assets	\$ 9,320,460
<hr/>	
<b>LIABILITIES</b>	
Due to others	\$ 55,173
Due to other governments	2,098,815
<hr/>	
Total liabilities	\$ 2,153,988
<hr/>	
<b>NET POSITION</b>	
Restricted for	
Held for others	\$ 7,166,472
Total net position	\$ 7,166,472
<hr/>	

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

<i>For the year ended September 30, 2023</i>	Custodial Funds
<b>Additions</b>	
Funds held for others	\$ 81,610,414
Court costs	25,022
<hr/>	
Total additions	81,635,436
<b>Deductions</b>	
Funds held for others	83,331,662
Court costs	20,313
<hr/>	
Total deductions	83,351,975
<hr/>	
Net increase (decrease) in fiduciary net position	(1,716,539)
Net position, beginning of year	8,883,011
<hr/>	
Net position, end of year	\$ 7,166,472
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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, 2023, 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. 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 leases are reported as other financing sources.

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

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

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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Clerk.

The custodial funds utilize the *accrual basis of accounting*.

***Fund Financial Statements***

The Clerk reports the following major governmental funds:

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.

Additionally, the Clerk reports the following non-major fund types:

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

*Custodial funds* are used to account for assets held by the Clerk for individuals, private organizations, other governments, or other funds.

***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 and records modernization-court are not budgeted.

For the year ended September 30, 2023, expenditures exceeded appropriations by \$11,314 for the General Fund.

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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Balance***

*Cash and Cash Equivalents*

The Clerk's 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.

*Receivables and Payables*

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.

*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 Balance***

*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.



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

### *Categories and Classification of Fund Balance (continued)*

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The 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 GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Clerk’s highest level of decision-making authority. The 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.

*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.

*Unassigned fund balance* – Unassigned fund balance is the residual classification for the Clerk’s fund balances.

### *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.

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

***Subsequent events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 28, 2024 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.

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

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. There were no significant impacts of implementing this Statement.

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

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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

## **NOTE 2 – DETAILED NOTES ON ALL FUNDS**

### ***Deposits and Investments***

As of September 30, 2023, 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 2 – DETAILED NOTES ON ALL FUNDS (Continued)**

*Accounts receivable, net*

At September 30, 2023, accounts receivable, net is summarized as follows:

	Accounts Receivable	Allowance for Uncollectible	Net
General fund	\$ 60,720	\$ -	\$ 60,720
Court fund	123,678	-	123,678
Fines and forfeitures fund	53	-	53
<b>Total</b>	<b>\$ 184,451</b>	<b>\$ -</b>	<b>\$ 184,451</b>

The Clerk considers all amounts collectible; therefore there is no provision for doubtful accounts at September 30, 2023.

**NOTE 3 – 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, 2022 through June 30, 2023, were 11.91%, 31.57%, and 57.00% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2023 through September 30, 2023, were 13.57%, 34.52%, and 58.68% 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 18.60% for October 1, 2022 through June 30, 2023 and 21.13% for July 1, 2023 through September 30, 2023, with no employee contribution required.

**NOTE 3 – RETIREMENT PLANS (Continued)**

***Defined Benefit Pension Plan (continued)***

*Funding requirements (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, 2023, 2022, and 2021 were \$670,389, \$597,278, and \$548,085, 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, 2023, were \$94,428.

***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, 2023, totaled \$167,157.

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

<i>September 30, 2023</i>	Custodial Funds		
	Fines and Forfeitures	Jury and Witness	Tax Deed
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,536,912	\$ 30,922	\$ 682,289
Accounts receivable, net	53	-	2,875
<b>Total assets</b>	<b>\$ 4,536,965</b>	<b>\$ 30,922</b>	<b>\$ 685,164</b>
<b>LIABILITIES</b>			
Due to others	\$ 22,959	\$ -	\$ -
Due to other governments	1,910,425	22	1,225
<b>Total liabilities</b>	<b>\$ 1,933,384</b>	<b>\$ 22</b>	<b>\$ 1,225</b>
<b>NET POSITION</b>			
Restricted for			
Held for others	\$ 2,603,581	\$ 30,900	\$ 683,939
<b>Total net position</b>	<b>\$ 2,603,581</b>	<b>\$ 30,900</b>	<b>\$ 683,939</b>

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

Bay County Clerk of Court and Comptroller  
Combining Special-Purpose Statement of Fiduciary Net Position  
Fiduciary Funds

