BAY COUNTY FLORIDA

Annual Comprehensive Financial Report

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF

BAY COUNTY, FLORIDA

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

PREPARED BY THE OFFICE

OF

BILL KINSAUL
CLERK OF COURT AND COMPTROLLER

KATY NAIL
CHIEF FINANCIAL OFFICER

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BILL KINSAUL
CLERK OF COURT
& COMPTROLLER
BAY COUNTY

September 25, 2025

Honorable Douglas Moore, Chairman and
Distinguished Members of the Board of
County Commissioners
Honorable Tommy Ford, Sheriff
Honorable Nina Ward, Supervisor of Elections
Honorable Dan Sowell, Property Appraiser
Honorable Chuck Perdue, Tax Collector
Citizens of 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, 2024. 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.

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300 East 4th Street · P.O. Box 2269 · Panama City, Florida 32402-2269

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, 2023 to September 30, 2024 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 and the Covid Pandemic, 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 America. 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 $57.7 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 $200 million in debt borrowed to cover Hurricane Michael recovery costs.

Major Initiatives

For the Year

During fiscal year 2024, Bay County managed several projects, including grant funded projects, renovations, construction of new buildings and road resurfacing and repairs. These include the Bay County Juvenile Justice Courthouse Addition, Hiland Park Fire Station, County Road 30 Front Beach Road Sidewalk Phase 1 & 2, Surf Drive Parking and Beach Access, Sweetwater-Minge Road and Wastewater Treatment Plant multiblock replacements. Capital Improvement projects related to Hurricane Michael completed during fiscal year 2024 include the 911 Fiber Optics Hardening, Econfina Pump replacement Wastewater Treatment Plant pumps and motor replacements, and generator replacements for the Bay County Government Center and Bay County Jail.

In 2023, Bay County's American Rescue Plan Act (ARPA) funding was fully allocated. Of the $33.9 million received, approximately $27.5 has been officially obligated through Fiscal Year 2024. Projects throughout the county were completed using ARPA funds this year, including park improvements to H.G. Harder's Park and Under the Oaks Park, facility repairs, lift station pump replacements, electrical enhancements to the water plant, additional stormwater drainage, equipment for Roads and Bridges, EMS apparatuses, fire trucks, and supporting the finalization of the new Southport Sports Complex.

Bay County received $36 million in Hurricane Housing Recovery Program (HHRP) funds after Hurricane Michael. These funds assisted families in finding decent, safe and affordable housing. In fiscal year 2024, first-time homebuyer education was provided to over 400 families through a partnership with the Bay County UF/IFAS Extension Center. The Housing Division partnered with over four hundred realtors, fifty-five lending institutions, thirteen home inspection companies, five manufactured home companies, eight appraisers, six surveyors, fifteen homeowners insurance companies and thirty-eight agencies. Through fiscal year 2024, $26 million of the grand had been expended, including over $17 million is purchase assistance, $4 million in multi-family new construction and over $3 million in demolition and reconstruction.

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 2024 include intersection improvement projects at County Road 389 and State Road 77, County Road 389 and U.S. 231, Moylan Road and Panama City Beach Parkway and County Road 389 and Dundee Lane. Several Roadway Safety Projects were also completed including Laird Street Sidewalks, Frankford Avenue Sidewalks, and Magnolia Beach Road Sidewalks Phase 1 & 2. Continuing projects include annual resurfacing and urban dirt road paving, Philip Griffitts Parkway III, Linger Longer Road paving and Minge Branch Connector.

For the Future

Bay County will continue to focus on the restoration and improvement of its facilities and infrastructure. Some significant projects that are currently in process for future completion include the Bay County Courthouse Renovations, Southport Sports Complex, and Phillip Griffitts 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 $9 million, with the majority going toward various hardening projects, including Traffic Signal/Arm, Lift Stations and Potable Water Distribution. Others include various Water Treatment Plant Pump Repairs and Replacements, Fountain Community Resiliency Center 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 $36 million of HHRP funding available and continued annual state funding, Bay County will be able to continue assisting families with these needs.

Accelerated population growth is expected in Bay County due to the Bay-Walton Sector Plan that was submitted in April 2014. The Plan consists of over one hundred thousand acres and provides a long-range vision that enables adequate planning for the future in a comprehensive, coordinated and balanced manner.

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, 2023. 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 2023). 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, Nina Ward, Chuck Perdue; County Commissioners: Douglas Moore, Robert L. Carroll, Clair Pease, Daniel Raffield and Frederick Crosby 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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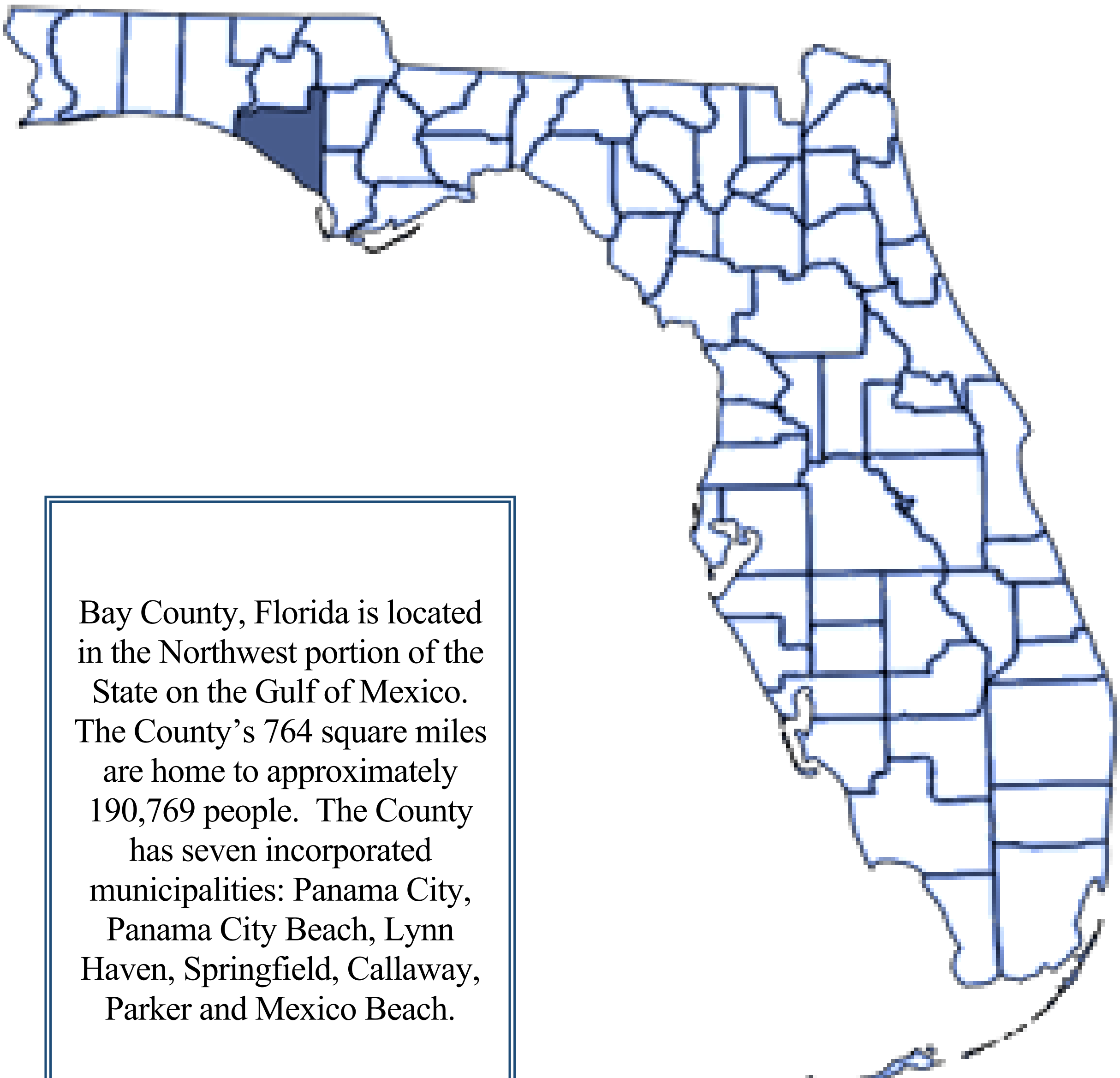
BAY COUNTY *Florida*



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 190,769 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

Daniel Raffield
Commissioner
District I

Robert Carroll
Commissioner
District II

Frederick Crosby
Commissioner
District III

Doug Moore
Commissioner
District IV

Clair Pease
Commissioner
District V

County Officials
Bay County, Florida

Nina Ward
Supervisor of Elections

Bill Kinsaul
Clerk of Court & Comptroller

Dan Sowell
Property Appraiser

Chuck Perdue
Tax Collector

Tommy Ford
Sheriff

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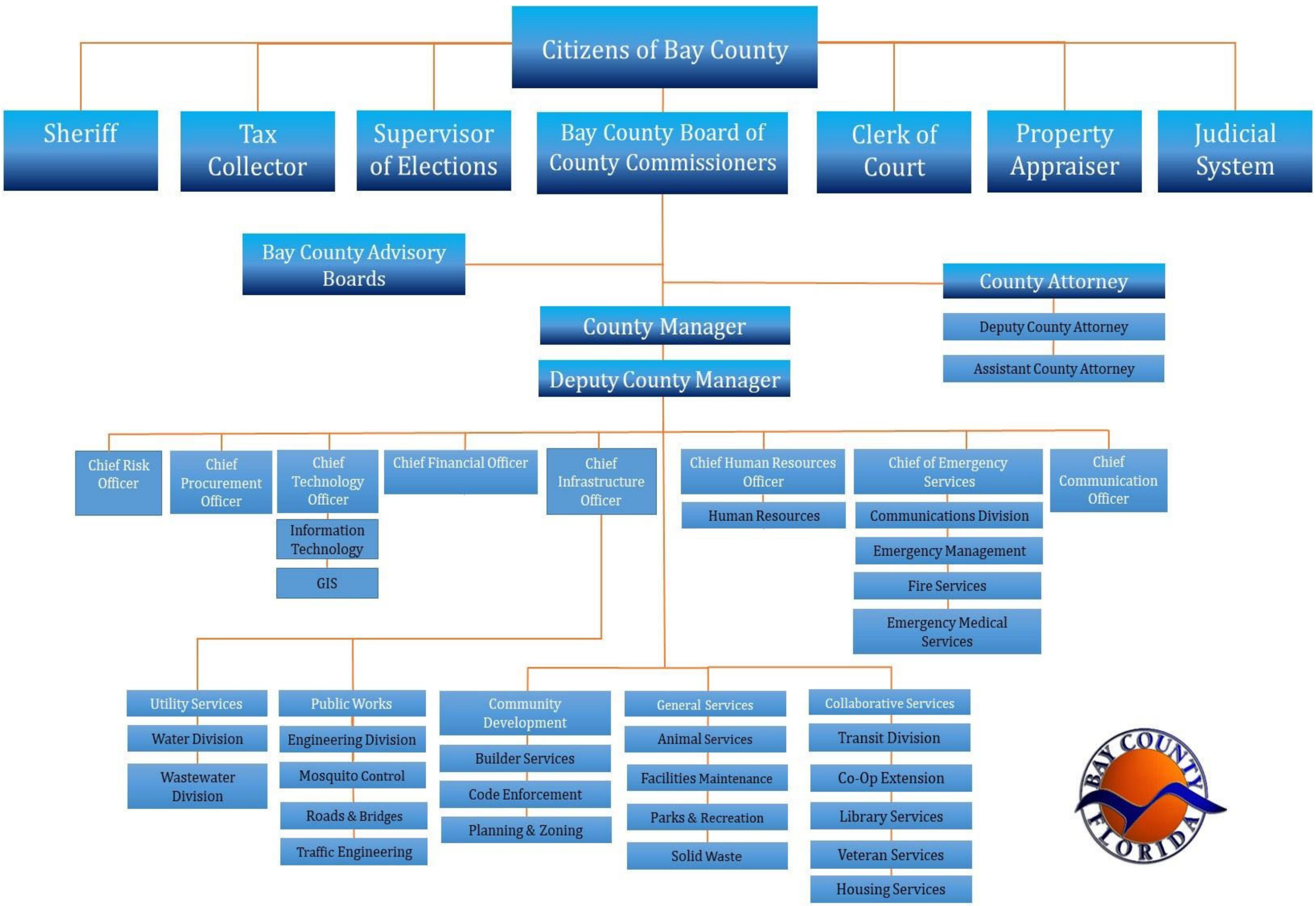
BAY COUNTY
ORGANIZATIONAL CHART
Fiscal Year 2024



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, 2023.

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, 2023

Christopher P. Morrill

Executive Director/CEO

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

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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, 2024, 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, 2024, 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.

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-17, the schedule of Bay County, Florida's proportionate share of the net pension liability on page B-122, the schedule of Bay County, Florida's contributions on page B-123, and the schedule of changes in Bay County, Florida's total other postemployment benefits liability and related ratios on page B-124 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. 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, and the schedule of expenditures of federal awards and state financial assistance 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 September 25, 2025, 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.

Panama City Beach, Florida
September 25, 2025

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 $564,209,129 (net position). Of this amount, $35,488,486 is a deficit in unrestricted net position for governmental activities and $47,352,958 is unrestricted net position for business-type activities, while $198,456,020 is restricted net position for governmental activities and $33,551,572 is restricted net position for business-type activities.

- The County's total assets increased by $8,797,822 or approximately .8 percent during fiscal year 2024. Of this amount, a decrease of $8,583,098 is attributable to governmental activities and an increase of $17,380,920 is attributable to business-type activities.

- The County's total liabilities decreased by $77,276,169 or approximately 13% during fiscal year 2024. Of this amount, a decrease of $81,038,802 is attributable to governmental activities and an increase of $3,762,633 is attributable to business-type activities.

- Total County's total net position increased by $85,623,366. Of this amount, an increase of $71,827,484 is attributable to governmental activities and an increase of $13,795,882 is attributable to business-type activities.

- As of September 30, 2024, the general fund's unassigned fund balance was $53,855,021 or approximately 27% of the general fund's total expenditures.

- Governmental activities' revenues increased approximately 10% over the prior fiscal year to $399,040,624 while expenditures increased approximately 6% to $319,897,305. Additionally, Business-type activities revenues increased approximately 12.5% over the prior fiscal year to $63,046,001 while expenditures decreased approximately 2% to $56,565

- The County's outstanding bonded debt and notes payable decreased during fiscal year 2024 by $5,768,752 (7%) and $62,636,345 (24%), respectively. The large decrease in notes payable is a result of a partial pay off ($50 million) and refinancing of its Hurricane Michael Revenue Refunding Note, Series 2021B. 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 increased by $5,358,229 or approximately 16.5%. Of this amount, an increase of $5,028,352 is attributable to governmental activities and an increase of $329,877 is attributable to business-type activities.

- The County's total deferred inflows of resources increased by $5,808,854 or approximately 34%. Of this amount, an increase of $5,656,572 is attributable to governmental activities and an increase of $152,282 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 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 for 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, proprietary, 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 fund 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 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

	Governmental Activities		Business-type Activities		Total	
September 30,	2024	2023	2024	2023	2024	2023
Current and other assets	$ 356,649,502	$ 395,088,362	$ 120,706,892	$ 109,860,226	$ 477,356,394	$ 504,968,588
Capital assets	449,756,714	419,900,952	141,714,343	135,160,089	591,471,057	555,061,041
Total assets	806,406,216	814,989,314	262,421,235	245,040,315	1,068,827,451	1,060,029,629
Deferred outflows of resources	35,954,059	30,925,707	1,821,844	1,491,967	37,775,903	32,417,674
Current and other liabilities	51,152,253	70,200,660	12,088,879	11,244,739	63,241,132	81,445,399
Long-term liabilities	354,873,510	416,863,905	101,535,413	98,616,920	456,408,923	515,480,825
Total liabilities	406,025,763	487,064,565	113,624,292	109,861,659	519,650,055	596,926,224
Deferred inflows of resources	20,874,934	15,218,362	1,869,236	1,716,954	22,744,170	16,935,316
Net investment in capital assets	252,492,044	153,393,159	67,845,021	56,875,136	320,337,065	210,268,295
Net position-restricted	198,456,020	217,312,873	33,551,572	25,088,798	232,007,592	242,401,671
Net position-unrestricted	(35,488,486)	(27,073,938)	47,352,958	52,989,735	11,864,472	25,915,797
Total net position	$ 415,459,578	$ 343,632,094	$ 148,749,551	$ 134,953,669	$ 564,209,129	$ 475,585,763

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 (57%). 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.

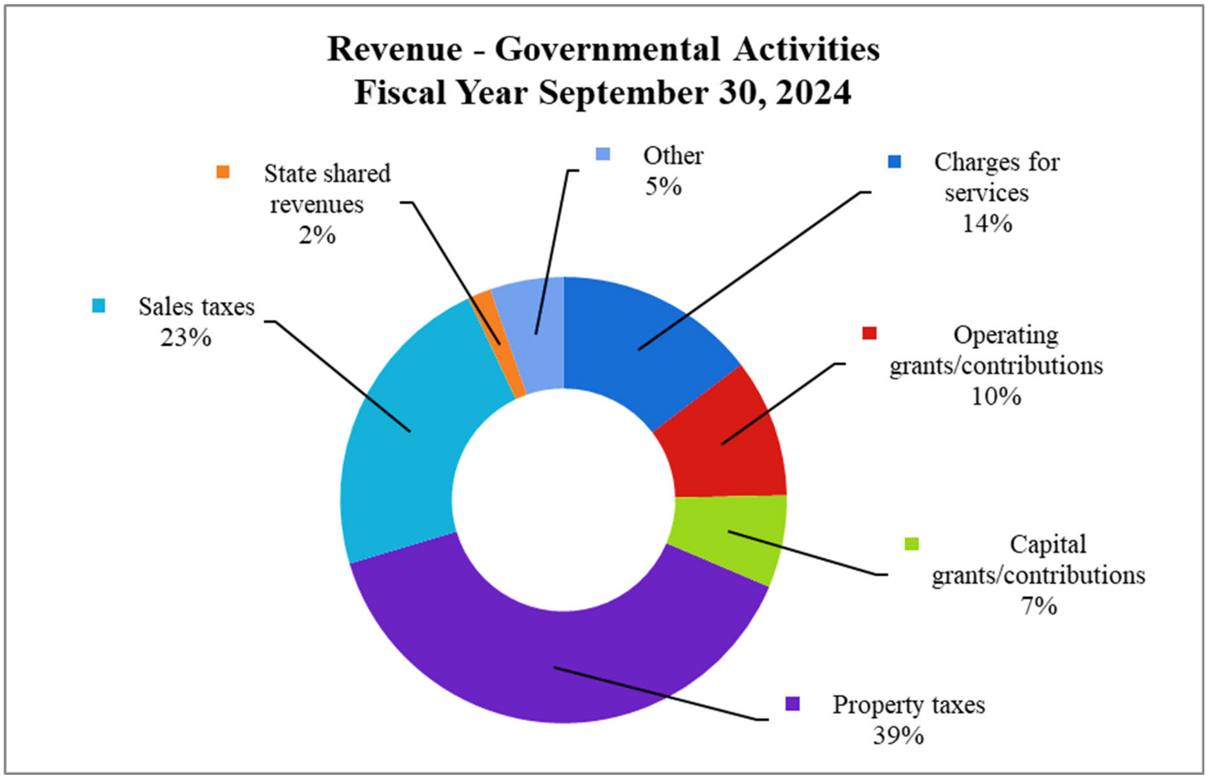
The *restricted net position*, representing 41% of the County's net position at $232,007,592 is subject to external restrictions, and thus is limited as to how it may be used. The balance of *unrestricted* net position is $11,864,472.