Custodial Funds				
Support	Court Registry	Cash Bond	Restitution	Total
\$ 37,138	\$ 2,073,064	\$ 1,804,543	\$ 152,664	\$ 9,317,532
-	-	-	-	2,928
\$ 37,138	\$ 2,073,064	\$ 1,804,543	\$ 152,664	\$ 9,320,460
\$ 5,925	\$ -	\$ -	\$ 26,289	\$ 55,173
31,213	9,376	20,179	126,375	2,098,815
\$ 37,138	\$ 9,376	\$ 20,179	\$ 152,664	\$ 2,153,988
\$ -	\$ 2,063,688	\$ 1,784,364	\$ -	\$ 7,166,472
\$ -	\$ 2,063,688	\$ 1,784,364	\$ -	\$ 7,166,472

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



<i>For the year ended September 30, 2023</i>	Custodial Funds		
	Fines and Forfeitures	Jury and Witness	Tax Deed
<b>Additions</b>			
Funds held for others	\$ 57,269,744	\$ -	\$ 1,864,909
Court costs	-	25,022	-
Total additions	57,269,744	25,022	1,864,909
<b>Deductions</b>			
Funds held for others	59,035,903	-	1,792,700
Court costs	-	20,313	-
Total deductions	59,035,903	20,313	1,792,700
Net increase (decrease) in fiduciary net position	(1,766,159)	4,709	72,209
Net position, beginning of year	4,369,740	26,191	611,730
Net position, end of year	\$ 2,603,581	\$ 30,900	\$ 683,939

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

Bay County Clerk of Court and Comptroller  
Combining Special-Purpose Statement of Changes in Fiduciary Net Position  
Fiduciary Funds

Custodial Funds				
Support	Court Registry	Cash Bond	Restitution	Total
\$ 1,322,015	\$ 18,081,912	\$ 2,151,435	\$ 920,399	\$ 81,610,414
-	-	-	-	25,022
1,322,015	18,081,912	2,151,435	920,399	81,635,436
1,322,015	17,656,805	2,603,840	920,399	83,331,662
-	-	-	-	20,313
1,322,015	17,656,805	2,603,840	920,399	83,351,975
-	425,107	(452,405)	-	(1,716,539)
-	1,638,581	2,236,769	-	8,883,011
\$ -	\$ 2,063,688	\$ 1,784,364	\$ -	\$ 7,166,472

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

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## INDEPENDENT AUDITOR'S 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 special-purpose financial statements of the Bay County Clerk of Court and Comptroller as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 28, 2024.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2024, 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 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 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.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024



## INDEPENDENT ACCOUNTANT'S 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, 2023. 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 with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2023.

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.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

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INDEPENDENT AUDITOR’S 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, 2023, 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 28, 2024, 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 or significant deficiencies 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, Riggs & Ingram, L.L.C.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

## INDEPENDENT AUDITOR'S REPORT

The Honorable Dan Sowell  
Bay County Property Appraiser  
Bay County, Florida

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying special-purpose financial statements of the major fund of the Bay County Property Appraiser as of and for the year ended September 30, 2023, 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.

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, 2023, the changes in financial position thereof, and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bay County Property Appraiser and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *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 Property Appraiser. They do not purport to, and do not, present the financial position of Bay County, Florida as of September 30, 2023, 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.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bay County Property Appraiser's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bay County Property Appraiser's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bay County Property Appraiser's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, 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, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

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Bay County Property Appraiser  
Special-Purpose Balance Sheet  
Governmental Fund

<i>September 30, 2023</i>	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 175,134
Total assets	\$ 175,134
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts payable and accrued liabilities	\$ 73,393
Due to other governments	101,741
Total liabilities	175,134
Fund balance	-
Total liabilities and fund balance	\$ 175,134

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

<i>For the year ended September 30, 2023</i>	General Fund
<b>REVENUES</b>	
Charges for services	\$ 1,301
Interest income	6,854
<hr/>	
Total revenues	8,155
<b>EXPENDITURES</b>	
Current	
General government	4,136,365
Capital outlay	
General government	54,190
Debt service	
Principal retirement	214,180
Interest and fiscal charges	716
<hr/>	
Total expenditures	4,405,451
Excess (deficiency) of revenues over (under) expenditures	(4,397,296)
<b>OTHER FINANCING SOURCES (USES)</b>	
Budget appropriations from Board of County Commissioners	4,431,107
Budget appropriations from other taxing districts	67,930
Transfer out/return of excess fees from Board of County Commissioners	(100,205)
Transfer out/return of excess fees from other taxing districts	(1,536)
<hr/>	
Net other financing sources (uses)	4,397,296
<hr/>	
Net change in fund balance	-
Fund balance, beginning of year	-
<hr/>	
Fund balance, end of year	\$ -
<hr/> <hr/>	

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

Bay County Property Appraiser  
Special-Purpose Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund