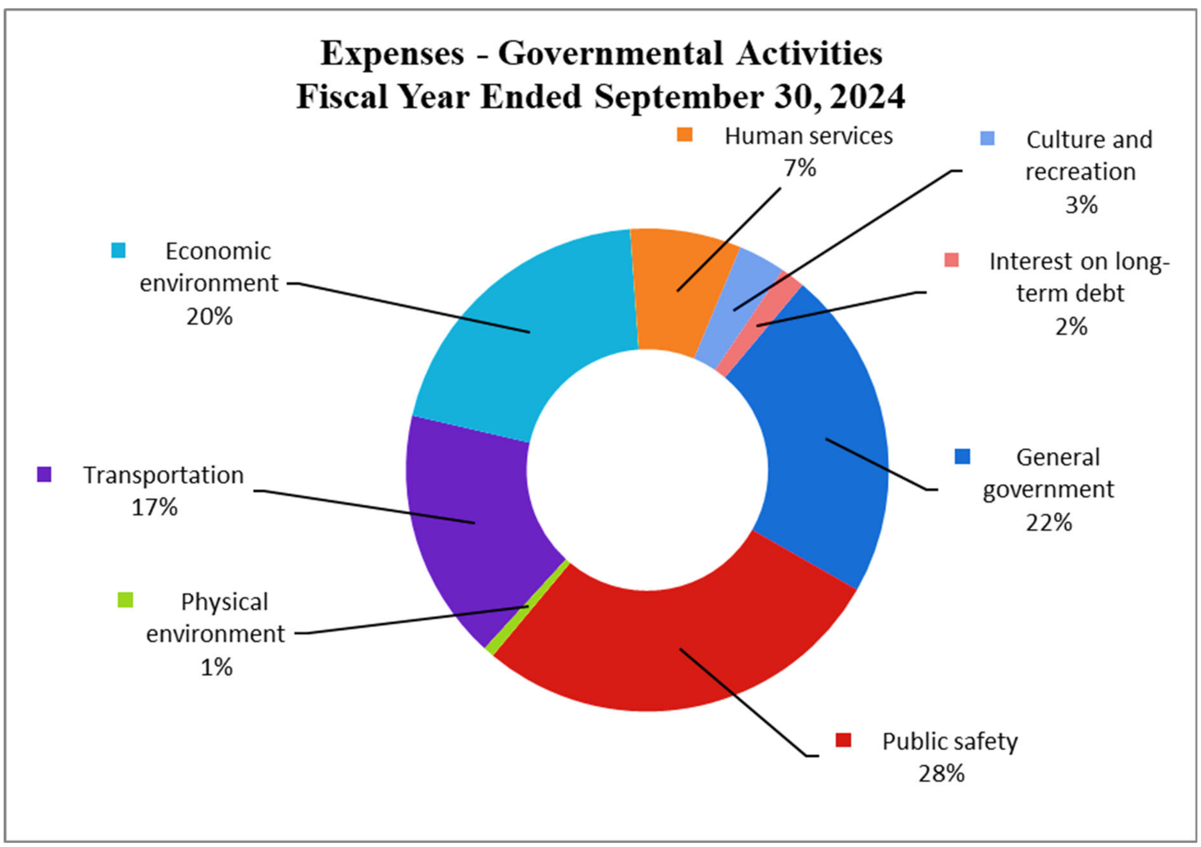
Governmental activities long-term liabilities decreased by $61,990,395 during 2024, while business-type activities long-term liabilities increased by $2,918,493. The large decrease in Governmental activities long-term liabilities is reflective of regularly scheduled debt service principal payments and the partial pay off ($50 million) its Hurricane Michael Revenue Refunding Note, Series 2021B. The County recognized a decrease of $2,456,072 in governmental activities' net pension liability, while business-type activities had a decrease of $7,076. 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).

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

Bay County, Florida
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
Year ended September 30,	2024	2023	2024	2023	2024	2023
Program revenues						
Charges for services	$ 58,368,281	$ 56,628,529	$ 49,037,160	$ 45,961,978	$ 107,405,441	$ 102,600,507
Operating grants/contributions	39,925,921	64,700,814	2,374,238	674,036	42,300,159	65,374,850
Capital grants/contributions	26,900,473	18,188,351	4,536,776	4,696,935	31,437,249	22,885,286
General revenues						
Property taxes	155,548,804	110,406,779	-	-	155.548.804	110,406,779
Sales taxes	90,292,399	89,746,332	1,400	1,700	90,293,799	89,748,032
State shared revenues – unrestricted	6,685,031	7,050,330	-	-	6,685,031	7,050,330
Other	21,319,715	17,039,679	7,096,427	4,697,925	28,416,142	21,737,604
Total revenues	399,040,624	363,770,814	63,046,001	56,032,574	462,086,625	419,803,388
Expenses						
General government	70,839,478	68,467,815	-	-	70,839,478	68,467,815
Public safety	88,928,634	97,335,805	-	-	88,928,479	97,335,805
Physical environment	2,347,871	2,179,996	-	-	2,347,871	2,179,996
Transportation	53,868,892	44,868,091	-	-	53,868,892	44,868,091
Economic environment	64,727,446	56,338,868	-	-	64,727,446	56,338,868
Human services	23,810,998	19,912,173	-	-	23,810,998	19,912,173
Culture and recreation	10,136,629	9,631,733	-	-	10,136,629	9,631,733
Interest on long-term debt	5,237,357	4,041,923	-	-	5,237,357	4,041,923
Wholesale water system	-	-	18,876,478	17,511,086	18,876,478	17,511,086
Retail water and wastewater	-	-	15,779,254	14,554,797	15,779,254	14,554,797
Solid waste	-	-	17,752,277	20,698,301	17,752,277	20,698,301
Building safety	-	-	4,157,945	4,839,962	4,157,945	4,839,862
Total expenses	319,897,305	302,776,404	56,565,954	57,604,046	376,463,259	360,380,450
Increase (decrease) in net position before transfers	79,143,319	60,994,410	6,480,047	(1,571,472)8	85,623,366	59,422,938
Transfers	(7,315,835)	(13,566,692)	7,315,835	13,566,692	-	-
Special item-asset impairment	-	-	-	-	-	-
Changes in net position	71,827,484	47,427,718	13,795,882	11,995,220	85,623,366	59,422,938
Net position - beginning	340,661,519	288,066,725	134,953,669	122,958,449	475,615,188	411,025,174
Prior period adjustment	2,970,575	5,167,076	-	-	2,970,575	5,167,076
Net position – beginning (as restated)	343,632,094	293,233,801	134,953,669	122,958,449	478,585,763	416,192,250
Net position – ending	$ 415,459,578	$ 340,661,519	$ 148,749,551	$ 134,953,669	$ 564,209,129	$ 475,615,188


Revenue - Governmental Activities
Fiscal Year September 30, 2024
State shared revenues 2%
Other 5%
Charges for services 14%
Sales taxes 23%
Operating grants/contributions 10%
Capital grants/contributions 7%
Property taxes 39%


Expenses - Governmental Activities
Fiscal Year Ended September 30, 2024
Human services 7%
Culture and recreation 3%
Economic environment 20%
Interest on long-term debt 2%
General government 22%
Transportation 17%
Physical environment 1%
Public safety 28%

As reflected in the Statement of Activities, the County's governmental activities net position increased by $71,827,484 (approximately 21%). Countywide, revenues and expenses increased in fiscal year 2024, 10% and 4% respectively, with revenues exceeding expenses overall. The American Rescue Plan Act (ARPA) continued to support County projects as well as provide an offset for eligible public safety & human services costs, providing approximately $3.7 million in revenues for the year. 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 2024, the third year of the program, $13,221,596 was received and submitted to AHCA. These factors played a part in the increase in total revenues of $42,283,237 from the prior year. Governmental activity revenues exceeded expenses by $79,143,319 while business-type activities expenses exceeded revenues by $6,480,047. Total expenses increased by $16,082,809 from fiscal year 2023.

Property taxes continue to be a vital source of County's governmental activities' revenues (39%). Ad Valorem Tax revenues increased approximately 41% from the prior year as a direct result of higher property values (12% overall valuation increase), an increased millage rate, and new residential developments within the County.

The County's governmental resources are utilized in a variety of ways. Expenses related to general government operations account for 22% of all governmental outflows, while public safety and transportation account for 28% and 17%, respectively. Economic Environment expenses represent roughly 20% of these expenses.

The County's business-type activities are supported primarily by charges for services (78%) as well as operating and capital contributions grants (11%). During fiscal year 2024, the majority of business-type activities' expenses were comprised of solid waste (31%), wholesale water expenses (33%), and retail water and wastewater expenses (28%).

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, 2024, total assets were $133,389,570 and total liabilities were $38,760,899. At the end of fiscal year 2024, unassigned fund balance of the general fund was $53,855,021 while total fund balance equaled $93,380,026. Total assets of the general fund increased $1,197,552 from fiscal year 2024. The general fund supports the transportation fund annually, transferring funds for general operations.

During fiscal year 2024, general fund transferred $26,322,644 to transportation. General fund's revenues, in line with County wide revenues, increased in fiscal year 2024 by $22,775,034. A significant portion of this is represented by the increase in taxes levied and collected during the year ($155 million collected in fiscal year 2024 versus $110 million collected in fiscal year 2023).

Throughout the year, the County fine-tuned the general fund's budget in order to reflect anticipated changes as they were made known. In many cases, the County was awarded grant funding after the start of the year and therefore made adjustments to the budget to reflect the upcoming grant revenues and expenditures. Additionally, investment earnings are budgeted conservatively so that they are not unduly relied on in the case of a market decline. As the year progressed, the County made adjustments to reflect the increase seen in actual investment returns.

Major differences between the final amended budget and actual operating results are discussed below:

- Intergovernmental revenues, *budget to actual variance of ($13,698,296):* during fiscal year 2024, the County was awarded a State Financial Assistance Agreement (SFAA) grant for $11.6 million plus additional private source funds of $1.1 million. It was anticipated that work would begin within the fiscal year, though most of the work began after fiscal year end. The project funds will be carried forward to fiscal year 2025.
- Investment Earnings, *budget to actual variance of $2,536,285:* current year earnings were more favorable than originally expected. With volatile markets, investment earnings are budgeted conservatively.
- Miscellaneous revenues, *budget to actual variance of ($1,145,347):* the County is the recipient of annual settlement funds related to the Opioid Crisis. Although these funds were received during the year as expected, the revenue was deferred to fiscal year 2025. The Bay County Jail Substance Abuse Expansion Project is utilizing these funds, though the related expenditures did not occur until after year end.
- Current General Government expenditures, *budget to actual variance of $11,727,796:* Many projects slated for the current year were either partially or fully carried forward to fiscal year 2025.
- Current Public Safety expenditures, *budget to actual variance of $5,839,605:* many vacant positions remained unfilled for the majority of the year along with lower-than-expected overtime hours incurred during the year. Many projects slated for the current year were either partially or fully carried forward to fiscal year 2025.
- Current Economic Environment, *budget to actual variance of $16,140,671:* The County has approved various projects related to the RESTORE Act, though projects that were not completed within the year have been rolled forward to the next fiscal year.
- Capital Outlay Public Safety expenditures, *budget to actual variance of $4,561,511: t*he Bay County Jail Substance Abuse Expansion Project was expected to have more expenditures during the current fiscal year. The project's budget is being moved to fiscal year 2025.

Each Constitutional Officer remitted excess fees to the County in fiscal year 2024, 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 $14,753,230 in fiscal year 2024, not including other financing sources.

During the year, the County brought several projects to a close, including the following:

- Phases 1-3 of the CR 30/Front Beach Road Sidewalk Project, costing approximately $3.7 million.
- Sweetwater Branch Road Sediment Reduction Project, costing approximately $3.9 million.
- FY23 Urban Dirt Road Paving, upgrading the surface of eight County maintained dirt roads, costing approximately $1.5 million.
- FY22 & FY23 Annual Road Resurfacing, improving over 40 area urban and rural roads, costing approximately $10.8 million.
- Phase 1 of the FY23 Stormwater Pipe-Lining Project, costing approximately $550,000.

Several projects were ongoing at year end, including the following:

- Minge Branch Drive Connector Road Project
- The paving of County Line Road and Linger Longer Road
- Construction of the new intersection at CR2321 and Titus Road
- Construction of phase III of Philip Griffits Parkway
- FY24 Annual Resurfacing and Urban Dirt Road Paving
- Transmitter Road and Sherman Avenue Improvements

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 tax is scheduled to sunset in 2026, unless reapproved by voters. The County continues to monitor and prioritize areas in need of improvement as it progresses on previously approved projects. 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.

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 12% in fiscal year 2024. In comparison to fiscal year 2023, Tourist Development tax revenue remained relatively constant during fiscal year 2024. 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.

During fiscal year 2024, the County progressed towards the completion of the design and planning phase of the Western Region Resiliency Center. The overall project involves the design and construction of an approximately 100,000 square feet multipurpose event facility to be built above Florida Building Code to withstand winds of 200 miles per hour in addition. The Center is planned to serve a number of the community's unmet needs during normal times (Blue Skies) and during times of crisis (Gray Skies). This combination of use helps ensure the facility will be a game-changing asset as the community continues to grow and diversify its economy as well as respond to, and recover from, future storm events. Outside of disaster events, the facility will function as an indoor sports complex and conference center.

Hurricane Michael Fund and Other Governmental Funds

On October 10, 2018, Bay County took a direct hit from Hurricane Michael, an intense category five hurricane that destroyed much in its path. All activity related to recovery efforts is housed within a separate governmental fund so that it is not commingled with normal County operations. Almost six years post storm, the County has expended almost $307 million in recovery and hardening efforts. Of this amount, over $273 million has been reimbursed by FEMA and the State of Florida. As expected, many projects have been completed over the years, thus funding from these governmental agencies has begun to decline. This is reflected in the year-over-year decrease of approximately 53% in the fund's intergovernmental revenues reported for the year ended September 30, 2024. During the year, the County paid off a substantial portion ($50 million) of an outstanding loan secured to finance the costs of recovery, leaving $100 million in outstanding debt related to the event.

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 72% of its revenues in 2024. The fund had an increase in fund balance of approximately 46% over the prior year. During fiscal year 2023, the Board of County Commissioners passed Ordinance 23-18 related to the provision for fire safety inspections for short-term vacation rentals. During the current fiscal year, efforts were ramped up to staff and develop the department. The goal of these inspections is to protect the health, safety and general welfare of permanent residents, owners, investors and visitors alike that utilize these properties. Staff ensure that fire and hurricane evacuation routes, the location of fire extinguishers, and other vital safety plans are in place and accessible to occupants.

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 adjustments (*if applicable*), at the end of the year is presented below.

FUND		**2024 Unrestricted Net Position**		**2023 Unrestricted Net Position**
Wholesale Water System	$	25,063,889	$	25,935,718
Retail Water and Wastewater		27,353,313		26,423,693
Solid Waste Fund		(11,030,224)		(7,034,749)
Building Safety		5,965,980		7,665,073
Total	$	47,352,958	$	52,989,735

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 or enhance the water system which provides service to those individuals. Charges for services increased from the prior year by approximately 5% to $897,884. Total operating expenses increased by $1,249,069, or approximately 8%. During the year, the County completed the replacement of two Water Treatment Plant underdrain systems to ensure the reliability of meeting daily average water demands. Total costs related to this project were approximately $2 million.

The County's *solid waste fund* accounts for the operations and maintenance of the County's landfill. In fiscal year 2024, $9,661,118 was generated by charges for services; this represents an increase of $476,213 from the prior year. As required by the Department of Environmental Protection, the County has set aside $12,567,516 for closure costs of its landfill as of year-end. This amount, along with post closure care costs, has been accrued as a liability as of September 30, 2024, totaling $19,341,711. The fund's total net position was a deficit of $6,556,384, which reflects a decrease of approximately 456%. The largest factor impacting the negative change in fund balance during the year was a substantial increase to the Landfill's annualized estimated closure and post-closure costs, increasing over $7.8 million together.

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, 2024, was $591,471,057 (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:

- Completion of construction on the new Bay County Juvenile Courthouse.
- Generator installations at various County facilities, including: the Bay County Government Center, the Bay County Jail, and the State Attorney and Public Defender's office.
- Water System pump and motor replacements along with improvements to the Water Treatment Plant's facilities.
- The completion of Roadway Rehabilitation projects post Hurricane Michael
- The 911 Fiber Optics Hardening Project

Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
September 30,	2024	2023 (as restated)	2024	2023	2024	2023 (as restated)
Land	$ 26,901,819	$ 26,678,871	$ 6,540,146	$ 6,540,146	$ 33,441,965	$ 33,219,017
Construction and development in progress	19,411,119	33,903,697	17,991,426	12,214,026	37,402,545	46,117,723
Books	848,308	766,819	-	-	848,308	766,819
Buildings and improvements	179,378,672	169,944,005	11,672,649	12,448,307	191,051,321	182,392,312
Furniture and equipment	28,310,002	26,118,682	8,565,065	5,933,569	36,875,067	32,052,251
Infrastructure	191,763,721	159,346,603	96,232,312	98,024,041	287,996,033	257,370,644
Right-to-use assets	3,143,073	3,142,275	-	-	3,855,818	3,142,275
Total	$ 449,756,714	$ 419,900,952	$ 141,714,343	$ 135,160,089	$ 591,471,057	$ 555,061,041

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 $79,710,127. This debt amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Outstanding Bonded Debt

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue Bonds	$20,261,000	$21,801,000	$59,449,127	$63,677,879	$79,710,127	$85,478,879

The County's total outstanding bonded debt decreased by $5,768,752 during the fiscal year ended September 30, 2024. This decrease is representative of 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 12% over fiscal year 2023. Over the past five years, values have risen by approximately 69%.
- The County's population grew by approximately 5% from fiscal year 2023, with the unemployment rate increasing over the prior year by .7%.
- The County's principal employer is Bay District Schools, employing 4.27% of the working population. Tyndall Air Force Base is the second largest employer in the County, employing 3.08% of the working population. As of September 30, 2024, the County was ranked 10th in number of employees, retaining 647 staff members, or .71% of the working population.
- At September 30, 2024, there were 24,724 registered units reporting Tourist Development Tax.
- The County's Transportation fund maintains over 730 miles of roadways countywide, including 48 bridges, and 13 county-owned traffic signals.
- The County's Parks division maintains 31 parks, spanning approximately 840 acres of land, and 22 boat ramps.

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. Throughout fiscal year 2024, the County utilized grant funding from various intergovernmental agencies. This includes, but is not limited to, the following grant programs: American Rescue Plan Act (ARPA), the Hazard Mitigation Grant Program (HMGP), the Community Development Block Grant (CDBG), the Hurricane Housing Recovery Program (HHRP), the Florida Department of Environmental Protection's (FDEP) Beach Management Funding Assistance Program, the Florida Department of Transportation's (FDOT) participation in various County roadway improvement projects, as well as several grants provided by the Federal Transit Administration (FTA).

Looking towards the future, the County completed the design phase of the Southport Sports Complex and officially kicked off construction during fiscal year 2024, aiming to open the park during fiscal year 2026. Northern Bay County residents are highly anticipating the opening of this park as residential neighborhood construction has been on the rise and existing area sports fields are becoming overfilled quickly. The County is also well underway with the design and construction of a new Substance Abuse Recovery Unit at the Bay County Jail. This facility will double the size of the current program, addressing addiction and substance abuse. Funding is being provided by several sources, including grants, legislative appropriation, settlement funds from opioid manufactures, and local County funds.