<i>For the year ended September 30, 2023</i>	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 1,301	\$ 1,301
Interest income	-	-	6,854	6,854
<hr/>				
Total revenues	-	-	8,155	8,155
<b>EXPENDITURES</b>				
Current				
General government	4,109,102	4,209,745	4,136,365	73,380
Capital outlay				
General government	74,396	74,396	54,190	20,206
Debt service				
Principal retirement	214,180	214,180	214,180	-
Interest and fiscal charges	716	716	716	-
<hr/>				
Total expenditures	4,398,394	4,499,037	4,405,451	93,586
Excess (deficiency) of revenues over (under) expenditures	(4,398,394)	(4,499,037)	(4,397,296)	101,741
<b>OTHER FINANCING SOURCES (USES)</b>				
Budget appropriations from Board of County Commissioners	4,331,984	4,431,107	4,431,107	-
Budget appropriations from other taxing districts	66,410	67,930	67,930	-
Transfer out/return of excess fees from Board of County Commissioners	-	-	(100,205)	(100,205)
Transfer out/return of excess fees from other taxing districts	-	-	(1,536)	(1,536)
<hr/>				
Net other financing sources (uses)	4,398,394	4,499,037	4,397,296	(101,741)
<hr/>				
Net change in fund balance	\$ -	\$ -	-	\$ -
<hr/> <hr/>				
Fund balance, beginning of year			-	
Fund balance, 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 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, 2023, 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. 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 leases are reported as other financing sources. 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. All other revenue items are considered to be measurable and available only when cash is received by the Property Appraiser.

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

***Fund Financial Statements***

The Property Appraiser reports the following major governmental funds:

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 Fund Balance***

***Cash and Cash Equivalents***

The Property Appraiser’s 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 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 Balance***

*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 GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Property Appraiser’s highest level of decision-making authority. The 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.

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

***Categories and Classification of Fund Balance (continued)***

*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 commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned fund balance* – Unassigned fund balance is the residual classification for the Property Appraiser’s fund balances.

***Use of Estimates***

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

***Subsequent events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 28, 2024, 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.

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

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. There were no significant impacts of implementing this Statement.

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

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

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

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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

## NOTE 2 – DETAILED NOTES ON ALL FUNDS

### *Deposits and Investments*

As of September 30, 2023, 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, 2022 through June 30, 2023, were 11.91%, 31.57%, and 57.00% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2023 through September 30, 2023, were 13.57%, 34.52%, and 58.68% 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 18.60% for October 1, 2022 through June 30, 2023 and 21.13% for July 1, 2023 through September 30, 2023, with no employee contribution required.

**NOTE 3 – RETIREMENT PLANS (Continued)**

*Funding requirements (continued)*

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, 2023, 2022, and 2021 were \$353,791, \$326,763, and \$306,868, 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, 2023, were \$39,135.

***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, 2023, totaled \$29,311.

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.

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Dan Sowell  
Bay County Property Appraiser  
Bay County, Florida

### Report on the Financial Statements

We have audited the special-purpose financial statements of the Bay County Property Appraiser as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 28, 2024.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2024, 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 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 Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, 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, Riggs & Ingram, L.L.C.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024



Carr, Riggs & Ingram, LLC  
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Panama City Beach, FL 32413

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(850) 784-4866 (fax)  
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## INDEPENDENT ACCOUNTANT'S 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, 2023. 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 with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2023.

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.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

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INDEPENDENT AUDITOR'S 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, 2023, 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 28, 2024, 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.

**Report on 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 or significant deficiencies may exist that were not identified.

### **Report on 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.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024



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## INDEPENDENT AUDITOR'S REPORT

The Honorable Chuck Perdue  
Bay County Tax Collector  
Bay County, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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 year ended September 30, 2023, 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.

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, 2023, the changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bay County Tax Collector and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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 Tax Collector. They do not purport to, and do not, present the financial position of Bay County, Florida as of September 30, 2023, 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.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bay County Tax Collector's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bay County Tax Collector's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bay County Tax Collector's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary 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 accompanying 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose 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 basic financial statements as a whole.



The Honorable Chuck Perdue  
Bay County Tax Collector  
Page Four

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, 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, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

Bay County Tax Collector  
Special-Purpose Balance Sheet  
Governmental Fund

<i>September 30, 2023</i>	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,871,144
Accounts receivable, net	17,879
Due from other governments	1,421
Prepaid items	218,744
<hr/>	
Total assets	\$ 3,109,188
<hr/>	
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts payable and accrued liabilities	\$ 173,460
Due to other governments	2,935,728
<hr/>	
Total liabilities	3,109,188
Fund balance	
Nonspendable	218,744
Unassigned	(218,744)
<hr/>	
Total fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 3,109,188
<hr/>	