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

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BASIC FINANCIAL STATEMENTS

September 30, 2024	Primary Government Governmental Activities	Primary Government Business-type Activities	Primary Government Total	Component Units
ASSETS				
Cash and cash equivalents	$ 17,726,003	$ 749,698	$ 18,475,701	$ 6,370,826
Investments	235,542,285	53,738,614	289,280,899	1,773,506
Accounts receivable, net	14,806,305	4,871,594	19,677,899	162,906
Lease receivable	805,328	-	805,328	-
Special assessments receivable	36,578	-	36,578	-
Accrued interest receivable	673,312	228,318	901,630	2
Due from other governments	49,075,205	2,047,209	51,122,414	2,296,921
Due from primary government	-	-	-	1,709,563
Due from component units	372,602	-	372,602	-
Prepaid items	5,353,170	14,846	5,368,016	777,885
Inventory	-	956,914	956,914	14,504
Other postemployment assets	-	-	-	7,164
Notes receivable	-	1,218,452	1,218,452	-
Investment in joint venture	-	8,847,730	8,847,730	-
Restricted assets				
Cash and cash equivalents	418,066	656,108	1,074,174	54
Investments	31,840,648	47,377,409	79,218,057	3,881
Capital assets				
Nondepreciable	46,312,938	24,531,572	70,844,510	3,922,084
Depreciable, net	400,300,703	116,470,026	516,770,729	8,889,907
Right-to-use lease assets, net	1,721,553	-	1,721,553	168,962
Right-to-use subscription assets, net	1,421,520	712,745	2,134,265	22,394
Total assets	806,406,216	262,421,235	1,068,827,451	26,120,559
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	1,154,306	-	1,154,306	-
Deferred outflows related to OPEB	2,342,960	79,641	2,422,601	3,380
Deferred outflows related to pension	32,456,793	1,742,203	34,198,996	-
Total deferred outflows of resources	35,954,059	1,821,844	37,775,903	3,380
LIABILITIES				
Accounts payable and accrued expenses	20,674,020	5,054,028	25,728,048	3,247,159
Internal balances	(986,559)	986,559	-	-
Due to other governments	773,225	110,542	883,767	-
Due to primary government	-	-	-	372,602
Due to component units	1,709,563	-	1,709,563	-
Unearned revenues	28,307,320	3,658,931	31,966,251	748,833
Accrued interest payable	655,170	364,390	1,019,560	3,936
Advances	-	-	-	-
Customer deposits	19,514	1,914,429	1,933,943	-
Long-term liabilities				
Due within one year				
Estimated liability for self insured losses	838,810	-	838,810	-
Accrued compensated absences	2,840,436	265,352	3,105,788	64,663
Other postemployment benefits	465,757	25,000	490,757	-
Notes payable	12,415,659	1,694,821	14,110,480	-
Finance purchase liability	595,062	40,564	635,626	-
Subscription liability	527,956	232,916	760,872	86,499
Lease liability	261,528	-	261,528	2,274
Bonds payable	1,583,000	3,919,000	5,502,000	-
Due in more than one year				
Estimated liability for self insured losses	636,732	-	636,732	-
Accrued compensated absences	4,436,624	385,509	4,822,133	19,378
Other postemployment benefits	14,682,485	677,595	15,360,080	-
Net pension liability	123,624,748	6,799,415	130,424,163	-
Notes payable	169,614,040	12,063,082	181,677,122	1,182,554
Finance purchase liability	1,541,583	72,675	1,614,258	-
Subscription liability	663,820	487,646	1,151,466	107,872
Lease liability	1,467,270	-	1,467,270	21,109
Bonds payable	18,678,000	55,530,127	74,208,127	-
Landfill postclosure liability	-	19,341,711	19,341,711	-
Total liabilities	406,025,763	113,624,292	519,650,055	5,856,879

Continued

September 30, 2024	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	$ -	$ 642,012	$ 642,012	$ -
Deferred inflows-lease revenue	734,133	-	734,133	-
Deferred inflows related to pension	12,998,538	578,095	13,576,633	-
Deferred inflows related to OPEB	7,142,263	649,129	7,791,392	27,685
Total deferred inflows of resources	20,874,934	1,869,236	22,744,170	27,685
NET POSITION				
Net investment in capital assets	252,492,044	67,845,021	320,337,065	11,603,039
Restricted for				
Debt service	2,860,664	7,560,417	10,421,081	3,936
Impact fees	5,353,913	25,991,155	31,345,068	-
General government	3,150,421	-	3,150,421	-
Public safety	14,552,009	-	14,552,009	-
Court function	3,248,498	-	3,248,498	-
Transportation	56,378,076	-	56,378,076	-
Recreation	1,687,844	-	1,687,844	-
Economic environment	101,138,040	-	101,138,040	-
Physical environment	10,033,916	-	10,033,916	-
Human services	52,639	-	52,639	-
Unrestricted (deficit)	(35,488,486)	47,352,958	11,864,472	8,632,400
Total net position	$ 415,459,578	$ 148,749,551	$ 564,209,129	$ 20,239,375

For the year ended September 30, 2024		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	$ 70,839,478	$ 29,190,409	$ 15,133,208	$ 3,180,498
Public safety	88,928,634	4,750,898	15,661,809	806,675
Physical environment	2,347,871	48,686	334,838	361,304
Transportation	53,868,892	8,444,586	305,121	4,854,718
Economic environment	64,727,446	2,945,368	8,507,064	16,583,095
Human services	23,810,998	12,988,334	61,117	-
Culture and recreation	10,136,629	-	-	1,114,183
Interest on long-term debt	5,237,357	-	-	-
Total governmental activities	319,897,305	58,368,281	40,003,157	26,900,473
Business-type activities				
Wholesale water system	18,876,478	19,801,897	2,001,201	2,174,119
Retail water and wastewater	15,779,254	17,268,710	373,037	2,362,657
Solid waste	17,752,277	9,661,118	-	-
Building services	4,157,945	2,305,435	-	-
Total business-type activities	56,565,954	49,037,160	2,374,238	4,536,776
Total primary government	$ 376,463,259	$ 107,405,441	$ 42,377,395	$ 31,437,249
Component Units	$ 30,844,272	$ 24,837,534	$ 7,846,358	$ 188,575

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

Capital contribution to primary government

Change in net position

Net position - beginning
Prior period adjustment
Net position, beginning of year as restated
Net position, end of year

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (23,335,363)	$ -	$ (23,335,363)	$ -
(67,709,252)	-	(67,709,252)	-
(1,603,043)	-	(1,603,043)	-
(40,264,467)	-	(40,264,467)	-
(36,691,919)	-	(36,691,919)	-
(10,761,547)	-	(10,761,547)	-
(9,022,446)	-	(9,022,446)	-
(5,237,357)	-	(5,237,357)	-
(194,625,394)	-	(194,625,394)	-
-	5,100,739	5,100,739	-
-	4,225,150	4,225,150	-
-	(8,091,159)	(8,091,159)	-
-	(1,852,510)	(1,852,510)	-
-	(617,780)	(617,780)	-
(194,625,394)	(617,780)	(195,243,174)	-
-	-	-	2,028,195
155,548,804	-	155,548,804	-
90,292,399	1,400	90,293,799	-
6,685,031	-	6,685,031	-
17,782,231	6,329,336	24,111,567	109,443
3,460,248	767,091	4,227,339	41,953
273,768,713	7,097,827	280,866,540	151,396
(7,315,835)	7,315,835	-	-
266,452,878	14,413,662	280,866,540	151,396
			(250,124)
71,827,484	13,795,882	85,623,366	1,929,467
340,661,519	134,953,669	475,615,188	18,309,908
2,970,575	-	2,970,575	-
343,632,094	134,953,669	478,585,763	18,309,908
$ 415,459,578	$ 148,749,551	$ 564,209,129	$ 20,239,375

September 30, 2024	General	Tourist Development	Transportation	Hurricane Michael	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 8,315,275	$ 1,101,275	$ 644,458	$ 217,761	$ 7,292,011	$ 17,570,780
Accounts receivable, net	8,949,156	2,804,272	13,266	-	2,602,207	14,368,901
Leases receivable	487,407	-	-	-	317,921	805,328
Special assessments receivable	36,578	-	-	-	-	36,578
Accrued interest receivable	271,339	191,185	115,492	41,494	31,074	650,584
Investments	74,712,334	79,522,773	46,536,259	15,724,487	7,964,676	224,460,529
Due from other funds	5,685,737	497,564	554,368	-	595,059	7,332,728
Due from other governments	5,377,689	20,439,750	7,312,878	13,564,649	2,372,500	49,067,466
Advances to other funds	625,192	-	-	-	-	625,192
Due from component units	-	350,000	-	-	-	350,000
Prepaid items	901,704	636,224	13,098	-	255,855	1,806,881
Restricted assets						
Cash and cash equivalents	360,265	19,329	-	4,494	33,978	418,066
Investments	27,666,894	1,395,707	-	324,487	2,453,560	31,840,648
Total assets	$ 133,389,570	$ 106,958,079	$ 55,189,819	$ 29,877,372	$ 23,918,841	$ 349,333,681
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	$ 9,593,170	$ 2,049,259	$ 2,061,849	$ 4,281,744	$ 2,066,202	$ 20,052,224
Unearned revenues	28,024,010	-	-	283,291	19	28,307,320
Due to other funds	359,831	-	57,263	-	82,637	499,731
Advances from other funds	-	-	-	-	625,192	625,192
Due to other governments	764,411	8,756	-	-	58	773,225
Due to component units	-	1,709,563	-	-	-	1,709,563
Customer deposits	19,477	-	37	-	-	19,514
Total liabilities	38,760,899	3,767,578	2,119,149	4,565,035	2,774,108	51,986,769
Deferred inflows of resources						
Deferred revenue-lease revenue	459,825	-	-	-	274,308	734,133
Unavailable revenue - other receivables	788,820	-	-	-	-	788,820
Total deferred inflows of resources	1,248,645	-	-	-	274,308	1,522,953
Fund balances						
Nonspendable	1,526,896	636,224	13,098	-	255,855	2,432,073
Restricted	20,047,040	102,553,076	40,991,660	25,312,337	19,235,470	208,139,583
Assigned	17,951,069	1,201	12,065,912	-	1,379,100	31,397,282
Unassigned	53,855,021	-	-	-	-	53,855,021
Total fund balances	93,380,026	103,190,501	53,070,670	25,312,337	20,870,425	295,823,959
Total liabilities, deferred inflows of resources, and fund balances	$ 133,389,570	$ 106,958,079	$ 55,189,819	$ 29,877,372	$ 23,918,841	

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.	448,636,790
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.	5,146,903
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.	15,848,559
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when paid.	(650,231)
Revenues not available for use in the current fiscal year deferred until future periods on the governmental funds balance sheet	788,820
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(350,135,222)
Net position of governmental activities	$ 415,459,578

For the year ended September 30, 2024	General	Tourist Development	Transportation	Hurricane Michael	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 139,244,344	$ 40,177,582	$ 26,321,596	$ -	$ 16,304,460	$ 222,047,982
Licenses and permits	12,805	-	-	-	-	12,805
Intergovernmental	49,941,927	16,822,121	8,515,112	14,240,857	4,052,655	93,572,672
Charges for services	22,538,478	1,928,261	3,205,512	-	10,833,077	38,505,328
Fines and forfeitures	1,620,468	-	-	-	-	1,620,468
Special assessments	12,886,121	-	-	-	-	12,886,121
Investment earnings	6,893,452	4,129,675	2,813,059	2,645,980	883,962	17,366,128
Contributions and donations	2,191,866	-	580,734	-	529,478	3,302,078
Miscellaneous	4,269,477	354,320	63,506	-	221,787	4,909,090
Total revenues	239,598,938	63,411,959	41,499,519	16,886,837	32,825,419	394,222,672
EXPENDITURES						
Current						
General government	27,905,983	-	-	3,022,862	5,114,693	36,043,538
Public safety	90,290,463	-	-	26,820	18,164,069	108,481,352
Physical environment	844,943	-	83,293	802,906	-	1,731,142
Transportation	265,001	-	41,205,718	647,725	-	42,118,444
Economic environment	14,824,080	48,182,199	-	-	-	63,006,279
Human services	22,092,345	-	-	-	1,624,562	23,716,907
Culture and recreation	7,916,021	-	-	147,484	-	8,063,505
Capital outlay						
General government	10,288,037	-	-	105,967	25,685	10,419,689
Public safety	6,201,538	-	-	63,430	3,413,164	9,678,132
Physical environment	184,848	-	-	5,304,080	-	5,488,928
Transportation	731,226	-	13,790,562	14,867,848	-	29,389,636
Economic environment	260,250	1,309,051	-	-	-	1,569,301
Human services	-	-	-	-	70,293	70,293
Culture and recreation	3,027,622	-	-	597,653	-	3,625,275
Debt service						
Principal	10,495,252	2,293,277	120,534	49,943,109	3,011,048	65,863,220
Interest and fiscal charges	3,515,116	544,700	1,052,642	-	281,350	5,393,808
Bond issuance costs	96,046	-	-	-	-	96,046
Total expenditures	198,938,771	52,329,227	56,252,749	75,529,884	31,704,864	414,755,495
Excess (deficit) of revenues over (under) expenditures	40,660,167	11,082,732	(14,753,230)	(58,643,047)	1,120,555	(20,532,823)
OTHER FINANCING SOURCES (USES)						
Transfers in	2,504,210	-	26,322,644	286,233	1,460,253	30,573,340
Transfers out	(29,782,897)	-	(20,215)	(2,483,995)	(286,233)	(32,573,340)
Issuance of debt	2,796,985	6,878	12,898	-	140,306	2,957,067
Issuance of refunding debt	-	-	-	49,943,109	-	49,943,109
Payment to refunded bond escrow agent	-	-	-	(49,943,109)	-	(49,943,109)
Proceeds from sales of capital assets	236,409	-	-	-	3,025	239,434
Total other financing sources (uses)	(24,245,293)	6,878	26,315,327	(2,197,762)	1,317,351	1,196,501
Net change in fund balance	16,414,874	11,089,610	11,562,097	(60,840,809)	2,437,906	(19,336,322)
Fund balance - beginning	76,965,152	92,100,891	41,508,573	86,153,146	18,432,519	315,160,281
Fund balance - ending	$ 93,380,026	$ 103,190,501	$ 53,070,670	$ 25,312,337	$ 20,870,425	$ 295,823,959

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)	$ (19,336,322)
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.	30,355,346
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, impairments, and donations) is an increase net position.	5,070,220
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.	(1,646,894)
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.	(224,885)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	175,952
Capital contributions of capital assets from governmental activities to proprietary funds do not require the use of current financial resorurces and do not impact net position.	(5,315,836)
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.	62,749,903
Change in net position of governmental activities (page B-21)	$ 71,827,484

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget
REVENUES				
Taxes	$ 135,484,196	$ 139,243,196	$ 139,244,344	$ 1,148
Licenses and permits	4,800	4,800	12,805	8,005
Intergovernmental	28,178,420	51,654,121	37,955,825	(13,698,296)
Charges for services	19,621,500	23,144,957	22,538,478	(606,479)
Fines and forfeitures	488,000	1,109,780	1,620,468	510,688
Special assessments	13,000,000	13,000,000	12,837,435	(162,565)
Investment earnings	200,000	2,841,250	5,377,535	2,536,285
Contributions and donations	2,397,269	1,990,908	2,191,866	200,958
Miscellaneous	1,737,845	4,908,845	3,763,498	(1,145,347)
Total revenues	201,112,030	237,897,857	225,542,254	(12,355,603)
EXPENDITURES				
Current				
General government	31,759,592	39,395,074	27,667,278	11,727,796
Public safety	91,395,502	95,780,055	89,940,450	5,839,605
Physical environment	475,645	843,425	832,790	10,635
Economic environment	4,330,969	21,556,897	5,416,226	16,140,671
Human services	18,357,418	21,807,418	21,871,636	(64,218)
Culture and recreation	9,933,771	10,732,602	7,774,841	2,957,761
Capital outlay				
General government	1,906,948	9,381,922	10,114,187	(732,265)
Public safety	3,824,725	9,467,425	4,905,914	4,561,511
Physical environment	57,500	183,003	-	183,003
Economic environment	-	-	260,250	(260,250)
Culture and recreation	306,450	1,361,739	2,333,667	(971,928)
Debt service				
Principal	9,302,852	9,302,852	10,452,959	(1,150,107)
Interest and fiscal charges	3,245,381	5,029,381	3,513,881	1,515,500
Bond issuance costs	-	-	96,046	(96,046)
Total expenditures	174,896,753	224,841,793	185,180,125	39,661,668
Excess (deficit) of revenues over (under) expenditures	26,215,277	13,056,064	40,362,129	27,306,065
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,476,762	2,444,763	(31,999)
Transfers out	(24,966,773)	(30,861,217)	(29,782,897)	1,078,320
Issuance of debt	-	-	2,796,985	2,796,985
Proceeds from sales of capital assets	-	-	236,409	236,409
Total other financing sources (uses)	(24,966,773)	(28,384,455)	(24,304,740)	4,079,715
Net change in fund balance	$ 1,248,504	$ (15,328,391)	16,057,389	$ 31,385,780
Fund balance - beginning			77,922,641	
Fund balance - ending			$ 93,980,030	

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.

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ 35,917,446	$ 35,917,446	$ 40,177,582	$ 4,260,136
Intergovernmental	2,228,076	2,397,207	16,822,121	14,424,914
Charges for services	-	-	1,928,261	1,928,261
Investment earnings	195,500	195,500	4,129,675	3,934,175
Miscellaneous	90,000	90,000	354,320	264,320
Total revenues	38,431,022	38,600,153	63,411,959	24,811,806
EXPENDITURES				
Current				
Economic environment	33,839,432	54,998,805	48,182,199	6,816,606
Capital outlay				
Economic environment	-	90,197	1,309,051	(1,218,854)
Debt service				
Principal	2,290,000	2,290,000	2,293,277	(3,277)
Interest and fiscal charges	544,606	544,606	544,700	(94)
Bond issuance costs	1,000	-	-	-
Total expenditures	36,675,038	57,923,608	52,329,227	5,594,381
Excess (deficit) of revenues over (under) expenditures	1,755,984	(19,323,455)	11,082,732	30,406,187
OTHER FINANCING SOURCES				
Issuance of debt	-	-	6,878	6,878
Total other financing sources	-	-	6,878	6,878
Net change in fund balance	$ 1,755,984	$ (19,323,455)	11,089,610	$ 30,413,065
Fund balance - beginning			92,100,891	
Fund balance - ending			$ 103,190,501	

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ 22,771,095	$ 22,771,095	$ 26,321,596	$ 3,550,501
Intergovernmental	20,175,046	20,265,439	8,515,112	(11,750,327)
Charges for services	2,732,920	2,872,920	3,205,512	332,592
Investment earnings	101,500	128,394	2,813,059	2,684,665
Contributions and donations	500,000	506,200	580,734	74,534
Miscellaneous	-	13,750	63,506	49,756
Total revenues	46,280,561	46,557,798	41,499,519	(5,058,279)
EXPENDITURES				
Current				
Physical environment	-	1,123,233	83,293	1,039,940
Transportation	83,438,178	60,717,917	41,205,718	19,512,199
Capital outlay				
Transportation	805,119	39,876,542	13,790,562	26,085,980
Debt service				
Principal	-	-	120,534	(120,534)
Interest and fiscal charges	730,165	730,165	1,052,642	(322,477)
Total expenditures	84,973,462	102,447,857	56,252,749	46,195,108
Excess (deficit) of revenues over (under) expenditures	(38,692,901)	(55,890,059)	(14,753,230)	41,136,829
OTHER FINANCING SOURCES				
Transfers in	23,621,344	26,322,644	26,322,644	-
Transfers out	-	(26,894)	(20,215)	6,679
Issuance of debt	-	-	12,898	12,898
Total other financing sources	23,621,344	26,295,750	26,315,327	19,577
Net change in fund balance	$ (15,071,557)	$ (29,594,309)	11,562,097	$ 41,156,406
Fund balance - beginning			41,508,573	
Fund balance - ending			$ 53,070,670	