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

<i>For the year ended September 30, 2023</i>	General Fund
<b>REVENUES</b>	
Commissions	
Bay County, Florida Board of County Commissioners	\$ 4,968,146
Other governmental units	473,609
Charges for services	2,258,650
Miscellaneous	330,234
<hr/>	
Total revenues	8,030,639
<b>EXPENDITURES</b>	
Current	
General government	5,154,456
Capital outlay	
General government	40,341
Debt service	
Principal	245,079
Interest	4,346
<hr/>	
Total expenditures	5,444,222
Excess of revenues over expenditures	2,586,417
<b>OTHER FINANCING SOURCES (USES)</b>	
SBITA financing	40,341
Transfers out	
Distribution of excess commissions to the Bay County, Florida Board of County Commissioners	(2,403,042)
Distribution of excess commissions to other governmental units	(223,716)
<hr/>	
Net other financing sources (uses)	(2,586,417)
Net change in fund balance	-
Fund balance, beginning of year	-
<hr/>	
Fund balance, end of year	\$ -

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

<i>For the year ended September 30, 2023</i>	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Commissions				
Bay County, Florida Board of County Commissioners	\$ 4,921,776	\$ 4,921,776	\$ 4,968,146	\$ 46,370
Other governmental units	-	-	473,609	473,609
Charges for services	1,942,960	1,942,960	2,258,650	315,690
Miscellaneous revenue	75,000	75,000	330,234	255,234
<b>Total revenues</b>	<b>6,939,736</b>	<b>6,939,736</b>	<b>8,030,639</b>	<b>1,090,903</b>
<b>EXPENDITURES</b>				
Current				
General government	6,349,826	6,336,476	5,154,456	1,182,020
Capital outlay				
General government	1,750	15,100	40,341	(25,241)
Debt service				
Principal	-	-	245,079	(245,079)
Interest	-	-	4,346	(4,346)
<b>Total expenditures</b>	<b>6,351,576</b>	<b>6,351,576</b>	<b>5,444,222</b>	<b>907,354</b>
Excess of revenues over expenditures	588,160	588,160	2,586,417	1,998,257
<b>OTHER FINANCING SOURCES (USES)</b>				
SBITA financing	-	-	40,341	40,341
Transfers out				
Distribution of excess commissions to the Bay County, Florida Board of County Commissioners	(588,160)	(588,160)	(2,403,042)	(1,814,882)
Distribution of excess commissions to other governmental units	-	-	(223,716)	(223,716)
<b>Net other financing sources (uses)</b>	<b>(588,160)</b>	<b>(588,160)</b>	<b>(2,586,417)</b>	<b>(1,998,257)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

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

<i>September 30, 2023</i>	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,312,635
Receivables, net	40
<hr/>	
Total assets	\$ 3,312,675
<hr/> <hr/>	
<b>LIABILITIES</b>	
Deposits	\$ 2,297,730
Due to other governments	757,284
Due to others	257,661
<hr/>	
Total liabilities	\$ 3,312,675
<hr/> <hr/>	
<b>NET POSITION</b>	
Restricted for	
Held for others	\$ -
<hr/>	
Total net position	\$ -
<hr/> <hr/>	

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

<i>For the year ended September 30, 2023</i>	Custodial Funds
<b>Additions</b>	
Property taxes collected for other governments	\$ 312,877,374
Funds held for others	28,363,602
<hr/>	
Total additions	341,240,976
<b>Deductions</b>	
Property taxes distributed to other governments	312,877,374
Funds held for others	28,363,602
<hr/>	
Total deductions	341,240,976
<hr/>	
Net change in fiduciary net position	-
Net position, beginning of year	-
<hr/>	
Net position, end of year	\$ -
<hr/> <hr/>	

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 which 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, 2023, 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. 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 leases are reported as other financing sources.

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

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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Tax Collector.

The custodial funds utilize the *accrual basis of accounting*.

***Fund Financial Statements***

The Tax Collector reports the following major governmental funds:

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.

Additionally, the Tax Collector reports the following fund types:

The *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 Fund Balance***

***Cash and Cash Equivalents***

The Tax Collector's 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 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.



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

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Balance (continued)***

*Receivables*

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.

*Compensated absences*

It is the Tax Collector’s policy to grant employees who leave in good standing payment for up to 1,000 hours of earned, unused paid time off, depending on the length of service. 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.

*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.

***Categories and Classification of Fund Balance***

*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 GASBC Section 1800, *Classification and Terminology*, 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.

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

***Categories and Classification of Fund Balance (Continued)***

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Tax Collector’s highest level of decision-making authority. The 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.

*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.

*Unassigned fund balance* – Unassigned fund balance is the residual classification for the Tax Collector’s fund balance.

***Use of Estimates***

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

***Subsequent events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 28, 2024 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.

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

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

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. There were no significant impacts of implementing this Statement.

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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

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

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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

**NOTE 2 – DETAILED NOTES ON ALL FUNDS**

***Deposits and Investments***

As of September 30, 2023, 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.

***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.

**NOTE 2 – DETAILED NOTES ON ALL FUNDS (Continued)**

***Accounts receivable (continued)***

At September 30, 2023, accounts receivable, net is summarized as follows:

	General Fund		Custodial Funds
Accounts receivable	\$	17,879	\$ 40
Less: allowance for doubtful accounts		-	-
Accounts receivable, net	\$	17,879	\$ 40

The Tax Collector considers all amounts collectible; therefore, there is no provision for doubtful accounts at September 30, 2023.

***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 3 – 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 3 – RETIREMENT PLANS (Continued)**

***Defined Benefit Pension Plan (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, 2022 through June 30, 2023, were 11.91%, 31.57%, and 57.00% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2023 through September 30, 2023, were 13.57%, 34.52%, and 58.68% 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 18.60% for October 1, 2022 through June 30, 2023 and 21.13% for July 1, 2023 through September 30, 2023, 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, 2023, 2022, and 2021 were \$296,812, \$253,812, and \$223,627, 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, 2023, were \$54,752.

***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, 2023, totaled \$208,817.

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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## CUSTODIAL FUNDS



Bay County Tax Collector  
Combining Special-Purpose Statement of Fiduciary Net Position  
Fiduciary Funds

<i>September 30, 2023</i>	Custodial Funds		
	Property Tax	Tag	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,717,719	\$ 594,916	\$ 3,312,635
Receivables, net	-	40	40
Total assets	\$ 2,717,719	\$ 594,956	\$ 3,312,675
<b>LIABILITIES</b>			
Deposits	2,297,730	-	2,297,730
Due to other governments	162,328	594,956	757,284
Due to others	257,661	-	257,661
Total liabilities	\$ 2,717,719	\$ 594,956	\$ 3,312,675
<b>NET POSITION</b>			
Restricted for			
Held for others	\$ -	\$ -	\$ -
Total net position	\$ -	\$ -	\$ -

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

Bay County Tax Collector  
Combining Special-Purpose Statement of Changes in Fiduciary Net Position  
Fiduciary Funds

	Custodial Funds		
<i>For the year ended September 30, 2023</i>	Property Tax	Tag	Total
<b>Additions</b>			
Property taxes collected for other governments	\$ 312,877,374	\$ -	\$ 312,877,374
Funds held for others	-	28,363,602	28,363,602
<hr/>			
Total additions	312,877,374	28,363,602	341,240,976
<b>Deductions</b>			
Property taxes distributed to other governments	312,877,374	-	312,877,374
Funds held for others	-	28,363,602	28,363,602
<hr/>			
Total deductions	312,877,374	28,363,602	341,240,976
<hr/>			
Net change in fiduciary net position	-	-	-
<hr/>			
Net position, beginning of year	-	-	-
<hr/>			
Net position, end of year	\$ -	\$ -	\$ -
<hr/> <hr/>			

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

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## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Chuck Perdue  
Bay County Tax Collector  
Bay County, Florida

### Report on the Financial Statements

We have audited the special-purpose financial statements of the Bay County Tax Collector as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 28, 2024.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2024, 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 Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, 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.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024



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14101 Panama City Beach Parkway  
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Panama City Beach, FL 32413  
  
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(850) 784-4866 (fax)  
www.cricpa.com

## INDEPENDENT ACCOUNTANT'S 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, 2023. 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 with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2023.

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.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

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INDEPENDENT AUDITOR'S 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, 2023, 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 28, 2024, 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 or significant deficiencies 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.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024



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## INDEPENDENT AUDITOR'S REPORT

The Honorable Tommy Ford  
Bay County Sheriff  
Bay County, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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 year ended September 30, 2023, 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.

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 Sheriff as of September 30, 2023, the changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bay County Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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 Sheriff. They do not purport to, and do not, present the financial position of Bay County, Florida as of September 30, 2023, 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.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bay County Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bay County Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bay County Sheriff's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary 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 accompanying combining special-purpose balance sheet–nonmajor governmental funds; combining special-purpose statement of revenues, expenditures and changes in fund balance–nonmajor governmental funds; 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance

The Honorable Tommy Ford  
Bay County Sheriff  
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with auditing standards generally accepted in the United States of America. In our opinion, the combining special-purpose balance sheet–nonmajor governmental funds; combining special-purpose statement of revenues, expenditures and changes in fund balance–nonmajor governmental funds; 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 basic 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 28, 2024, 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, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

Bay County Sheriff  
Special-Purpose Balance Sheet  
Governmental Funds

<i>September 30, 2023</i>	General Fund	Inmate Welfare	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,279,984	\$ 2,769,848	\$ 517,158	\$ 5,566,990
Accounts receivable, net	1,577,515	262,982	18,280	1,858,777
Prepaid items	475,102	-	-	475,102
Due from other governments	200,239	-	-	200,239
<b>Total assets</b>	<b>\$ 4,532,840</b>	<b>\$ 3,032,830</b>	<b>\$ 535,438</b>	<b>\$ 8,101,108</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,194,770	\$ -	\$ 10,148	\$ 1,204,918
Due to other governments	1,153,270	-	-	1,153,270
Unearned revenue	2,184,800	-	-	2,184,800
<b>Total liabilities</b>	<b>4,532,840</b>	<b>-</b>	<b>10,148</b>	<b>4,542,988</b>
Fund balance				
Restricted	-	3,032,830	525,290	3,558,120
<b>Total liabilities and fund balance</b>	<b>\$ 4,532,840</b>	<b>\$ 3,032,830</b>	<b>\$ 535,438</b>	<b>\$ 8,101,108</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