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

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	$ -	$ 27,300,489	$ 14,240,857	$ (13,059,632)
Investment earnings	-	-	2,645,980	2,645,980
Total revenues	-	27,300,489	16,886,837	(10,413,652)
EXPENDITURES				
Current				
General government	-	2,772,862	3,022,862	(250,000)
Public safety	-	-	26,820	(26,820)
Physical environment	-	-	802,906	(802,906)
Transportation	-	-	647,725	(647,725)
Culture and recreation	-	-	147,484	(147,484)
Capital outlay				
General government	-	355,967	105,967	250,000
Public safety	-	324,983	63,430	261,553
Physical environment	-	12,412,303	5,304,080	7,108,223
Transportation	-	20,364,073	14,867,848	5,496,225
Culture and recreation	-	2,593,539	597,653	1,995,886
Debt service				
Principal	-	-	49,943,109	(49,943,109)
Total expenditures	-	38,823,727	75,529,884	(36,706,157)
Excess (deficit) of revenues over (under) expenditures	-	(11,523,238)	(58,643,047)	(47,119,809)
OTHER FINANCING SOURCES				
Transfers in	-	1,000,000	286,233	(713,767)
Transfers out	-	(2,476,762)	(2,483,995)	(7,233)
Issuance of refunding debt	-	-	49,943,109	49,943,109
Payment to refunded bond escrow agent	-	-	(49,943,109)	(49,943,109)
Total other financing sources	-	(1,476,762)	(2,197,762)	(721,000)
Net change in fund balance	$ -	$ (13,000,000)	(60,840,809)	$ (47,840,809)
Fund balance - beginning			86,153,146	
Fund balance - ending			$ 25,312,337	

	Business-type Activities Enterprise Funds					Governmental Activities
September 30, 2024	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Safety	Total	Internal Service Funds
ASSETS						
Current assets						
Cash and cash equivalents	$ 350,096	$ 278,476	$ 1,500	$ 119,626	$ 749,698	$ 155,223
Accounts receivable, net	1,545,556	705,748	795,163	213,061	3,259,528	437,404
Unbilled receivable	-	1,612,066	-	-	1,612,066	-
Accrued interest receivable	111,484	74,565	20,101	22,168	228,318	22,728
Due from component units	-	-	-	-	-	22,602
Prepaid items	1,414	2,064	666	10,702	14,846	3,546,289
Investments	25,280,342	19,856,182	-	8,602,090	53,738,614	11,081,756
Inventory	484,264	472,650	-	-	956,914	-
Due from other funds	623,699	882,469	178,637	102,040	1,786,845	82,765
Due from other governments	186,534	1,860,675	-	-	2,047,209	7,739
Total current assets	28,583,389	25,744,895	996,067	9,069,687	64,394,038	15,356,506
Noncurrent assets						
Restricted assets						
Cash and cash equivalents	289,264	190,904	175,940	-	656,108	-
Investments	20,887,799	13,785,085	12,704,525	-	47,377,409	-
Notes receivable	-	1,218,452	-	-	1,218,452	-
Investment in joint venture	-	8,847,730	-	-	8,847,730	-
Total noncurrent assets	21,177,063	24,042,171	12,880,465	-	58,099,699	-
Capital assets						
Land	360,154	4,790,073	1,389,919	-	6,540,146	-
Construction in progress	11,601,262	5,913,707	-	476,457	17,991,426	50,942
Buildings	5,828,842	58,530	6,493,392	-	12,380,764	516,699
Improvements	3,815,730	527,543	97,633	-	4,440,906	391,948
Furniture and equipment	7,244,325	3,297,987	5,829,817	1,306,052	17,678,181	1,307,619
Infrastructure	130,370,778	42,741,662	26,307,375	-	199,419,815	-
Less: accumulated depreciation	(68,506,163)	(30,295,271)	(17,941,654)	(706,552)	(117,449,640)	(1,269,159)
Right-to-use subscription assets, net	-	-	-	712,745	712,745	121,875
Total capital assets, net	90,714,928	27,034,231	22,176,482	1,788,702	141,714,343	1,119,924
Total noncurrent assets	111,891,991	51,076,402	35,056,947	1,788,702	199,814,042	1,119,924
Total assets	140,475,380	76,821,297	36,053,014	10,858,389	264,208,080	16,476,430
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to OPEB	23,243	24,141	17,555	14,702	79,641	29,076
Deferred outflows related to pension	428,283	614,180	353,205	346,535	1,742,203	585,934
Total deferred outflows of resources	451,526	638,321	370,760	361,237	1,821,844	615,010

Continued

September 30, 2024	Business-type Activities Enterprise Funds: Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Safety	Total	Governmental Activities Internal Service Funds
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	$ 1,856,485	$ 974,782	$ 776,346	$ 1,446,415	$ 5,054,028	$ 621,796
Due to other funds	4,127	5,788	2,700,514	62,975	2,773,404	5,929,203
Due to other governments	-	92,563	-	17,979	110,542	-
Accrued interest payable	189,022	83,087	92,039	242	364,390	4,939
Estimated liability for self insured losses, current	-	-	-	-	-	838,810
Compensated absences	53,050	92,378	57,009	62,915	265,352	126,513
Current portion of other postemployment benefits	8,692	5,963	5,263	5,082	25,000	8,286
Current portion of finance purchase liability	4,850	10,812	4,903	19,999	40,564	17,572
Current portion of subscription liability	-	-	-	232,916	232,916	61,516
Notes payable, current	1,191,716	503,105	-	-	1,694,821	-
Bonds payable, current	2,270,000	750,000	899,000	-	3,919,000	-
Total current liabilities	5,577,942	2,518,478	4,535,074	1,848,523	14,480,017	7,608,635
Noncurrent liabilities						
Estimated liability for self insured losses, net	-	-	-	-	-	636,732
Customer deposits	1	1,704,123	210,305	-	1,914,429	-
Unearned revenue	-	3,658,931	-	-	3,658,931	-
Compensated absences	79,403	146,345	79,344	80,417	385,509	211,002
Other postemployment benefits	216,751	138,702	158,986	163,156	677,595	108,330
Net pension liability	1,468,079	2,434,705	1,466,481	1,430,150	6,799,415	2,641,957
Finance purchase liability due after one year	5,699	18,278	7,383	41,315	72,675	21,235
Subscription liability due after one year	-	-	-	487,646	487,646	66,335
Notes payable, net	11,347,733	715,349	-	-	12,063,082	-
Bonds payable, net	15,821,723	22,814,404	16,894,000	-	55,530,127	-
Landfill postclosure liability	-	-	19,341,711	-	19,341,711	-
Total noncurrent liabilities	28,939,389	31,630,837	38,158,210	2,202,684	100,931,120	3,685,591
Total liabilities	34,517,331	34,149,315	42,693,284	4,051,207	115,411,137	11,294,226
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	470,981	171,031	-	-	642,012	-
Deferred inflows related to pension	154,836	196,943	136,516	89,800	578,095	336,239
Deferred inflows related to OPEB	107,916	268,898	150,358	121,957	649,129	314,072
Total deferred inflows of resources	733,733	636,872	286,874	211,757	1,869,236	650,311
NET POSITION						
Net investment in capital assets	59,434,891	3,048,252	4,371,196	990,682	67,845,021	953,266
Restricted for						
Debt service	4,844,163	2,613,610	102,644	-	7,560,417	-
Impact fees	16,332,899	9,658,256	-	-	25,991,155	-
Unrestricted	25,063,889	27,353,313	(11,030,224)	5,965,980	47,352,958	4,193,637
Total net position (deficit)	$ 105,675,842	$ 42,673,431	$ (6,556,384)	$ 6,956,662	$ 148,749,551	$ 5,146,903

For the year ended September 30, 2024	Business-type Activities Enterprise Funds Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Safety	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES						
Charges for services	$ 19,801,897	$ 17,268,710	$ 9,661,118	$ 2,305,435	$ 49,037,160	$ 16,042,458
Miscellaneous	112,610	249,166	150,670	24,691	537,137	6,028
Total operating revenues	19,914,507	17,517,876	9,811,788	2,330,126	49,574,297	16,048,486
OPERATING EXPENSES						
Personal services	1,913,602	4,030,693	2,231,759	2,801,122	10,977,176	4,538,756
Contracted services	2,182,156	1,933,855	1,727,064	352,490	6,195,565	465,878
Repairs and maintenance	1,033,447	672,203	571,722	21,269	2,298,641	1,468,533
Utilities	2,939,803	345,241	17,395	-	3,302,439	421,795
Depreciation and amortization	5,745,421	2,062,365	2,785,146	450,033	11,042,965	219,377
Materials	-	-	-	-	-	2,379,223
Insurance claims	-	-	-	-	-	705,850
Other operating expenses	3,947,096	5,739,378	8,797,155	530,362	19,013,991	7,172,984
Total operating expenses	17,761,525	14,783,735	16,130,241	4,155,276	52,830,777	17,372,396
Operating income (loss)	2,152,982	2,734,141	(6,318,453)	(1,825,150)	(3,256,480)	(1,323,910)
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental revenues-grants	2,001,201	591,899	-	-	2,593,100	-
Investment earnings (loss)	2,623,433	2,749,938	384,395	571,570	6,329,336	415,870
Interest and fiscal charges	(1,061,245)	(995,519)	(950,639)	(2,669)	(3,010,072)	(19,722)
Insurance proceeds	53,293	-	176,660	-	229,953	700,692
Taxes	-	-	1,400	-	1,400	-
Gain(Loss) on disposal of capital assets	(53,708)	-	(671,397)	-	(725,105)	2,185
Total nonoperating revenues (expenses)	3,562,974	2,346,318	(1,059,581)	568,901	5,418,612	1,099,025
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	5,715,956	5,080,459	(7,378,034)	(1,256,249)	2,162,132	(224,885)
Capital contributions	5,778,330	3,855,420	-	-	9,633,750	-
Transfers in	-	-	2,000,000	-	2,000,000	-
Change in net position	11,494,286	8,935,879	(5,378,034)	(1,256,249)	13,795,882	(224,885)
Total net position - beginning (as originally stated)	94,181,556	33,737,552	(1,178,350)	8,212,911	134,953,669	2,476,791
Restatement and/or prior period adjustment	-	-	-	-	-	2,894,997
Net position, beginning of year	94,181,556	33,737,552	(1,178,350)	8,212,911	134,953,669	5,371,788
Net position, end of year	$ 105,675,842	$ 42,673,431	$ (6,556,384)	$ 6,956,662	$ 148,749,551	$ 5,146,903

For the year ended September 30, 2024	Business-type Activities Enterprise Funds Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Safety	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 19,531,283	$ 17,658,965	$ 11,769,666	$ 1,880,861	$ 50,840,775	$ 15,779,352
Cash received from miscellaneous operating activities	112,610	249,166	150,670	24,691	537,137	6,028
Cash paid to suppliers for goods and services	(9,607,203)	(9,137,206)	(5,619,019)	(796,569)	(25,159,997)	(10,636,976)
Cash paid to employees for services	(1,917,686)	(4,002,797)	(2,231,348)	(2,791,148)	(10,942,979)	(4,516,652)
Net cash provided by (used in) operating activities	8,119,004	4,768,128	4,069,969	(1,682,165)	15,274,936	631,752
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	2,000,000	-	2,000,000	-
Advances to/from other funds - payments received from (made to) other funds	-	-	-	61,266	61,266	-
Taxes received	-	-	1,400	-	1,400	-
Contributions received	2,001,201	591,899	-	-	2,593,100	-
Net cash provided by (used in) noncapital financing activities	2,001,201	591,899	2,001,400	61,266	4,655,766	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Interest paid on long-term debt and subscription liabilities	(1,545,926)	(1,053,911)	(918,178)	(2,546)	(3,520,561)	(19,495)
Principal paid on long-term debt	(3,222,430)	(1,232,714)	(888,068)	(24,529)	(5,367,741)	(21,226)
Principal paid subscription liabilities	-	-	-	(259,462)	(259,462)	(56,987)
Capital contributions received	2,174,119	2,143,795	-	-	4,317,914	-
Insurance proceeds	53,293	-	176,660	-	229,953	700,692
Proceeds from sale of capital assets	6,555	5,605	95,583	-	107,743	2,185
Acquisition of capital assets	(7,307,245)	(2,776,894)	(1,286,552)	(625,028)	(11,995,719)	(311,295)
Net cash provided by (used in) capital and related financing activities	(9,841,634)	(2,914,119)	(2,820,555)	(911,565)	(16,487,873)	293,874
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale and maturities of investment securities	54,724,611	35,541,771	10,391,283	14,267,752	114,925,417	12,064,613
Purchase of investments	(57,079,986)	(39,926,642)	(13,897,385)	(12,208,330)	(123,112,343)	(13,292,289)
Return of investment	-	189,411	-	-	189,411	-
Interest and dividends on investments	2,224,928	1,397,608	289,186	472,714	4,384,436	341,847
Collections on loans	-	489,451	-	-	489,451	-
Net cash provided by (used in) investing activities	(130,447)	(2,308,401)	(3,216,916)	2,532,136	(3,123,628)	(885,829)
Net change in cash and cash equivalents	148,124	137,507	33,898	(328)	319,201	39,797
Cash and cash equivalents - beginning	491,236	331,873	143,542	119,954	1,086,605	115,426
Cash and cash equivalents - ending	$ 639,360	$ 469,380	$ 177,440	$ 119,626	$ 1,405,806	$ 155,223
Classified as						
Current assets	$ 350,096	$ 278,476	$ 1,500	$ 119,626	$ 749,698	$ 155,223
Restricted assets	289,264	190,904	175,940	-	656,108	-
Total	$ 639,360	$ 469,380	$ 177,440	$ 119,626	$ 1,405,806	$ 155,223
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Assets acquired via lease	$ 9,409	$ 29,598	$ 14,045	$ 78,121	$ 131,173	$ 22,720
Assets acquired via capital contributions	$ 3,604,211	$ 1,711,625	$ -	$ -	$ 5,315,836	
Assets acquired via subscription-based information technology arrangements	$ -	$ -	$ -	$ 980,024	$ -	$ -
Subscription-based information asset and related liability transferred	$ -	$ -	$ -	$ -	$ -	$ (136,555)

Continued

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

For the year ended September 30, 2024	Business-type Activities Enterprise Funds Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Safety	Total	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	$ 2,152,982	$ 2,734,141	$ (6,318,453)	$ (1,825,150)	$ (3,256,480)	$ (1,323,910)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	5,745,421	2,062,365	2,785,146	450,033	11,042,965	219,377
(Increase) decrease in assets						
Accounts receivable, net	(75,072)	(561,609)	91,777	(205,185)	(750,089)	(278,117)
Prepaid expenses	(955)	132	1,193	114,996	115,366	124,173
Inventory	17,518	(226,390)	-	-	(208,872)	-
Due from other funds	(122,741)	(334,795)	2,010,102	(89,856)	1,462,710	42,434
Due from other governments	(72,800)	(142,319)	-	-	(215,119)	(4,883)
Due from component unit	-	-	-	-	-	(22,540)
Increase (decrease) in liabilities						
Accounts payable and accrued expenses	478,183	(141,834)	548,679	(4,898)	880,130	(123,359)
Unearned revenues	-	1,260,745	-	-	1,260,745	-
Due to other funds	551	(109,165)	(2,859,991)	(879)	(2,969,484)	1,722,842
Due to other governments	-	30,860	-	(1,667)	29,193	-
Customer deposits	1	168,101	6,669	(129,533)	45,238	-
Accrued compensated absences	24,143	9,286	9,719	15,295	58,443	28,922
Other postemployment benefits	12,324	22,375	7,462	7,208	49,369	11,751
Net pension liability	(1,185)	(2,510)	(1,526)	(1,855)	(7,076)	(3,217)
Landfill postclosure liability	-	-	7,804,436	-	7,804,436	-
Estimated liability for self insured losses	-	-	-	-	-	253,631
(Increase) decrease in deferred outflows related to pension	(49,236)	(104,355)	(63,404)	(77,077)	(294,072)	(133,684)
(Increase) decrease in deferred outflows related to OPEB	(12,448)	(8,540)	(7,537)	(7,280)	(35,805)	(11,868)
Increase in deferred inflows related to OPEB	(39,509)	(11,361)	(23,923)	(23,107)	(97,900)	(37,671)
Decrease in deferred inflows related to pension	61,827	123,001	79,620	96,790	361,238	167,871
Total adjustments	5,966,022	2,033,987	10,388,422	142,985	18,531,416	1,955,662
Net cash provided by (used in) operating activities	$ 8,119,004	$ 4,768,128	$ 4,069,969	$ (1,682,165)	$ 15,274,936	$ 631,752

Bay County, Florida
Statement of Fiduciary Net Position
Fiduciary Funds

September 30, 2024		Custodial Funds
ASSETS		
Cash and cash equivalents	$	16,344,789
Accounts receivable, net		56
Property and equipment, net		15,874
Total assets	$	16,360,719
LIABILITIES		
Deposits	$	3,032,673
Due to others		881,031
Due to other governments		2,215,658
Total liabilities	$	6,129,362
NET POSITION		
Restricted for		
Held for others	$	10,231,357
Total net position	$	10,231,357

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

For the year ended September 30, 2024		Custodial Funds
Additions		
Funds held for others	$	107,363,333
Court costs		26,813
Property taxes collected for other governments		395,614,325
Seizures		187,645
Bonds, purges, and levies		77,274
Total additions		503,269,390
Deductions		
Funds held for others		104,703,430
Court costs		22,591
Property taxes distributed to other governments		395,614,325
Seizures		282,822
Bonds, purges, and levies		68,932
Total deductions		500,692,100
Net increase (decrease) in fiduciary net position		2,577,290
Net position, beginning of year		7,654,067
Net position, end of year	$	10,231,357

September 30, 2024	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
	Component Units				
ASSETS					
Cash and cash equivalents	$ 5,563,181	$ 13,400	$ 769,684	$ 24,561	$ 6,370,826
Investments	-	-	-	1,773,506	1,773,506
Accounts receivable, net	134,848	-	-	28,058	162,906
Accrued interest receivable	-	-	-	2	2
Due from other governments	-	-	-	2,296,921	2,296,921
Prepaid expenses	641,771	-	52,758	83,356	777,885
Inventory	14,504	-	-	-	14,504
Other postemployment assets	-	-	-	7,164	7,164
Due from primary government	1,264,836	39,690	405,037	-	1,709,563
Restricted assets					
Cash and cash equivalents	-	-	-	54	54
Investments	-	-	-	3,881	3,881
Capital assets					
Nondepreciable	985,256	-	-	2,936,828	3,922,084
Depreciable, net	275,439	10,246	1,393,159	7,211,063	8,889,907
Right-to-use subscription assets, net	168,962	-	-	-	168,962
Right-to-use lease assets, net	-	22,394	-	-	22,394
Total assets	9,048,797	85,730	2,620,638	14,365,394	26,120,559
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to OPEB	-	-	-	3,380	3,380
Total deferred outflows of resources	-	-	-	3,380	3,380
LIABILITIES					
Accounts payable and accrued expenses	1,527,422	39,858	115,687	1,564,192	3,247,159
Due to primary government	250,000	-	100,000	22,602	372,602
Unearned revenues	684,965	75	3,850	59,943	748,833
Accrued interest payable	-	-	-	3,936	3,936
Long-term liabilities					
Due within one year					
Compensated absences	-	-	47,414	17,249	64,663
Subscription liability	86,499	-		-	86,499
Lease liability	-	2,274	-	-	2,274
Due in more than one year					
Compensated absences	-	-	-	19,378	19,378
Notes payable	-	-	-	1,182,554	1,182,554
Subscription liability	107,872	-	-	-	107,872
Lease liability	-	21,109	-	-	21,109
Total liabilities	2,656,758	63,316	266,951	2,869,854	5,856,879

Continued

September 30, 2024	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
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	-	-	-	27,685	27,685
Total deferred inflows of resources	-	-	-	27,685	27,685
NET POSITION					
Net investment in capital assets	1,235,286	9,257	1,393,159	8,965,337	11,603,039
Restricted for					
Debt service	-	-	-	3,936	3,936
Unrestricted	5,156,753	13,157	960,528	2,501,962	8,632,400
Total net position	$ 6,392,039	$ 22,414	$ 2,353,687	$ 11,471,235	$ 20,239,375

For the year ended September 30, 2024	Expenses	Program Revenues: Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Component Units				
Panama City Beach Convention and Visitors Bureau, Inc.	$ 20,523,740	$ 21,120,148	$ 72,500	$ -
Mexico Beach Community Development Council, Inc.	810,398	803,756	-	-
Panama City Community Development Council, Inc.	2,078,803	2,272,425	125,050	-
Bay County Transportation Planning Organization	7,431,331	641,205	7,648,808	188,575
Total component units	$ 30,844,272	$ 24,837,534	$ 7,846,358	$ 188,575

General revenues
Investment earnings
Miscellaneous
Total general revenues

Capital contribution to Bay County

Change in net position

Net position - beginning
Net position - ending

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
$ 668,908	$ -	$ -	$ -	$ 668,908
-	(6,642)	-	-	(6,642)
-	-	318,672	-	318,672
-	-	-	1,047,257	1,047,257
668,908	(6,642)	318,672	1,047,257	2,028,195
102,171	160	5,608	1,504	109,443
-	29,426	11,262	1,265	41,953
102,171	29,586	16,870	2,769	151,396
(250,124)	-	-	-	(250,124)
520,955	22,944	335,542	1,050,026	1,929,467
5,871,084	(530)	2,018,145	10,421,209	18,309,908
$ 6,392,039	$ 22,414	$ 2,353,687	$ 11,471,235	$ 20,239,375

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, transportation, economic environment, human services, and culture and recreation. In addition, the County operates water and sewer systems, solid waste facilities, and a building safety department. 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 funds 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 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.