<i>For the year ended September 30, 2023</i>	General Fund	Inmate Welfare	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Intergovernmental revenue	\$ 7,736,045	\$ -	\$ 409,698	\$ 8,145,743
Interest income	179,956	-	-	179,956
Charges for services	-	2,137,928	-	2,137,928
Miscellaneous	593,240	-	-	593,240
<b>Total revenues</b>	<b>8,509,241</b>	<b>2,137,928</b>	<b>409,698</b>	<b>11,056,867</b>
<b>EXPENDITURES</b>				
Current				
Public safety	55,618,048	1,376,064	366,089	57,360,201
Capital outlay				
Public safety	2,675,448	183,663	90,048	2,949,159
Debt service				
Principal retirement	969,229	-	-	969,229
Interest and fiscal charges	35,989	-	-	35,989
<b>Total expenditures</b>	<b>59,298,714</b>	<b>1,559,727</b>	<b>456,137</b>	<b>61,314,578</b>
Excess (deficiency) of revenues over (under) expenditures	(50,789,473)	578,201	(46,439)	(50,257,711)
<b>OTHER FINANCING SOURCES (USES)</b>				
Budget appropriations from				
Board of County Commissioners	50,828,058	-	-	50,828,058
Debt issuance	787,832	-	-	787,832
Proceeds from the sales of surplus assets	42,911	-	88,882	131,793
Transfer out/return of excess fees	(869,328)	-	-	(869,328)
<b>Net other financing sources (uses)</b>	<b>50,789,473</b>	<b>-</b>	<b>88,882</b>	<b>50,878,355</b>
Net change in fund balance	-	578,201	42,443	620,644
Fund balance, beginning of year	-	2,454,629	503,347	2,957,976
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 3,032,830</b>	<b>\$ 545,790</b>	<b>\$ 3,578,620</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 - Budget and Actual  
General Fund

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 6,215,730	\$ 6,589,067	\$ 7,736,045	\$ 1,146,978
Interest income	-	-	179,956	179,956
Miscellaneous	-	-	593,240	593,240
<b>Total revenues</b>	<b>6,215,730</b>	<b>6,589,067</b>	<b>8,509,241</b>	<b>1,920,174</b>
<b>EXPENDITURES</b>				
Current				
Public safety	55,612,484	55,612,484	55,618,048	(5,564)
Capital outlay				
Public safety	1,840,086	1,840,086	2,675,448	(835,362)
Debt service				
Principal retirement	969,229	969,229	969,229	-
Interest and fiscal charges	35,989	35,989	35,989	-
<b>Total expenditures</b>	<b>58,457,788</b>	<b>58,457,788</b>	<b>59,298,714</b>	<b>(840,926)</b>
Excess (deficiency) of revenues over (under) expenditures	(52,242,058)	(51,868,721)	(50,789,473)	1,079,248
<b>OTHER FINANCING SOURCES (USES)</b>				
Budget appropriations from Board of County Commissioners	52,242,058	51,868,721	50,828,058	(1,040,663)
Debt issuance	-	-	787,832	787,832
Proceeds from the sales of surplus assets	-	-	42,911	42,911
Transfer out/return of excess fees	-	-	(869,328)	(869,328)
<b>Net other financing sources (uses)</b>	<b>52,242,058</b>	<b>51,868,721</b>	<b>50,789,473</b>	<b>(1,079,248)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

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

<i>September 30, 2023</i>	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 551,719
<b>Total assets</b>	<b>\$ 551,719</b>
<b>LIABILITIES</b>	
Due to other governments	\$ 64,124
<b>Total liabilities</b>	<b>\$ 64,124</b>
<b>NET POSITION</b>	
Restricted	
Held for others	\$ 487,595
<b>Total net position</b>	<b>\$ 487,595</b>

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

<i>For the year ended September 30, 2023</i>	Custodial Funds
<b>Additions</b>	
Funds held for others	\$ 64,124
Seizures	381,144
Bonds, purges, and levies	78,319
Total additions	523,587
<b>Deductions</b>	
Funds held for others	64,124
Seizures	605,824
Bonds, purges, and levies	88,259
Total deductions	758,207
Net increase (decrease) in fiduciary net position	(234,620)
Net position, beginning of year	722,215
Net position, end of year	\$ 487,595

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 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, 2023, 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. 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 leases are reported as other financing sources.

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

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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Sheriff.

The custodial funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

***Fund Financial Statements***

The fund financial statements provide information about the Sheriff's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, internal service funds, and fiduciary funds each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others that cannot be used to support the government's own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

The Sheriff reports the following major governmental funds:

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.

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

Additionally, the Sheriff reports the following fund types:

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

*Custodial funds* are used to account for assets held by the Sheriff for individuals, private organizations, other governments, and other funds. The Sheriff reports the following custodial 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.

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

*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.

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.

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

***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 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.

***Receivables***

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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

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, leased assets, and right-to-use 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.

*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.

*Categories and Classification of Net Position and Fund Balance*

*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 GASBC Section 1800, *Classification and Terminology*, 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.

*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.

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

*Categories and Classification of Net Position and Fund Balance (Continued)*

*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 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.

*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.

*Unassigned* – Unassigned fund balance is the residual classification for the Sheriff’s fund balances.

***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 28, 2024 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***

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

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

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

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. There were no significant impacts of implementing this Statement.

The Governmental Accounting Standards Board (GASB) has issued the following statements that will become effective in future years. The statements applicable to the Sheriff's financial statement are as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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



**NOTE 2 – DETAILED NOTES ON ALL FUNDS**

***Deposits and Investments***

As of September 30, 2023, 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 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***

All account receivables are shown net of allowances for uncollectable accounts for governmental funds. The accounts receivable and allowance for uncollectible accounts at September 30, 2023, were as follows:

	Accounts Receivable	Unbilled Receivable	Allowance for Uncollectible	Net
General Fund	\$ 1,577,515	\$ -	\$ -	\$ 1,577,515
Inmate Welfare Fund	262,982	-	-	262,982
Other Governmental Funds	18,280	-	-	18,280
<b>Total</b>	<b>\$ 1,858,777</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,858,777</b>

The Sheriff considers all amounts collectible; therefore there is no provision for doubtful accounts at September 30, 2023.

### **NOTE 3 – 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 Sheriff is required to contribute at an actuarially determined rate. Rates effective for October 1, 2022 through June 30, 2023, were 11.91%, 31.57%, and 57.00% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2023 through September 30, 2023, were 13.57%, 34.52%, and 58.68% 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 18.60% for October 1, 2022 through June 30, 2023 and 21.13% for July 1, 2023 through September 30, 2023, 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, 2023, 2022, and 2021 were \$5,859,400, \$4,784,581, and \$4,081,088 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, 2023, were \$660,813.

#### ***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, 2023, totaled \$1,565,028.

**NOTE 3 – RETIREMENT PLANS (Continued)**

***Defined Contribution Pension Plan (Continued)***

*Description of plan (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.

## NONMAJOR GOVERNMENTAL FUNDS

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Bay County Sheriff  
Combining Balance Sheet  
Nonmajor Governmental Funds

<i>September 30, 2023</i>	Special Contribution	Crime Prevention	Special Law Enforcement Trust	Chapter 705	Law Enforcement Training	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 14,097	\$ 147,007	\$ 161,023	\$ 158,933	\$ 36,098	\$ 517,158
Accounts receivable, net	-	-	-	-	18,280	18,280
<b>Total assets</b>	<b>\$ 14,097</b>	<b>\$ 147,007</b>	<b>\$ 161,023</b>	<b>\$ 158,933</b>	<b>\$ 54,378</b>	<b>\$ 535,438</b>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts payable	\$ -	\$ -	\$ 400	\$ 7,260	\$ 2,488	\$ 10,148
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>7,260</b>	<b>2,488</b>	<b>10,148</b>
Fund balance						
Restricted	14,097	147,007	160,623	151,673	51,890	525,290
<b>Total liabilities and fund balance</b>	<b>\$ 14,097</b>	<b>\$ 147,007</b>	<b>\$ 161,023</b>	<b>\$ 158,933</b>	<b>\$ 54,378</b>	<b>\$ 535,438</b>

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

Bay County Sheriff  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Nonmajor Governmental Funds