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 County's department heads may make transfers of appropriations within a department. Transfers of appropriations between funds 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 fund 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, 2024, expenditures exceeded appropriations in the Hurricane Michael Fund by $36,706,157.

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 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 and www.gsam.com, respectively.

Receivables

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 receivable – The County's lease receivables are measured at the present value of lease payments expected to be received during the lease 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 revenues – Unearned revenues reported in government-wide financial statements represent 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.

Inventory and Prepaid Items

Inventory is valued at cost using the first-in/first-out (FIFO) method and consists of expendable supplies. The cost of such inventory 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
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 three (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. The *deferred outflows related to OPEB* are differences between estimated and actual investment earnings, changes in actuarial assumptions, and other OPEB related changes.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County 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 (1) source: EMS revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements, Bay County, Florida reports deferred amounts related to leases, and deferred amounts related to pension and OPEB.

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.

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.

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.

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)

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (continued)

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 consists of various revenues including fees charged for nonrecurring services, donations, gifts and insurance proceeds. The General Fund's miscellaneous revenue as of September 30, 2024 of $4,269,477 consisted primarily of $1,596,566 of payments from the Statewide Medicaid Managed Care's Public Emergency Transportation program and $953,940 of payments related to phone commissions for Bay County Sheriff's Office Inmate Welfare Fund.

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. Estimates that are particularly susceptible to significant change in the near term are related to allowance for doubtful accounts, pension liability, OPEB liability, and estimated liability for self-insured losses.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 25, 2025. See Note 15 for relevant disclosures. 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. 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. 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. 102, *Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

GASB Statement No. 104, *Disclosure of Certain Capital Assets.* The objective of this Statement is to establish requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

NOTE 2 –ERROR CORRECTION

The County's fiscal year 2024 financial statements reflect the correction of an error in previously issued financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections*, requires disclosure of their nature and effect on amounts reported in the financial statements.

- The County discovered a previously unidentified Subscription-Based Information Technology Arrangement during the current year that impacted the governmental activities. The net right-to-use subscription asset was understated in fiscal year end 2023 by $527,091 and the subscription liability was understated by $451,513 for a net position understatement of $75,578.
- The County discovered an overstatement in the prior year's Workers' Compensation Claims and Adjustments Liability during the year. The liability was overstated by $2,894,997.

The following tables summarize the restatements and adjustments to the County's beginning net position and fund balance as a result of the error correction:

	Fund Financial Statements	
	Internal Service Workers' Compensation	
9/30/23 fund balance as previously reported	$	1,457,339
Error correction		2,894,997
9/30/23 fund balance as restated and adjusted	$	4,352,336

NOTE 2 –ERROR CORRECTION (continued)

		Government-Wide Financial Statements
		Governmental Activities
9/30/23 net position previously reported	$	340,661,519
Error correction		2,970,575
9/30/23 net position as restated and adjusted	$	343,632,094

In the prior year financial statements, the ending net position reported in the Statement of Activities for the component unit column was not presented correctly. The Statement of Net Position properly reported ending net position of $18,309,908 for the component unit column. This amount was used as the beginning net position in the current year financial statements. The error was limited to the prior year presentation in the Statement of Activities and had no effect on the overall financial position or results of operations. Accordingly, no restatement of the prior year financial statements was required.

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, "Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds." The details of this $448,636,790 difference are as follows:

Cost of capital assets	$	777,617,236
Less: accumulated depreciation		(328,980,446)
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position of governmental activities*	$	448,636,790

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 $15,848,559 difference are as follows:

Deferred outflows related to pension	$	31,870,859
Deferred inflows related to pension		(12,662,299)
Deferred outflows related to OPEB		2,313,884
Deferred inflows related to OPEB		(6,828,191)
Deferred outflows related to loss on refunding		1,154,306
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position of governmental activities*	$	15,848,559

Another 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 $(350,135,222) difference are as follows:

Bonds payable	$	(20,261,000)
Notes payable		(182,029,699)
Lease liability		(1,728,798)
Subscription liability		(1,063,925)
Finance purchase liability		(2,097,838)
Other postemployment benefits		(15,031,626)
Net pension liability		(120,982,791)
Compensated absences		(6,939,545)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position of governmental activities*	$	(350,135,222)

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 $30,355,346 difference are as follows:

Capital outlay	$	60,241,254
Depreciation and amortization expense		(29,885,908)
Net adjustment to increase *net change in fund balance - total governmental funds* to arrive at *change in net position of governmental activities*	$	30,355,346

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 $5,070,220 difference are as follows:

In the statement of activities, a gain or loss on sales, trade-ins, or other dispositions of capital assets is reported, whereas in the governmental funds, the proceeds received from dispositions of capital assets increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed.	$	3,401,577
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.		1,668,643
Net adjustments to increase *net change in fund balance - total governmental funds* to arrive at *change in net position of governmental activities*	$	5,070,220

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 $(1,646,894) difference are as follows:

OPEB expense	$	(920,410)
Pension expenses		(117,873)
Compensated absences		(583,085)
Accrued interest		(25,526)
Net adjustment to decrease *net change in fund balance - total governmental funds* to arrive at *change in net position of governmental activities*	$	(1,646,894)

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

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 $62,749,903 difference are as follows:

Debt issued or incurred:		
Lease financing	$	(915,598)
Subscription financing		(589,989)
Finance purchase liability		(67,123)
Note proceeds		(51,327,466)
Change in deferred charge on refunding		(156,250)
Principal repayments:		
Bonds		1,540,000
Notes		62,475,318
Leases		522,753
Subscriptions		744,517
Finance purchase		580,632
Payment to refunded escrow agent		49,943,109
Net adjustment to increase *net change in fund balance - total governmental funds* to arrive at *change in net position of governmental activities*	$	62,749,903

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, 2024	General Fund Budgetary Basis	GAAP to Budget Differences Over (Under)	General Fund Actual Amounts GAAP Basis
Revenues			
Taxes	$ 139,244,344	$ -	$ 139,244,344
Licenses and permits	12,805	-	12,805
Intergovernmental	37,955,825	11,986,102	49,941,927
Charges for services	22,538,478	-	22,538,478
Fines and forfeitures	1,620,468	-	1,620,468
Special assessments	12,837,435	48,686	12,886,121
Investment earnings	5,377,535	1,515,917	6,893,452
Contributions and donations	2,191,866	-	2,191,866
Miscellaneous	3,763,498	505,979	4,269,477
Total revenues	225,542,254	14,056,684	239,598,938
Expenditures			
Current			
General government	27,667,278	238,705	27,905,983
Public safety	89,940,450	350,013	90,290,463
Physical environment	832,790	12,153	844,943
Transportation	-	265,001	265,001
Economic environment	5,416,226	9,407,854	14,824,080
Human services	21,871,636	220,709	22,092,345
Culture and recreation	7,774,841	141,180	7,916,021
Capital outlay			
General government	10,114,187	173,850	10,288,037
Public safety	4,905,914	1,295,624	6,201,538
Physical environment	-	184,848	184,848
Transportation	-	731,226	731,226
Economic environment	260,250	-	260,250
Culture and recreation	2,333,667	693,955	3,027,622
Debt service			
Principal	10,452,959	42,293	10,495,252
Interest and fiscal charges	3,513,881	1,235	3,515,116
Bond issuance costs	96,046	-	96,046
Total expenditures	185,180,125	13,758,646	198,938,771
Excess (deficit) of revenues over (under) expenditures	40,362,129	298,038	40,660,167
Other financing sources (uses)			
Transfer in	2,444,763	59,447	2,504,210
Transfers out	(29,782,897)	-	(29,782,897)
Issuance of debt	2,796,985	-	2,796,985
Proceeds from sales of capital assets	236,409	-	236,409
Total other financing sources (uses)	(24,304,740)	59,447	(24,245,293)
Net change in fund balance	$ 16,057,389	$ 357,485	$ 16,414,874

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments

As of September 30, 2024, the County'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 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, 2024:

	Fair Value	Weighted Average Maturity (months)	Rating (if applicable)	Level
Investments by fair value level				
Primary government				
Debt securities - U.S. Government Securities	43,649,208	16.00	TSY/AA+	L1
Debt securities - U.S. Government Securities	6,980,540	0.75	TSY/AA+	L1
Debt securities - U.S. Government Securities	2,062,017	20.27	TSY/TSY	L1
Debt securities - Corporate Bonds	2,992,950	5.83	A2/A-	L1
Debt securities - Corporate Bonds	2,226,060	14.67	Aa3/AA-	L1
Debt securities - Corporate Bonds	3,951,040	17.70	Aa2/AA	L1
Debt securities - Corporate Bonds	2,357,568	7.43	Aa2/AA-	L1
Debt securities - Corporate Bonds	5,923,350	6.49	A3/A	L1
Debt securities - Corporate Bonds	4,020,120	10.20	A3/A-	L1
Debt securities - Corporate Bonds	7,725,335	26.80	A1/A-	L1
Debt securities - Corporate Bonds	4,045,320	52.83	A1/A	L1
Debt securities - Commercial Paper	29,765,477	0.86	P-1/A-1+	L2
Debt securities - Commercial Paper	25,480,115	1.47	P-1/A-1	L2
Debt securities - Municipal Bonds	1,000,000	0.03	Aa2/AA	L2
Debt securities - Municipal Bonds	3,709,256	9.13	Aa3/AA	L1
Debt securities - Municipal Bonds	994,625	2.07	N/A/AA	L2
Debt securities - Municipal Bonds	554,623	8.13	A1/N/A	L2
Debt securities - Municipal Bonds	2,000,000	0.03	N/A/A+	L2
Debt securities - Municipal Bonds	1,238,464	(35.00)	Aa1/AA+	L2
Debt securities - Municipal Bonds	613,217	1.07	N/A/AA-	L2
Debt securities - Municipal Bonds	548,386	17.23	Aa2/AAA	L2
Debt securities - Municipal Bonds	1,763,663	1.07	Aa1/AAA	L2
Debt securities - Municipal Bonds	3,058,768	24.37	Aa3/N/A	L2
Debt securities - Municipal Zero- Coupon Bonds	2,929,020	6.57	A1/A	L2
Debt securities - Asset-Backed Securities	13,904,684	10.64	AGY/AA+	L2
Debt securities - Asset-Backed Securities	2,976,150	0.41	AGY/AA+	L1
Total primary government	176,469,956			
Total investments measured by fair value level	176,469,956			
Investments measured at the net asset value (NAV)				
Florida Cooperative Liquid Assets Securities System	105,969,757			
Florida Local Government Investment Trust	50,238,524			
Total investments measured at NAV	156,208,281			
Investments measured at amortized cost				
Florida Prime (SBA)	31,023,543			
Goldman Sachs money market account	6,574,563			
Total investments measured at amortized cost	37,598,106			
Total investments	$ 370,276,343			

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 $1,777,387.

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 as of September 30, 2024.

Debt securities – Debt 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.

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 AAAf/S1 by Fitch Ratings. The Net Asset Value is $105,969,757 and the weighted average maturity for the portfolio is 6.47 months as of September 30, 2024.

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. 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 $50,238,524 and the weighted average maturity for the portfolio is 0.34 months as of September 30, 2024.

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, 2024, the County had $31,023,542 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, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements other than those mentioned above 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, 2024 (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 uncollectible accounts at September 30, 2024, were as follows:

	Accounts Receivable	Unbilled Receivable	Allowance for Uncollectible	Net
Governmental Funds				
General Fund	$ 44,961,185	$ -	$ (36,012,029)	$ 8,949,156
Tourist Development Fund	2,804,272	-	-	2,804,272
Transportation Fund	13,266	-	-	13,266
Other Governmental funds	2,602,207	-	-	2,602,207
Enterprise Funds				
Wholesale Water System Fund	1,545,556	-	-	1,545,556
Retail Water and Wastewater Fund	705,748	1,612,066	-	2,317,814
Solid Waste Fund	795,163	-	-	795,163
Building Safety Fund	213,061	-	-	213,061
Internal Service funds	437,404	-	-	437,404
Total	$ 54,077,862	$ 1,612,066	$ (36,012,029)	$ 19,677,899

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, 2024. There are no other reserves for receivables recorded by the County as of September 30, 2024.

Notes Receivable

Notes receivable recorded by the County at September 30, 2024, 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%.	$	1,218,452
Total notes receivable – enterprise funds	$	1,218,452

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	$ 19,514	$ 1	$ 1,704,123	$ 210,305	$ -	$ 1,933,943
Accrued interest payable	643,430	116,931	80,109	92,039	242	932,751
Current maturities of bonds/notes	2,075,000	280,000	62,500	74,917	-	2,492,417
Total payable from restricted assets	$ 2,737,944	$ 396,932	$ 1,846,732	$ 377,261	$ 242	$ 5,359,111

Capital Assets

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

	September 30, 2023 (as restated)	Increases	Decreases	September 30, 2024
Capital assets, not being depreciated				
Land	$ 26,678,871	$ 728,849	$ (505,901)	$ 26,901,819
Construction in progress	33,903,697	42,714,979	(58,820,238)	17,798,438
Development in progress	-	1,612,681	-	1,612,681
Capital assets, not being depreciated	60,582,568	45,056,509	(59,326,139)	46,312,938
Capital assets, being depreciated				
Books	1,909,837	354,868	-	2,264,705
Buildings and improvements	205,744,246	18,438,849	(1,210,887)	222,972,208
Furniture and equipment	84,095,246	12,008,932	(7,578,945)	88,525,233
Infrastructure	370,463,977	44,932,628	(245,516)	415,151,089
Capital assets, being depreciated	662,213,306	75,735,277	(9,035,348)	728,913,235
Less accumulated depreciation				
Books	(1,143,018)	(273,379)	-	(1,416,397)
Buildings and improvements	(35,800,241)	(7,927,562)	134,267	(43,593,536)
Furniture and equipment	(57,976,564)	(8,476,537)	6,237,870	(60,215,231)
Infrastructure	(211,117,374)	(12,216,297)	(53,697)	(223,387,368)
Total accumulated depreciation	(306,037,197)	(28,893,775)	6,318,440	(328,612,532)
Total capital assets, being depreciated, net	356,176,109	46,841,502	(2,716,908)	400,300,703

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

	September 30, 2023 (as restated)	Increases	Decreases	September 30, 2024
Right-to-use lease assets, being amortized				
Land	$ 37,863	$ -	$ (37,863)	$ -
Equipment	709,103	915,598	(662,795)	961,906
Buildings	1,297,288	-	(89,905)	1,207,383
Right-to-use lease assets, being amortized	2,044,254	915,598	(790,563)	2,169,289
Less accumulated amortization				
Land	(33,628)	-	33,628	-
Equipment	(516,457)	(312,058)	662,795	(165,720)
Buildings	(255,282)	(116,640)	89,906	(282,016)
Total accumulated amortization	(805,367)	(428,698)	786,329	(447,736)
Right-to-use lease assets being amortized, net	1,238,887	486,900	(4,234)	1,721,553
Right-to-use subscription assets, being amortized				
Subscription-based information technology Right-to-use subscription assets	2,700,827	788,137	(780,610)	2,708,354
Right-to-use subscription assets, being amortized	2,700,827	788,137	(780,610)	2,708,354
Less accumulated amortization for				
Subscription-based information technology Right-to-use subscription assets	(797,439)	(686,149)	196,754	(1,286,834)
Total accumulated amortization	(797,439)	(686,149)	196,754	(1,286,834)
Right-to-use subscription assets being amortized, net	1,903,388	101,988	(583,856)	1,421,520
Governmental-type activities capital assets, net	$ 419,900,952	$ 92,448,734	$ (62,592,972)	$ 449,756,714

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, 2023	Increases	Decreases	September 30, 2024
Capital assets, not being depreciated				
Land	$ 6,540,146	$ -	$ -	$ 6,540,146
Construction in progress	12,214,026	14,343,778	(8,566,378)	17,991,426
Capital assets, not being depreciated	18,754,172	14,343,778	(8,566,378)	24,531,572
Capital assets, being depreciated				
Buildings	12,380,764	-	-	12,380,764
Improvements	4,453,908	-	(13,002)	4,440,906
Furniture and equipment	14,493,058	6,098,456	(2,913,333)	17,678,181
Infrastructure	192,869,092	6,667,583	(116,860)	199,419,815
Capital assets, being depreciated	224,196,822	12,766,039	(3,043,195)	233,919,666
Less accumulated depreciation				
Buildings	(3,516,535)	(506,591)	-	(4,023,126)
Improvements	(869,830)	(269,069)	13,004	(1,125,895)
Furniture and equipment	(8,559,489)	(1,652,431)	1,098,804	(9,113,116)
Infrastructure	(94,845,051)	(8,347,595)	5,143	(103,187,503)
Total accumulated depreciation	(107,790,905)	(10,775,686)	1,116,951	(117,449,640)
Total capital assets, being depreciated, net	116,405,917	1,990,353	(1,926,244)	116,470,026
Right-to-use subscription assets, being amortized				
Subscription-based information technology Right-to-use subscription assets	-	980,024	-	980,024
Right-to-use subscription assets, being amortized	-	980,024	-	980,024
Less accumulated amortization for				
Subscription-based information technology Right-to-use subscription assets	-	(267,279)	-	(267,279)
Total accumulated amortization	-	(267,279)	-	(267,279)
Right-to-use subscription assets being amortized, net	-	712,745	-	712,745
Business-type activities capital assets, net	$ 135,160,089	$ 17,046,876	$ (10,492,622)	$ 141,714,343

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

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

Governmental activities		
General government	$	3,791,745
Public safety		8,704,706
Physical environment		681,402
Transportation		11,230,230
Economic environment		3,196,598
Human services		96,906
Culture and recreation		2,087,658
Internal service funds		219,377
Total depreciation and amortization expense – governmental activities	$	30,008,622
Business-type activities		
Wholesale water system	$	5,745,421
Retail water & wastewater		2,062,365
Solid waste		2,785,146
Building safety		450,033
Total depreciation expense - business-type activities	$	11,042,965

Long-Term Debt and Liabilities

Notes Payable

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 $16,434 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $288,000. The note's maturity date is September 1, 2025.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes Payable (continued)

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 $123,110 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $2,359,000. The note's maturity date is September 1, 2025.

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 $757,977 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $33,025,000. The note's maturity date is September 1, 2032.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes Payable (continued)

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 $544,536 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $22,920,000. The note's maturity date is April 1, 2033.