<i>Year Ended September 30, 2023</i>	Special Contribution	Crime Prevention	Special Law Enforcement Trust	Chapter 705	Law Enforcement Training	Total
<b>REVENUES</b>						
Intergovernmental revenue	\$ 5,600	\$ 4,715	\$ 166,375	\$ 157,567	\$ 75,441	\$ 409,698
Interest income	-	-	-	-	-	-
Total revenues	5,600	4,715	166,375	157,567	75,441	409,698
<b>EXPENDITURES</b>						
Current						
Public safety	5,000	80,813	103,899	100,552	75,825	366,089
Capital outlay						
Public safety	-	-	90,048	-	-	90,048
Debt service						
Principal retirement	-	19,600	-	-	-	19,600
Interest and fiscal charges	-	900	-	-	-	900
Total expenditures	5,000	101,313	193,947	100,552	75,825	476,637
Excess (deficiency) of revenues over (under) expenditures	600	(96,598)	(27,572)	57,015	(384)	(66,939)
<b>OTHER FINANCING SOURCES</b>						
Proceeds from the sales of surplus assets	-	-	88,882	-	-	88,882
Net other financing sources	-	-	88,882	-	-	88,882
Net change in fund balance	600	(96,598)	61,310	57,015	(384)	21,943
Fund balance, beginning of year	13,497	243,605	99,313	94,658	52,274	503,347
Fund balance, end of year	\$ 14,097	\$ 147,007	\$ 160,623	\$ 151,673	\$ 51,890	\$ 525,290

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

CUSTODIAL FUNDS



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Bay County Sheriff  
Combining Special-Purpose Statement of Fiduciary Net Position  
Fiduciary Funds

<i>September 30, 2023</i>	Custodial Funds						Total
	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene		
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 254,263	\$ 33,859	\$ 30,265	\$ 233,332		\$ 551,719
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 254,263</b>	<b>\$ 33,859</b>	<b>\$ 30,265</b>	<b>\$ 233,332</b>		<b>\$ 551,719</b>
<b>LIABILITIES</b>							
Due to other governments	\$ -	\$ -	\$ 33,859	\$ 30,265	\$ -		\$ 64,124
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,859</b>	<b>\$ 30,265</b>	<b>\$ -</b>		<b>\$ 64,124</b>
<b>NET POSITION</b>							
Restricted for							
Held for others	\$ -	\$ 254,263	\$ -	\$ -	\$ 233,332		\$ 487,595
<b>Total net position</b>	<b>\$ -</b>	<b>\$ 254,263</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 233,332</b>		<b>\$ 487,595</b>

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

Bay County Sheriff  
Combining Special-Purpose Statement of Changes in Fiduciary Net Position  
Fiduciary Funds

<i>September 30, 2023</i>	Custodial Funds					
	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene	Total
<b>Additions</b>						
Funds held for others	\$ -	\$ -	\$ 33,859	\$ 30,265	\$ -	\$ 64,124
Seizures	-	232,549	-	-	148,595	381,144
Bonds, purges, and levies	78,319	-	-	-	-	78,319
Total additions	78,319	232,549	33,859	30,265	148,595	523,587
<b>Deductions</b>						
Funds held for others	-	-	33,859	30,265	-	64,124
Seizures	-	589,512	-	-	16,312	605,824
Bonds, purges, and levies	88,259	-	-	-	-	88,259
Total deductions	88,259	589,512	33,859	30,265	16,312	758,207
Net increase (decrease) in fiduciary net position	(9,940)	(356,963)	-	-	132,283	(234,620)
Net position, beginning of year	9,940	611,226	-	-	101,049	722,215
Net position, end of year	\$ -	\$ 254,263	\$ -	\$ -	\$ 233,332	\$ 487,595



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**INDEPENDENT AUDITOR’S MANAGEMENT LETTER**

The Honorable Tommy Ford  
 Bay County Sheriff  
 Bay County, Florida

**Report on the Financial Statements**

We have audited the special-purpose financial statements of the Bay County Sheriff as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 28, 2024.

**Auditor’s Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2024, 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>2021-22 FY Finding #</b>	<b>2020-21 FY Finding #</b>
2023-001	2022-001	2021-001

The Honorable Tommy Ford  
Bay County Sheriff  
Page Two

### **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.

### **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 Sheriff and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024



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## INDEPENDENT ACCOUNTANT'S 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, 2023. 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 with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2023.

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.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
March 28, 2024

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INDEPENDENT AUDITOR’S 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, 2023, 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 28, 2024, 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 2023-001, that we considered to be a material weakness.



The Honorable Tommy Ford  
Bay County Sheriff  
Page Two

2023-001

Condition: Material adjustments to the financial records for cash, expenses, unearned revenue, accounts payable, and accrued liabilities, were made in order for the financial statements to conform to generally accepted accounting principles.

Criteria: Internal controls should prevent or detect and correct errors in a timely manner in order to provide correct financial information.

Cause: The Sheriff's controls did not identify the adjustments timely.

Effect: Adjustments were required for current year balances.

Recommendation: We recommend that the Sheriff accounting staff continue to strive toward identifying proposed audit adjustments more timely.

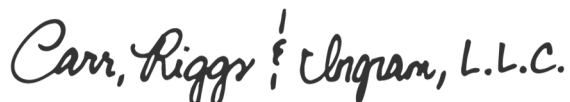
Views of Responsible Officials and Planned Corrective Action: Management agrees with auditor's recommendation.

### **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, LLC  
Panama City Beach, Florida  
March 28, 2024