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 $68,114 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $5,625,000. The note's maturity date is September 1, 2027.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes Payable (continued)

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 $3,189 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $79,633. The note's maturity date is December 9, 2024.

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 $13,126 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $288,540. The note's maturity date is July 15, 2025.

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 $317,440 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $9,308,000. The note's maturity date is September 1, 2042.

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 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 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 $258,739 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $8,454,000. The note's maturity date is September 1, 2037.

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 to be paid in full on September 1, 2028. Interest of $1,950,086 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $48,874,337. The note's maturity date is September 1, 2028.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes Payable (continued)

On September 29, 2023, the Sheriff agreed to finance $1,045,368 for the purchase of fleet vehicles, effective November 15, 2023. The interest rate is 5.50%, principal and interest payable monthly, commencing on October 29, 2023. The loans were secured by the vehicles purchased with loan proceeds. Interest of $49,271 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $715,850. The note's maturity date is September 26, 2026.

On February 21, 2024, the County issued $50,000,000 Revenue Refunding Note, Series 2024. The proceeds of the note were used to refinance a portion of its $100,000,000 Revenue Refunding Note, Series 2021B. Of the $50,000,000 total, $49,943,109 is related to the County and $56,891 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 $6,992,034 and an economic loss of $998,860. Issuance costs for this note were paid by the General Fund. 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 and compel the performance of all duties required by this agreement. The provision also states that the lender shall be entitled to reasonable costs and expenses incurred in enforcing any of its rights under the agreement. The note is secured by non-ad valorem revenue in accordance with Resolution No. 4065. This pledge remains in effect until extinguishment or maturity of the debt in 2027, whichever occurs first. The interest rate is 4.00%. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2024. Principal is to be paid in full on September 1, 2027. Interest of $1,000,000 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $49,943,109. The note's maturity date is September 1, 2027.

On March 1, 2024, the Sheriff agreed to finance $176,821 for the purchase of fleet vehicles. The interest rate is 5.21%, principal and interest payable monthly commencing on April 1, 2024. The loans were secured by the vehicles purchased with loan proceeds. Interest of $4,308 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $149,230. The note's maturity date is April 1, 2027.

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 $48,789 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $997,000. The note's maturity date is September 1, 2026.

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 $406,630 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $9,940,000. The note's maturity date is September 1, 2032.

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 $1,419 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $221,454. The note's maturity date is July 15, 2040.

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 $1,377 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $105,697. The note's maturity date is July 15, 2040.
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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 $2,493,752 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. Interest of $144,291 was paid on this note during the year ended September 30, 2024. As of September 30, 2024, the remaining principal on the note was $2,493,752. The note's maturity date is December 31, 2027.

The following is a summary of governmental activities notes payable for the year ended September 30, 2024:

	Governmental Activities					
For the years ending	Taxable Series 2015 Revenue Note		Non-Ad Valorem Revenue Note, Series 2018		Sales Tax Revenue Refunding Note, Series 2020	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 288,000	$ 7,145	$ 2,359,000	$ 53,439	$ 3,850,000	$ 680,315
2026	-	-	-	-	3,925,000	601,005
2027	-	-	-	-	4,005,000	520,150
2028	-	-	-	-	4,095,000	437,647
2029	-	-	-	-	4,170,000	353,290
2030-2034	-	-	-	-	12,980,000	537,557
2035-2039	-	-	-	-	-	-
2040-2044	-	-	-	-	-	-
Total	288,000	7,145	2,359,000	53,439	33,025,000	3,129,964
Current portion	(288,000)	(7,145)	(2,359,000)	(53,439)	(3,850,000)	(680,315)
Payable after one year	$ -	$ -	$ -	$ -	$29,175,000	$ 2,449,649

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes Payable (continued)

	Governmental Activities					
For the years ending	Tourist Development Tax Revenue Refunding Note, Series 2020		Capital Improvement Revenue Refunding Note, Series 2021		Truist FY22 Fleet Loan #1	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 2,335,000	$ 495,072	$ 1,870,000	$ 51,187	$ 79,633	$ 169
2026	2,385,000	444,636	1,875,000	$ 34,171	-	-
2027	2,435,000	393,120	1,880,000	17,108	-	-
2028	2,490,000	340,524	-	-	-	-
2029	2,545,000	286,740	-	-	-	-
2030-2034	10,730,000	585,792	-	-	-	-
2035-2039	-	-	-	-	-	-
2040-2044	-	-	-	-	-	-
Total	22,920,000	2,545,884	5,625,000	102,466	79,633	169
Current portion	(2,335,000)	(495,072)	(1,870,000)	(51,187)	(79,633)	(169)
Payable after one year	$20,585,000	$ 2,050,812	$ 3,755,000	$ 51,279	$ -	$ -

	Governmental Activities					
For the years ending	Truist FY22 Fleet Loan #2		Capital Improvement Revenue Note, Series 2022A		Capital Improvement Revenue Refunding Note, Series 2022B	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 288,540	$ 3,689	$ 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	-	-	445,000	236,570	611,000	177,869
2030-2034	-	-	2,442,000	967,819	3,329,000	614,995
2035-2039	-	-	2,844,000	566,397	2,236,000	130,032
2040-2044	-	-	1,925,000	120,170	-	-
Total	288,540	3,689	9,308,000	2,966,801	8,454,000	1,800,691
Current portion	(288,540)	(3,689)	(394,000)	(287,617)	(546,000)	(243,475)
Payable after one year	$ -	$ -	$ 8,914,000	$ 2,679,184	$ 7,908,000	$ 1,557,216

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes Payable (continued)

	Governmental Activities					
For the years ending	Truist FY23 Fleet Loan		Truist FY24 Fleet Loan		Capital Improvement Revenue Refunding Note, Series 2023	
September 30,					Principal	Interest
2025	$ 348,107	$ 30,683	$ 57,379	$ 6,418	$ -	$ 1,950,086
2026	367,743	11,047	60,441	3,356	-	1,950,086
2027	-	-	31,410	488	-	1,950,086
2028	-	-	-	-	48,874,337	1,950,086
2029	-	-	-	-	-	-
2030-2034	-	-	-	-	-	-
2035-2039	-	-	-	-	-	-
2040-2044	-	-	-	-	-	-
Total	715,850	41,730	149,230	10,262	48,874,337	7,800,344
Current portion	(348,107)	(30,683)	(57,379)	(6,418)	-	(1,950,086)
Payable after one year	$ 367,743	$ 11,047	$ 91,851	$ 3,844	$48,874,337	$ 5,850,258

	Governmental Activities			
For the years ending	Revenue Refunding Note, Series 2024		Total	
September 30,	Principal	Interest	Principal	Interest
2025	$ -	$ 1,997,724	$ 12,415,659	$ 5,807,019
2026	-	1,997,724	$ 9,581,184	$ 5,545,218
2027	49,943,109	1,997,724	$ 59,290,519	$ 5,353,136
2028	-	-	$ 56,485,337	$ 3,173,152
2029	-	-	$ 7,771,000	$ 1,054,469
2030-2034	-	-	$ 29,481,000	$ 2,706,163
2035-2039	-	-	$ 5,080,000	$ 696,429
2040-2044	-	-	$ 1,925,000	$ 120,170
Total	49,943,109	5,993,172	182,029,699	24,455,756
Current portion	-	(1,997,724)	(12,415,659)	(5,807,019)
Payable after one year	$49,943,109	$ 3,995,448	$169,614,040	$18,648,737

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, 2024:

	Business-Type Activities					
For the years ending September 30,	State Revolving Fund Program (Funding Number 0302E0) Principal	State Revolving Fund Program (Funding Number 0302E0) Interest	State Revolving Fund Program (Funding Number DW 030200) Principal	State Revolving Fund Program (Funding Number DW 030200) Interest	Wastewater Revenue Refunding Note, Series 2014 Principal	Wastewater Revenue Refunding Note, Series 2014 Interest
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	13,238	1,026	6,314	996	-	-
2030-2034	68,682	3,884	32,776	3,770	-	-
2035-2039	73,025	1,712	34,883	1,663	-	-
2040-2043	15,149	70	7,241	68	-	-
Total	221,454	11,592	105,697	11,252	997,000	49,766
Current portion	(12,605)	(1,343)	(6,007)	(1,303)	(490,500)	(33,001)
Payable after one year	$ 208,849	$ 10,249	$ 99,690	$ 9,949	$ 506,500	$ 16,765

	Business-Type Activities					
For the years ending September 30,	Water System Revenue Note, Series 2014 Principal	Water System Revenue Note, Series 2014 Interest	2023 Water Tank and Booster Pump Station Purchase Note Principal	2023 Water Tank and Booster Pump Station Purchase Note Interest	Total Principal	Total Interest
2025	$ 1,090,000	$ 367,780	$ 95,709	$ 95,682	$ 1,694,821	$ 499,109
2026	1,130,000	327,450	144,318	89,924	1,799,660	436,631
2027	1,175,000	285,640	150,076	83,936	1,344,152	371,913
2028	1,215,000	242,165	156,064	77,709	1,390,377	322,054
2029	1,260,000	197,210	162,291	71,233	1,441,843	270,465
2030-2034	4,070,000	304,695	913,913	249,621	5,085,371	561,970
2035-2039	-	-	871,381	53,852	979,289	57,227
2040-2043	-	-	-	-	22,390	138
Total	9,940,000	1,724,940	2,493,752	721,957	13,757,903	2,519,507
Current portion	(1,090,000)	(367,780)	(95,709)	(95,682)	(1,694,821)	(499,109)
Payable after one year	$ 8,850,000	$ 1,357,160	$ 2,398,043	$ 626,275	$12,063,082	$ 2,020,398

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 $22,228 was paid on this debt during the year ended September 30, 2024. The remaining principal this debt as of September 30, 2024, totaled $380,000. The bond's maturity date is September 1, 2026.

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 $213,962 was paid on this debt during the year ended September 30, 2024. The remaining principal on this debt as of September 30, 2024, totaled $6,650,000. The bond's maturity date is September 1, 2032.

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 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 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 $317,440 was paid on this debt during the year ended September 30, 2024. The remaining principal on this debt as of September 30, 2024, totaled $13,231,000. The bond's maturity date is September 1, 2041.

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 $966,781 was paid on this debt during the year ended September 30, 2024. The remaining principal on this debt as of September 30, 2024, totaled $23,435,000. The bond's maturity date is September 1, 2045.

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 $880,850 was paid on this debt during the year ended September 30, 2024.The remaining principal on this debt as of September 30, 2024, totaled $15,450,000. The bond’s maturity date is September 1, 2030.

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 $349,223 was paid on this debt during the year ended September 30, 2024.The remaining principal on this debt as of September 30, 2024, totaled $17,793,000. The bond’s maturity date is September 1, 2041.

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, 2024:

	Governmental Activities			
For the years ending September 30,	Capital Improvement Revenue Bonds, Series 2011		Sales Tax Revenue Refunding Bond, Series 2018A&B	
	Principal	Interest	Principal	Interest
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	-	-	842,000	101,906
2030-2034	-	-	2,672,000	156,455
2035-2039	-	-	-	-
2040-2044	-	-	-	-
Total	380,000	22,703	6,650,000	896,651
Current portion	(187,000)	(15,056)	(750,000)	(192,850)
Payable after one year	$ 193,000	$ 7,647	$ 5,900,000	$ 703,801

	Governmental Activities			
For the years ending September 30,	Capital Improvement Revenue Bond, Series 2021A		Total	
	Principal	Interest	Principal	Interest
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	707,000	241,801	1,549,000	343,707
2030-2034	3,783,000	958,708	6,455,000	1,115,163
2035-2039	4,236,000	505,288	4,236,000	505,288
2040-2044	1,833,000	63,204	1,833,000	63,204
Total	13,231,000	2,890,896	20,261,000	3,810,250
Current portion	(646,000)	(302,990)	(1,583,000)	(510,896)
Payable after one year	$12,585,000	$ 2,587,906	$18,678,000	$ 3,299,354

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, 2024:

	Business-Type Activities			
For the years ending September 30,	Water and Sewer System Revenue Refunding Bonds, Series 2015		Water System Revenue Refunding Bonds, Series 2016	
	Principal	Interest	Principal	Interest
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	845,000	850,525	2,760,000	283,000
2030-2034	4,775,000	3,701,824	2,900,000	145,000
2035-2039	5,810,000	2,668,100	-	-
2040-2044	7,240,000	1,231,650	-	-
2045-2048	1,630,000	65,200	-	-
Total	23,435,000	12,169,231	15,450,000	2,813,750
Current portion	(750,000)	(947,619)	(2,270,000)	(772,500)
Payable after one year	$22,685,000	$11,221,612	$ 13,180,000	$ 2,041,250

	Business-Type Activities			
For the years ending September 30,	Solid Waste System Revenue Bond, Series 2021		Total	
	Principal	Interest	Principal	Interest
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	968,000	263,577	4,573,000	1,397,102
2030-2034	5,117,000	1,039,551	12,792,000	4,886,375
2035-2039	5,614,000	542,841	11,424,000	3,210,941
2040-2044	2,396,000	67,414	9,636,000	1,299,064
	-	-	1,630,000	65,200
Total	17,793,000	3,142,161	56,678,000	18,125,142
Current portion	(899,000)	(332,729)	(3,919,000)	(2,052,848)
Payable after one year	$16,894,000	$ 2,809,432	$52,759,000	$16,072,294

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 three lease agreements to obtain the right-to-use various buildings for offices and storage space. The total annual rent for these leases for the fiscal year ended September 30, 2024 was $150,600. 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 two leases are fixed and one lease includes a 3% annual escalation. Monthly payment amounts are $12,550.

The County has entered into two lease agreements to obtain the right-to-use equipment. The total annual rent for these leases for the fiscal year ended September 30, 2024 was $440,567. These leases have lease terms of five years. The leases have no renewal terms and payments are fixed. Monthly payment amounts are $36,714.

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

Year Ending September 30,	Principal	Interest	Total
2025	$ 261,528	$ 49,830	$ 311,358
2026	254,942	40,864	295,806
2027	443,121	31,691	474,812
2028	66,450	15,412	81,862
2029	69,128	13,962	83,090
2030-2034	387,809	46,715	434,524
2035-2039	245,820	7,363	253,183
Total	$ 1,728,798	$ 205,837	$ 1,934,635

Leases – Lessor

The County's operations consist of agreements for use of buildings and use of radio towers. The agreements are made up of various non-cancelable agreements which expire between the years 2034 and 2047. The County recognized $73,534 of lease principal revenue and $17,383 of lease interest revenue for the year ended September 30, 2024. Minimum future revenues do not include contingent revenues, which are based on sales by the lessee of the building. Contingent revenues amounted to $8,452 for the year ended September 30, 2024.

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
2025	$ 66,890	$ 15,846	$ 82,736
2026	68,722	14,424	83,146
2027	70,586	12,964	83,550
2028	78,463	11,369	89,832
2029	80,570	9,668	90,238
2030-2034	213,238	30,298	243,536
2035-2039	76,593	20,471	97,064
2040-2044	101,127	11,354	112,481
2045-2049	49,139	1,374	50,513
Total	$ 805,328	$ 127,768	$ 933,096

Subscription-Based Information Technology Arrangements

The County has ten 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, the emergency response and communication software for Public Safety and the operations management software for Public Works, Building Inspections, Utilities, Facilities, and Parks. The County also recognizes a subscription liability and an intangible right-to-use subscription asset for the monitoring and GPS camera system software used by the Sheriff 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 $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 emergency communications software agreement if a five-year agreement initiated in fiscal year 2024 with an annual payment of $9,520. The County has used a 4.00% 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 operations management software agreement is a five-year agreement, initiated in fiscal year 2022 and implemented in fiscal year 2024 with an annual payment of $255,182. The County has used a 3.09% discount rate for this arrangement based on a debt issuance in the fiscal year of initiation. 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 emergency response software agreement is a five-year agreement initiated in fiscal year 2022 with an annual payment of $159,900. The County has used a 3.09% discount rate for this arrangement based on debt issuance in the fiscal year of initiation. 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 monitoring and GPS camera system software arrangement used by the Sheriff is a five-year agreement, initiated in fiscal year 2024 with an annual payment of $105,000. The County has used a 5.5% discount rate for this arrangement based on the fleet loan in late fiscal year 2023. 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 $163,963 in 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.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Subscription-Based Information Technology Arrangements (continued)

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
2025	$ 760,872	$ 72,599	$ 833,471
2026	692,114	44,439	736,553
2027	350,673	26,971	377,644
2028	108,680	5,840	114,520
Total	$ 1,912,339	$ 149,849	$ 2,062,188

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows for governmental activities:

	Balance (as restated) September 30, 2023	Additions	Deductions	Balance September 30, 2024	Due Within One Year
Bonds from direct placements	$ 21,801,000	$ -	$ (1,540,000)	$ 20,261,000	$ 1,583,000
Notes from direct borrowings	243,120,661	51,327,466	(112,418,428)	182,029,699	12,415,659
Lease liability	1,335,953	915,598	(522,753)	1,728,798	261,528
Subscription liability	1,787,929	677,503	(1,273,656)	1,191,776	527,956
Finance purchase liability	2,648,660	89,844	(601,859)	2,136,645	595,062
Other postemployment benefits	12,201,918	2,946,324	-	15,148,242	465,757
Accrued compensated absences	6,665,053	3,445,449	(2,833,442)	7,277,060	2,840,436
Estimated liability for self-insured losses	4,116,908	-	(2,641,366)	1,475,542	838,810
Net pension liability	126,080,820	-	(2,456,072)	123,624,748	-
Governmental activities long-term liabilities	$ 419,758,902	$ 59,402,184	$ (124,287,576)	$ 354,873,510	$ 19,528,208

As noted in Note 2, restatements were required and reflected in the above table.

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

Changes in Long-Term Liabilities (continued)

Long-term liability activity for the year ended September 30, 2024, was as follows for business-type activities:

	Balance September 30, 2023	Additions	Deductions	Balance September 30, 2024	Due Within One Year
Revenue bonds	$ 41,775,000	$ -	$ (2,890,000)	$ 38,885,000	$3,020,000
Adjusted for deferred amounts on					
Issuance discounts/premiums	3,227,879	-	(456,752)	2,771,127	-
Total revenue bonds	45,002,879	-	(3,346,752)	41,656,127	3,020,000
Bonds from direct placements	18,675,000	-	(882,000)	17,793,000	899,000
Notes from direct borrowings	15,303,286	-	(1,545,383)	13,757,903	1,694,821
Finance purchase liability	32,425	131,172	(50,358)	113,239	40,564
Subscription liability	-	980,024	(259,462)	720,562	232,916
Other postemployment benefits	667,146	35,449	-	702,595	25,000
Accrued compensated absences	592,418	300,403	(241,960)	650,861	265,352
Landfill closure and postclosure liability	11,537,275	7,804,436	-	19,341,711	-
Net pension liability	6,806,491	-	(7,076)	6,799,415	-
Business-type activity long-term liabilities	$98,616,920	$ 9,251,484	$ (6,332,991)	$101,535,413	$6,177,653

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, 2024, 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
Governmental Activities					
Revenue Notes					
Taxable Series 2015 Revenue Note					
Maturity: 2025					
Interest rate: 3.30%	$ 2,500,000	$ 295,145	$189,687,333	$ 295,434	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	$ 2,412,439	$ 189,687,333	$ 2,412,110	1.3%
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	$ 36,154,964	$ 19,857,214	$ 4,527,977	22.8%
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	$ 25,465,884	$ 29,774,681	$ 2,809,804	9.4%
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	$ 5,727,466	$ 189,687,333	$ 1,928,114	1.0%
Purpose: Refinance 2011 bonds.					
Pledged revenue: Non-ad valorem revenue.					
Capital Improvement Revenue Note, Series 2022A					
Maturity: 2042					
Interest rate: 3.09%	$ 10,055,000	$ 12,274,802	$ 189,687,333	$ 682,452	0.4%
Purpose: Financing costs of construction and renovations of Southport Sports Complex.					
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
Capital Improvement Revenue Refunding Note, Series 2022B					
Maturity: 2037					
Interest rate: 2.88%	$ 9,505,000	$ 10,254,691	$ 189,687,333	$ 788,739	0.4%
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	$ 56,674,681	$ 189,687,333	$ 1,950,086	1.0%
Purpose: Refinance 2020 Hurricane Michael note.					
Pledged revenue: Non-ad valorem revenue.					
Revenue Refunding Note, Series 2024					
Maturity: 2027					
Interest rate: 4.00%	$ 49,943,109	$ 55,936,281	$ 189,687,333	$ 998,862	0.5%
Purpose: Refinance 2021B Hurricane Michael note.					
Pledged revenue: Non-ad valorem revenue.					
Governmental Activities					
Revenue Bonds					
Capital Improvement Revenue Bonds, Series 2011					
Maturity: 2026					
Interest rate: 3.96%	$ 2,340,000	$ 402,703	$ 189,687,333	$ 203,228	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	$ 7,546,651	$ 19,857,214	$ 941,962	4.7%
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	$ 16,121,896	$ 189,687,333	$ 948,440	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
Business-Type Activities					
Revenue Notes					
Water System Revenue Note - Series 2014					
Maturity: 2032					
Interest rate: 3.31%	$ 18,925,000	$ 11,664,940	$ 15,983,306	$ 1,456,630	9.1%
Purpose: Financing capital improvements to the wholesale water system.					
Pledged revenue: Impact fee and wholesale water system net revenue.					
Water Tank and Booster Pump Station Purchase Note, Series 2023					
Maturity: 2037					
Interest Rate: 3.99%	$ 2,493,752	$ 3,115,709	$ 189,687,333	$ 144,291	0.1%
Purpose: Financing purchase of ground storage tank and booster pump station.					
Pledged revenue: Non-ad valorem 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	$ 35,604,231	$ 11,185,649	$ 1,696,781	15.2%
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	$ 18,263,750	$ 15,983,306	$ 3,040,500	19.0%
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	$ 20,935,161	$ 4,748,353	$ 1,231,223	25.9%
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, 2024, interfund receivables and payables are as follows:

	Due from								
	General Fund	Transportation Fund	Nonmajor Governmental funds	Wholesale Water Fund	Retail Water Fund	Solid Waste Fund	Building Safety Fund	Internal Service Funds	Total
Due to:									
General	$ -	$ -	$ 80,136	$ -	$ -	$ 2,700,488	$ -	$ 2,905,113	$ 5,685,737
Transportation	-	-	-	-	-	-	-	554,368	554,368
Tourist Development	348,559	-	-	-	-	-	-	149,005	497,564
Nonmajor governmental	-	-	-	-	-	-	61,187	533,872	595,059
Wholesale Water	-	-	-	-	-			623,699	623,699
Retail Water	-	-	-	-	-	-	-	882,469	882,469
Solid Waste	-	-	-	-	-	-	-	178,637	178,637
Building Safety	-	-	-	-	-	-	-	102,040	102,040
Internal service funds	11,272	57,263	2,501	4,127	5,788	26	1,788	-	82,765
Total	$ 359,831	$ 57,263	$ 82,637	$ 4,127	$ 5,788	$ 2,700,514	$ 62,975	$ 5,929,203	$ 9,202,338

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, 2024, were as follows:

	Transfer from				
	General Fund	Transportation Fund	Nonmajor Governmental funds	Hurricane Michael Fund	Total
Transfer to:					
General	$ -	$ 20,215	$ -	$ 2,483,995	$ 2,504,210
Transportation	26,322,644	-	-	-	26,322,644
Nonmajor governmental funds	1,460,253	-	-	-	1,460,253
Hurricane Michael	-	-	286,233	-	286,233
Solid Waste	2,000,000	-	-	-	2,000,000
Total	$ 29,782,897	$ 20,215	$ 286,233	$ 2,483,995	$ 32,573,340

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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

An interfund advance was 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 one year of September 30, 2024. The balance of this advance as of September 30, 2024, was $625,192.

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).

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, 2024, were as follows:

	October 1, 2023 through June 30, 2024		July 1, 2024 through September 30, 2024	
	FRS	HIS	FRS	HIS
Regular class	11.57%	2.00%	11.63%	2.00%
Senior management	32.52%	2.00%	32.52%	2.00%
Special risk employee class	30.67%	2.00%	30.79%	2.00%
Elected officials	56.68%	2.00%	56.68%	2.00%
DROP plan participants	19.13%	2.00%	19.13%	2.00%

The County's contributions for the year ended September 30, 2024, were $14,910,553 to the FRS Pension Plan and $1,711,011 to the HIS program.

NOTE 5 – RETIREMENT PLANS (Continued)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, 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, 2024. 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	$ 100,677,619	$ 29,746,544
Proportion at:		
Current measurement date	0.260251756%	0.198280544%
Prior measurement date	0.254957463%	0.197038268%
Pension expense	15,346,646	1,455,892

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2024, 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	$ 10,171,142	$ -
Changes of assumptions	13,798,789	-
Net difference between projected and actual earnings on pension plan investments	-	6,691,558
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,852,393	2,526,731
Employer contributions subsequent to the measurement date	3,671,655	-
Total	$ 31,493,979	$ 9,218,289

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 287,199	$ 57,113
Changes of assumptions	526,399	3,521,310
Net difference between projected and actual earnings on pension plan investments	-	10,757
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,470,819	769,164
Employer contributions subsequent to the measurement date	420,600	-
Total	$ 2,705,017	$ 4,358,344

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 subsequent fiscal period.

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
2025	$ (1,683,611)	$ (195,409)
2026	16,929,593	(410,142)
2027	1,904,388	(641,634)
2028	445,508	(477,290)
2029	1,008,157	(273,183)
Thereafter	-	(76,269)
Total	$ 18,604,035	$ (2,073,927)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2024. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2024. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2024. 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	3.50%	3.50%
Investment rate of return	6.70%	3.93%
Discount rate	6.70%	3.93%

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-2021. The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

For the HIS Program, the mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021. 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, 2024 were based on certain results of an actuarial experience study of the FRS for the period of July 1, 2018 - June 30, 2023.

NOTE 5 – RETIREMENT PLANS (Continued)

Actuarial Assumptions (continued)

The following changes in key actuarial assumptions occurred in 2024:

FRS & HIS: The payroll assumed growth rate, including inflation, increased from 3.25% to 3.50%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.65% to 3.93%.

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%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate (property)	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
	100.0%			
Assumed Inflation – Mean			2.4%	1.5%

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 3.93% 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	$ 177,088,406	$ 100,677,619	$ 36,667,377

	HIS		
	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
County's proportionate share of the net pension liability	$ 33,859,742	$ 29,746,544	$ 26,327,303

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, 2024, totaled $4,578,035.

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, 2023 for the County and September 30, 2024 for the Sheriff's office, OPEB membership consisted of the following:

	County Employees	Sheriff's Office Employees
Inactive members	20	23
Active members	782	518
Total	802	541

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

Actuarial Assumptions and Other Inputs

At the September 30, 2023 measurement date for the County and at the September 30, 2024 measurement date for the Sheriff, the actuarial assumptions and other inputs, applied include the following:

County

Inflation rate	2.50%
Salary increases	3.25% 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

Sheriff's Office

Inflation rate	2.50%
Salary increases	4.00% including inflation
Discount rate	4.06% 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, 2023 and September 30, 2024 was 4.87% and 4.06%, respectively.

Mortality rates for the County were based on the Pub-2010 General mortality table, combined healthy, with fully generational improvements using Scale MP-2021. Mortality rates for the Sheriff's Office were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2021.

The actuarial assumptions used in the September 30, 2023 and September 30, 2024 valuations were not based on the results of an actuarial experience study.

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

Total OPEB Liability

At September 30, 2024, the County's total OPEB liability of $15,850,837 consists of $4,136,534 for the County and $11,714,303 for the Sheriff's Office. The information has been provided as of the September 30, 2023 and September 30, 2024 measurement dates.

Changes in the Total OPEB Liability

	Increase (Decrease) Total OPEB Liability (Asset)
Balances at September 30, 2023	$ 12,869,064
Changes for the year	
Service cost	1,008,578
Interest	662,739
Changes of assumptions	1,721,648
Difference between expected and actual experience	(550,636)
Changes in benefit terms	630,202
Benefit payments	(490,758)
Net changes	2,981,773
Balance as of September 30, 2024	$ 15,850,837

Sensitivity of the Total OPEB Liability

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

	1% Decrease 3.87%	Discount Rate 4.87%	1% Increase 5.87%
Total OPEB liability	$ 4,598,687	$ 4,136,534	$ 3,636,314

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

Sensitivity of the Total OPEB Liability (continued)

The following table represents the County's total OPEB liability calculated using the health care cost trend rate of 4.00% - 7.00% 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%-6.00%	Ultimate Trend Rate 4.00%-7.00%	1% Increase 5.00%-8.00%
Total OPEB liability	$ 3,630,963	$ 4,136,534	$ 4,751,964

The following table represents the Sheriff Office's total OPEB liability calculated using the discount rate of 4.06%, 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 (3.06%) or 1 percentage point higher (5.06%) than the current rate.

	1% Decrease 3.06%	Discount Rate 4.06%	1% Increase 5.06%
Total OPEB liability	$ 12,940,540	$ 11,714,303	$ 10,645,530

The following table represents the Sheriff Office's total OPEB liability calculated using the health care cost trend rate 4.00% - 7.75% 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%-6.75%	Ultimate Trend Rate 4.00%-7.75%	1% Increase 5.00%-8.75%
Total OPEB liability	$ 10,562,429	$ 11,714,303	$ 13,084,057

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, 2024, the County, including the Sheriff's Office, recognized an OPEB expense of $1,295,930. 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	$ 1,917,490	$ 2,068,554
Differences between expected and actual experience	339,881	5,722,838
Contributions subsequent to the measurement date	165,230	-
Total	$ 2,422,601	$ 7,791,392

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 subsequent fiscal period. 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,	
2025	$ (998,252)
2026	(998,248)
2027	(957,455)
2028	(1,015,888)
2029	(841,205)
Thereafter	(392,513)
Total	$ (5,203,561)

NOTE 7 – FUND BALANCE

The detail related to fund balance classifications for governmental funds as of September 30, 2024, consists of the following:

	General	Tourist Development	Transportation	Hurricane Michael	Nonmajor Governmental	Total
Nonspendable						
Not in spendable form for interfund advances	$ 625,192	$ -	$ -	$ -	$ -	$ 625,192
Prepaid items	901,704	636,224	13,098	-	255,855	1,806,881
Total nonspendable	1,526,896	636,224	13,098	`-	255,855	2,432,073
Restricted						
Enabling legislation	3,871,400	101,138,040	40,991,660	24,983,356	16,747,932	187,732,388
Debt service	873,125	1,415,036	-	328,981	243,522	2,860,664
Impact fees	3,109,897	-	-	-	2,244,016	5,353,913
Contractual	2,509,055	-	-	-	-	2,509,055
Unspent bond proceeds	9,683,563	-	-	-	-	9,683,563
Total restricted	20,047,040	102,553,076	40,991.660	25,312,337	19,235,470	208,139,583
Assigned						
For disaster cleanup	1,000,000	-	-	-	-	1,000,000
For neighborhood infrastructure and improvement	70,512	-	-	-	-	70,512
For future insurance costs	652,230	1,201	41,784	-	61,403	756,618
For animal control	152,954	-	-	-	-	152,954
For literacy program	17,852	-	-	-	-	17,852
For use of Clerk excess	458,757					458,757
For use of opioid funds	367,281					367,281
For following year expenditures	15,231,483	-	-	-	-	15,231,483
For the purpose of special revenue fund	-	-	12,024,128	-	1,317,697	13,341,825
Total assigned	17,951,069	1,201	12,065,912	-	1,379,100	31,397,282
Unassigned	53,855,021	-	-	-	-	53,855,021
Total fund balances	$ 93,380,026	$ 103,190,501	$ 53,070,670	$ 25,312,337	$ 20,870,425	$ 295,823,959

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, 2024, 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 \$16,292,149 and the postclosure costs to maintain and monitor the Steelfield Landfill will be approximately \$260,548 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, 2024, in the amount of \$19,341,711 which represents the cumulative amount reported to date, based on 76.5% 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 2024. 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, 2024, \$12,561,516 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, 2024, the County was contingently liable for the following amounts:

Wastewater System Revenue Refunding Bonds Series 2004 (see note 4)	$ 977,000
Related interest expense	49,766
Total contingent liability – joint venture	$ 1,026,766

Construction Commitments

At September 30, 2024 the County had open construction contract commitments as follows:

Fund	Contract Amount	Expended to Date	Remaining Commitment
General fund	$ 41,374,840	$ 24,096,380	$ 17,278,460
Transportation fund	23,568,687	7,015,729	16,552,958
Other nonmajor governmental fund	4,046,651	3,510,228	536,423
Tourist development fund	1,620,750	1,591,395	29,355
Wholesale water fund	18,214,546	11,175,964	7,038,582
Retail water fund	9,569,661	7,327,775	2,241,886
Internal service funds	65,072	46,716	18,356
Solid Waste fund	122,164	122,087	77
Builder's Services fund	588,931	460,313	128,618
Transportation planning organization	2,190,313	1,981,102	209,211
Total contract commitments	$ 101,361,615	$ 57,327,689	$ 44,033,926

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, 2024, are summarized as follows:

Issue	Date of Issue	Amount Outstanding September 30, 2024	
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy) Series 2020	October 21, 2020	$	8,035,000
Bay County, Florida Industrial Development Revenue Refunding Bonds (Goodwill Industries - Big Bend, Inc.) Series 2017	April 1, 2017	$	7,309,761
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy Project) Series 2013 A & B	April 17, 2013	$	19,610,000
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy Project) Series 2016	October 1, 2016	$	4,270,000
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, 2024. 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 exceed this commercial coverage for fiscal year 2024.

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 $1,475,542 reported in the Workers' Compensation Fund at September 30, 2024, 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 2023 and 2024 were as follows:

Year Ending September 30,	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2023	$ 4,300,000	$ 368,582	$ (551,674)	$ 4,116,908
2024	$ 4,116,908	$ (2,192,198)	$ (449,168)	$ 1,475,542

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, 2024, the County paid premiums to FSEBT of $21,203,345.

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 Insurance Fund is based on the requirements of GASB.

NOTE 10 – INSURANCE (Continued)

Changes in the Insurance Fund's claims liability amount in fiscal years 2023 and 2024 were as follows:

Year Ending September 30,	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2023	$ 250,000	$ 4,954,342	$ (4,954,342)	$ 250,000
2024	$ 250,000	$ 6,458,572	$ (6,458,572)	$ 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, 2024, the County’s investment in the joint venture was $8,847,730. 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, 2024

Assets	$	32,745,295
Deferred outflows		164,281
Liabilities		7,032,582
Net position		
Net investment in capital assets		19,370,631
Restricted for owners' rate reserve		2,525,712
Unrestricted		3,980,651
Total net position	$	25,876,994

Statement of Activities
Year Ended September 30, 2024

Operating revenues	$	6,685,024
Operating expenses		(6,399,116)
Operating income		285,908
Nonoperating revenues (expenses), net		2,408,121
Income before distributions		2,694,029
Distributions to owners		(444,345)
Change in net position		2,249,684
Net position, beginning of year as restated		23,627,310
Net position, end of year	$	25,876,994

As of September 30, 2024, the County's portion of contributions and net position in the joint venture is as follows:

County investment, at September 30, 2023	$	7,923,071
Add: 2024 County share of net income		1,114,070
Less: 2024 distributions payable		(189,411)
County investment in joint venture at September 30, 2024	$	8,847,730

NOTE 12 – RELATED PARTY TRANSACTIONS

During the year ended September 30, 2024, the MPAWTF provided services to the County's Retail Water & Wastewater Fund. For the year ended September 30, 2024, the billings for these services totaled $2,301,496.

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 $3,443,272 for the year ended September 30, 2024.

Receivables/payables arising from all non-billing transactions with MPAWTF are recorded as "due from" or "due to" amounts. MPAWTF has recorded $92,563 in "due from" the County and $1,407,374 in "due to" the County.

In addition, during the current year the County recognized $47,460 in interest income from the joint venture, which was subsequently used to satisfy interest expense of $47,460, 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 $218,163 under agreements entered 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 for eligible business defined as either 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, 2024, there were County abatement agreements with three County businesses, all of which were entered into prior to the fiscal year.

Company A was granted an initial abatement under Ordinance 14-06, requiring the creation of 50 full-time jobs. Two subsequent abatements (Ordinance 15-07 and Ordinance 16-13) were later approved, each requiring the creation of an additional 25 full-time jobs. Company B was granted an abatement under Ordinance 22-43 (amended by Ordinance 25-17), which required substantial property improvements and creating and maintaining 105 jobs. Company C was granted an abatement under Ordinance 22-03 for the completion of land improvements and the purchase of specified tangible property.

NOTE 14 – HURRICANE MICHAEL

As of September 30, 2024, total reimbursement eligible costs, through the Federal Emergency Management Agency (FEMA), related to Hurricane Michael were $306,721,771 with reimbursements totaling $273,509,812. At the end of fiscal year 2024, there were 64 open projects not in a closeout phase with FEMA. The County continues to work closely with the State and Federal government to help offset the costs associated with Hurricane Michael that were not covered by insurance.

NOTE 15 – SUBSEQUENT EVENT

On November 5, 2024, the Board of County Commissioners approved Resolution Nos. 4133 and 4134. These authorized the County to enter into loan agreements with the Florida Department of Environmental Protection under the State Revolving Fund (SRF) for project financing. SRF Loan agreement No. CW0302I (Clean Water loan) in the amount of $25,299,300 will fund the Underground Injection Well project at the North Bay Wastewater Treatment Facility. SRF Loan agreement No. DW0302J (Drinking Water loan) in the amount of $20,713,815 will fund the Frankford Avenue Booster Station Upgrade project as well as the Dupont Subaqueous Watermain Improvement project. These loans do not bear an interest rate and offer 25% principal forgiveness upon project completion.

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REQUIRED SUPPLEMENTARY INFORMATION

Florida Retirement System	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.2602518%	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)	$100,677,619	$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)	$ 83,972,787	$ 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	119.89%	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	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Health Insurance Subsidy Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.1982805%	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)	$ 29,746,544	$ 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)	$ 83,972,787	$ 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	35.42%	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	4.80%	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.

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

Florida Retirement System	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution	$14,910,553	$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
Contributions in relation to the contractually required contribution	(14,910,553)	(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)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll (1)	$85,539,521	$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
Contributions as a percentage of covered payroll	17.43%	16.23%	15.20%	14.14%	13.49%	13.03%	12.26%	13.39%	13.18%	12.58%

Health Insurance Subsidy Program	**2023**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution	$ 1,711,011	$ 1,392,461	$ 1,191,366	$ 1,120,926	$ 1,084,563	$ 1,084,094	$ 1,003,122	$ 975,599	$ 959,484	$ 691,330
Contributions in relation to the contractually required contribution	(1,711,011)	(1,392,461)	(1,191,366)	(1,120,926)	(1,084,563)	(1,084,094)	(1,003,122)	(975,599)	(959,484)	(691,330)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll (1)	$85,539,521	$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
Contributions as a percentage of covered payroll	2.00%	1.74%	1.67%	1.66%	1.66%	1.66%	1.66%	1.95%	1.95%	1.47%

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

As of and for the year ended September 30,	**2024**	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	**$ 1,008,578**	$ 1,094,765	$ 1,322,858	$ 1,347,822	$ 1,075,210	$ 1,485,216	$ 1,592,740
Interest	**662,739**	537,715	336,634	306,940	753,846	694,272	581,292
Changes of benefit terms	**630,202**	-	-	-	-	-	-
Differences between expected and actual experiences	**(550,636)**	(1,170,288)	(545,204)	-	(1,918,450)	96,096	-
Changes of assumptions	**1,721,648**	-	(1,043,117)	(236,273)	(5,882,790)	(47,426)	(915,074)
Benefit payments	**(490,758)**	(454,525)	(401,094)	(356,487)	(311,632)	(564,122)	(593,463)
Net change in total OPEB liability	**2,981,773**	7,667	(329,923)	1,062,002	(6,283,816)	1,664,036	665,495
Total OPEB liability - beginning	**12,869,064**	12,861,397	13,191,320	12,129,318	18,404,522	16,740,486	16,307,935
Total OPEB liability - ending	**$ 15,850,837**	$ 12,869,064	$ 12,861,397	$ 13,191,320	$ 12,120,706	$ 18,404,522	$ 16,973,430
Covered-employee payroll	**68,881,214**	58,647,124	56,633,806	54,952,529	53,653,130	52,657,577	51,896,540
Total OPEB liability as a percentage of covered-employee payroll	**23.01%**	21.94%	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.

September 30, 2024	Public Safety	Intergovernmental Radio Communications	District Mosquito Control
ASSETS			
Cash and cash equivalents	$ 29,100	$ -	$ 19,771
Accounts receivable, net	-	2,247,673	-
Lease receivable	-	317,921	-
Accrued interest receivable	5,899	957	4,014
Investments	2,101,286	-	1,427,668
Prepaid items	211,265	10,721	4,288
Due from other funds	-	-	93,343
Due from other governments	309,986	9,976	24,215
Restricted assets			
Cash and cash equivalents	-	2,765	-
Investments	-	199,672	-
Total assets	$ 2,657,536	$ 2,789,685	$ 1,573,299
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	$ 101,565	$ 288,501	$ 40,188
Unearned revenues	-	-	19
Due to other funds	-	80,136	1,319
Advance from other funds	-	625,192	-
Due to other governments	-	-	-
Total liabilities	101,565	993,829	41,526
Deferred inflows of resources			
Deferred revenue related to leases	-	274,308	-
Total deferred inflows of resources	-	274,308	-
Fund balance			
Nonspendable	211,265	10,721	4,288
Restricted	2,340,616	202,437	1,517,178
Assigned	4,090	1,308,390	10,307
Total fund balance	2,555,971	1,521,548	1,531,773
Total liabilities, deferred inflows of resources, and fund balances	$ 2,657,536	$ 2,789,685	$ 1,573,299

Special Revenue			
MSTU Fire Protection	Court	Records Modernization - Records	Records Modernization - Court
$ 61,427	$ 1,138,136	$ 919,411	$ 1,330,530
23,664	98,671	-	1,327
-	-	-	-
20,204	-	-	-
4,435,722	-	-	-
1,468	17,613	-	10,500
501,716	-	-	-
1,989,668	24,397	-	1,133
31,213	-	-	-
2,253,888	-	-	-
$ 9,318,970	$ 1,278,817	$ 919,411	$ 1,343,490
$ 986,386	$ 641,451	$ -	$ 6,873
-	-	-	-
1,182	-	-	-
-	-	-	-
58	-	-	-
987,626	641,451	-	6,873
-	-	-	-
-	-	-	-
1,468	17,613	-	10,500
8,273,563	619,753	919,411	1,326,117
56,313	-	-	-
8,331,344	637,366	919,411	1,336,617
$ 9,318,970	$ 1,278,817	$ 919,411	$ 1,343,490

Continued

September 30, 2024	Law Enforcement Training		Special Law Enforcement Trust		Special Contribution
ASSETS					
Cash and cash equivalents	$	44,737	$	86,151	$ 13,152
Accounts receivable, net		1,548		-	-
Lease receivable		-		-	-
Accrued interest receivable		-		-	-
Investments		-		-	-
Prepaid items		-		-	-
Due from other funds		-		-	-
Due from other governments		-		-	-
Restricted assets					
Cash and cash equivalents		-		-	-
Investments		-		-	-
Total assets	$	46,285	$	86,151	$ 13,152
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	$	1,238	$	-	$ -
Unearned revenues		-		-	-
Due to other funds		-		-	-
Advance from other funds		-		-	-
Due to other governments		-		-	-
Total liabilities		1,238		-	-
Deferred inflows of resources					
Deferred revenue related to leases		-		-	-
Total deferred inflows of resources		-		-	-
Fund balance					
Nonspendable		-		-	-
Restricted		45,047		86,151	13,152
Assigned		-		-	-
Total fund balance		45,047		86,151	13,152
Total liabilities, deferred inflows of resources, and fund balances	$	46,285	$	86,151	$ 13,152

Special Revenue							
Crime Prevention		Chapter 705		Inmate Welfare		Total Nonmajor Governmental Funds	
$	208,121	$	155,338	$	3,286,137	$	7,292,011
	-		-		229,324		2,602,207
	-		-		-		317,921
	-		-		-		31,074
	-		-		-		7,964,676
	-		-		-		255,855
	-		-		-		595,059
	-		-		13,125		2,372,500
	-		-		-		33,978
	-		-		-		2,453,560
$	208,121	$	155,338	$	3,528,586	$	23,918,841
$	-	$	-	$	-	$	2,066,202
	-		-		-		19
	-		-		-		82,637
	-		-		-		625,192
	-		-		-		58
	-		-		-		2,774,108
	-		-		-		274,308
	-		-		-		274,308
	-		-		-		255,855
	208,121		155,338		3,528,586		19,235,470
	-		-		-		1,379,100
	208,121		155,338		3,528,586		20,870,425
$	208,121	$	155,338	$	3,528,586	$	23,918,841

For the year ended September 30, 2024	Public Safety	Intergovernmental Radio Communications	District Mosquito Control
REVENUES			
Taxes	$ -	$ -	$ 1,920,551
Intergovernmental	255,662	-	65,542
Charges for services	1,058,229	1,634,039	-
Investment earnings	158,705	62,272	101,187
Contributions and donations	-	-	-
Miscellaneous	328	35,778	29
Total revenues	1,472,924	1,732,089	2,087,309
EXPENDITURES			
Current			
General government	-	-	-
Public safety	1,207,609	923,460	-
Human services	-	-	1,624,562
Capital outlay			
General government	-	-	-
Public safety	550,683	85,270	-
Human services	-	-	70,293
Debt service			
Principal	236,176	2,294,109	1,697
Interest	14,593	160,461	9,096
Total expenditures	2,009,061	3,463,300	1,705,648
Excess (deficiency) of revenues over (under) expenditures	(536,137)	(1,731,211)	381,661
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,345,429	-
Transfers out	(286,233)	-	-
Issuance of debt	120,000	-	-
Proceeds from sale of capital assets	-	-	-
Net other financing sources (uses)	(166,233)	1,345,429	-
Net change in fund balance	(702,370)	(385,782)	381,661
Fund balance, beginning of year	3,258,341	1,907,330	1,150,112
Fund balance, end of year	$ 2,555,971	$ 1,521,548	$ 1,531,773

Special Revenue			
MSTU Fire Protection	Court	Records Modernization - Records	Records Modernization - Court
$ 14,383,909	$ -	$ -	$ -
3,213,420	-	-	-
1,105,066	4,522,854	130,989	443,125
561,798	-	-	-
529,478	-	-	-
97,366	-	23,076	65,210
19,891,037	4,522,854	154,065	508,335
-	4,414,584	64,000	636,109
14,265,431	-	-	-
-	-	-	-
-	-	-	25,685
2,618,749	-	-	-
-	-	-	-
426,566	-	-	-
97,200	-	-	-
17,407,946	4,414,584	64,000	661,794
2,483,091	108,270	90,065	(153,459)
114,824	-	-	-
-	-	-	-
20,306	-	-	-
3,025	-	-	-
138,155	-	-	-
2,621,246	108,270	90,065	(153,459)
5,710,098	529,096	829,346	1,490,076
$ 8,331,344	$ 637,366	$ 919,411	$ 1,336,617

Continued

For the year ended September 30, 2024	Law Enforcement Training	Special Law Enforcement Trust	Special Contribution
REVENUES			
Taxes	$ -	$ -	$ -
Intergovernmental	62,452	165,362	1,100
Charges for services	-	-	-
Investment earnings	-	-	-
Contributions and donations	-	-	-
Miscellaneous	-	-	-
Total revenues	62,452	165,362	1,100
EXPENDITURES			
Current			
General government	-	-	-
Public safety	69,295	186,427	2,045
Human services	-	-	-
Capital outlay			
General government	-	-	-
Public safety	-	53,407	-
Human services	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	69,295	239,834	2,045
Excess (deficiency) of revenues over (under) expenditures	(6,843)	(74,472)	(945)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Issuance of debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Net other financing sources (uses)	-	-	-
Net change in fund balance	(6,843)	(74,472)	(945)
Fund balance, beginning of year	51,890	160,623	14,097
Fund balance, end of year	$ 45,047	$ 86,151	$ 13,152

Special Revenue			
Crime Prevention	Chapter 705	Inmate Welfare	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 16,304,460
154,503	134,614	-	4,052,655
-	-	1,938,775	10,833,077
-	-	-	883,962
-	-	-	529,478
-	-	-	221,787
154,503	134,614	1,938,775	32,825,419
-	-	-	5,114,693
40,889	130,949	1,337,964	18,164,069
-	-	-	1,624,562
-	-	-	25,685
-	-	105,055	3,413,164
-	-	-	70,293
52,500	-	-	3,011,048
-	-	-	281,350
93,389	130,949	1,443,019	31,704,864
61,114	3,665	495,756	1,120,555
-	-	-	1,460,253
-	-	-	(286,233)
-	-	-	140,306
-	-	-	3,025
-	-	-	1,317,351
61,114	3,665	495,756	2,437,906
147,007	151,673	3,032,830	18,432,519
$ 208,121	$ 155,338	$ 3,528,586	$ 20,870,425

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	$ -	$ 191,137	$ 255,662	$ 64,525
Charges for services	845,000	845,000	1,058,229	213,229
Investment earnings	7,500	7,500	158,705	151,205
Miscellaneous	-	-	328	328
Total revenues	852,500	1,043,637	1,472,924	429,287
EXPENDITURES				
Current				
Public safety	1,812,260	2,614,486	1,207,609	1,406,877
Capital outlay				
Public safety	157,530	446,161	550,683	(104,522)
Debt service				
Principal	-	-	236,176	(236,176)
Interest	-	-	14,593	(14,593)
Total expenditures	1,969,790	3,060,647	2,009,061	1,051,586
Excess (deficiency) of revenues over (under) expenditures	(1,117,290)	(2,017,010)	(536,137)	1,480,873
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(286,233)	(286,233)
Proceeds from issuance of debt	-	-	120,000	120,000
Net other financing sources (uses)	-	-	(166,233)	(166,233)
Net change in fund balance	$ (1,117,290)	$ (2,017,010)	(702,370)	$ 1,314,640
Fund balance, beginning of year			3,258,341	
Fund balance, end of year			$ 2,555,971	

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	$ 2,087,465	$ 2,087,465	$ 1,634,039	$ (453,426)
Investment earnings	-	-	62,272	62,272
Miscellaneous	-	-	35,778	35,778
Total revenues	2,087,465	2,087,465	1,732,089	(355,376)
EXPENDITURES				
Current				
Public safety	800,515	800,515	923,460	(122,945)
Capital outlay				
Public safety	87,000	87,000	85,270	1,730
Debt service				
Principal	2,895,793	2,895,793	2,294,109	601,684
Interest	157,242	157,242	160,461	(3,219)
Total expenditures	3,940,550	3,940,550	3,463,300	477,250
Excess (deficiency) of revenues over (under) expenditures	(1,853,085)	(1,853,085)	(1,731,211)	121,874
OTHER FINANCING SOURCES (USES)				
Transfers in	1,345,429	1,345,429	1,345,429	-
Net other financing sources (uses)	1,345,429	1,345,429	1,345,429	-
Net change in fund balance	$ (507,656)	$ (507,656)	(385,782)	$ 121,874
Fund balance, beginning of year			1,907,330	
Fund balance, end of year			$ 1,521,548	

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ 1,891,122	$ 1,891,122	$ 1,920,551	$ 29,429
Intergovernmental	54,944	54,944	65,542	10,598
Investment earnings	3,000	3,000	101,187	98,187
Miscellaneous	-	-	29	29
Total revenues	1,949,066	1,949,066	2,087,309	138,243
EXPENDITURES				
Current				
Human services	1,896,381	1,884,047	1,624,562	259,485
Capital outlay				
Human services	71,221	84,221	70,293	13,928
Debt service				
Principal	-	-	1,697	(1,697)
Interest	4,410	4,410	9,096	(4,686)
Total expenditures	1,972,012	1,972,678	1,705,648	267,030
Excess (deficiency) of revenues over (under) expenditures	(22,946)	(23,612)	381,661	405,273
Net change in fund balance	$ (22,946)	$ (23,612)	$ 381,661	$ 405,273
Fund balance, beginning of year			1,150,112	
Fund balance, end of year			$ 1,531,773	

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ 14,167,759	$ 14,277,770	$ 14,383,909	$ 106,139
Intergovernmental	-	2,044,679	3,213,420	1,168,741
Charges for services	520,000	1,871,597	1,105,066	(766,531)
Investment earnings	30,000	30,000	561,798	531,798
Contributions and donations	-	550,537	529,478	(21,059)
Miscellaneous	-	-	97,366	97,366
Total revenues	14,717,759	18,774,583	19,891,037	1,116,454
EXPENDITURES				
Current				
Public safety	13,837,016	18,118,949	14,265,431	3,853,518
Capital outlay				
Public safety	1,219,000	1,865,065	2,618,749	(753,684)
Debt service				
Principal	467,946	467,946	426,566	41,380
Interest	89,885	93,935	97,200	(3,265)
Total expenditures	15,613,847	20,545,895	17,407,946	3,137,949
Excess (deficiency) of revenues over (under) expenditures	(896,088)	(1,771,312)	2,483,091	4,254,403
OTHER FINANCING SOURCES (USES)				
Transfers in	-	114,824	114,824	-
Issuance of debt	-	-	20,306	20,306
Proceeds from sale of capital assets	-	-	3,025	3,025
Net other financing sources (uses)	-	114,824	138,155	23,331
Net change in fund balance	$ (896,088)	$ (1,656,488)	2,621,246	$ 4,277,734
Fund balance, beginning of year			5,710,098	
Fund balance, end of year			$ 8,331,344	

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	$ 4,163,012	$ 4,421,500	$ 4,522,854	$ 101,354
Total revenues	4,163,012	4,421,500	4,522,854	101,354
EXPENDITURES				
Current				
General government	4,163,012	4,421,500	4,414,584	6,916
Total expenditures	4,163,012	4,421,500	4,414,584	6,916
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	108,270	$ 108,270
Fund balance, beginning of year			529,096	
Fund balance, end of year			$ 637,366	

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

For the year ended September 30, 2024	Total
OPERATING REVENUES	
Charges for services	$ 641,205
Total operating revenues	641,205
OPERATING EXPENSES	
Personal services	517,249
Contracted services	5,335,192
Repairs and maintenance	102,793
Utilities	62,811
Depreciation	714,582
Other operating expenses	652,101
Total operating expenses	7,384,728
Operating income (loss)	(6,743,523)
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental revenues-grants	7,267,557
Investment earnings (loss)	1,504
Interest and fiscal charges	(46,603)
Proceeds from sales of capital assets	1,264
Contributions	569,826
Total nonoperating revenues (expenses)	7,793,548
Change in net position	1,050,025
Net position, beginning of year	10,421,209
Net position, end of year	$ 11,471,234

For the year ended September 30, 2024		Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$	(325,835)
Cash paid to suppliers for goods and services		(5,300,220)
Cash paid to employees for services		(511,281)
Net cash provided by (used in) operating activities		(6,137,336)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contributions received		7,837,383
Net cash provided by (used in) noncapital financing activities		7,837,383
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest paid on long-term debt		(46,730)
Principal paid on long-term debt		(56,891)
Proceeds from sale of capital assets		1,264
Purchase of capital assets		(2,108,267)
Net cash provided by (used in) capital and related financing activities		(2,210,624)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investment securities		3,100,971
Purchase of investments		(2,594,824)
Return of investment		1,504
Interest and dividends on investments		1,660
Net cash provided by (used in) investing activities		509,311
Net change in cash and cash equivalents		(1,266)
Cash and cash equivalents - beginning		25,881
Cash and cash equivalents - ending	$	24,615
Classified as		
Current assets	$	24,561
Restricted assets		54
Total	$	24,615

Continued

For the year ended September 30, 2024

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	$	(6,743,523)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation		714,582
(Increase) decrease in assets		
Accounts receivable, net		77,599
Prepaid expenses		57,434
Due from other governments		(998,010)
Other postemployment benefits		218
Due from primary government		2,977
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities		772,703
Unearned revenue		(49,606)
Accrued compensated absences		7,406
Due to primary government		22,540
Decrease (increase) in deferred outflows: related to OPEB		(1,656)
Total adjustments		606,187
Net cash provided by (used in) operating activities	$	(6,137,336)

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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.

September 30, 2024	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
ASSETS					
Current assets					
Cash and cash equivalents	$ 15,346	$ 117,379	$ -	$ 22,498	$ 155,223
Accounts receivable, net	159,877	-	74,851	202,676	437,404
Accrued interest	1,475	18,057	-	3,196	22,728
Prepaid items	-	50,000	3,496,289	-	3,546,289
Investments	1,053,981	8,403,356	-	1,624,419	11,081,756
Due from component units	22,602	-	-	-	22,602
Due from other governments	7,739	-	-	-	7,739
Due from other funds	84,262	-	-	-	84,262
Total current assets	1,345,282	8,588,792	3,571,140	1,852,789	15,358,003
Noncurrent assets					
Capital assets					
Construction in progress	42,264	-	-	8,678	50,942
Buildings	181,542	-	-	335,157	516,699
Improvements	222,946	-	-	169,002	391,948
Furniture and equipment	655,250	38,164	39,411	574,794	1,307,619
Less: accumulated depreciation	(679,360)	(16,399)	(38,052)	(535,348)	(1,269,159)
Right-to-use subscription assets, net	60,937	-	-	60,938	121,875
Total noncurrent assets	483,579	21,765	1,359	613,221	1,119,924
Total assets	1,828,861	8,610,557	3,572,499	2,466,010	16,477,927
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to OPEB	14,552	1,621	1,023	11,880	29,076
Deferred outflows related to pension	262,636	32,112	28,119	263,067	585,934
Total deferred outflows of resources	277,188	33,733	29,142	274,947	615,010
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	244,804	14,666	275,569	86,757	621,796
Accrued interest payable	879	21	4,002	37	4,939
Compensated absences	60,608	8,122	9,825	47,958	126,513
Current portion of other postemployment benefits	3,884	466	404	3,532	8,286
Due to other funds	802,238	2,515,319	1,817,371	795,772	5,930,700
Current portion of finance purchase liability	8,211	1,235	1,249	6,877	17,572
Current portion of subscription liability	30,758	-	-	30,758	61,516
Estimated liability for self insured losses, current	-	838,810	-	-	838,810
Total current liabilities	1,151,382	3,378,639	2,108,420	971,691	7,610,132
Noncurrent liabilities					
Compensated absences	109,742	16,245	15,427	69,588	211,002
Finance purchase liability due after one year	9,292	584	762	10,597	21,235
Subscription liability due after one year	33,168	-	-	33,167	66,335
Estimated liability for self insured losses	-	636,732	-	-	636,732
Other postemployment benefits	82,968	2,075	1,082	22,205	108,330
Net pension liability	1,078,873	230,214	151,020	1,181,850	2,641,957
Total noncurrent liabilities	1,314,043	885,850	168,291	1,317,407	3,685,591
Total liabilities	2,465,425	4,264,489	2,276,711	2,289,098	11,295,723
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	251,929	8,068	44,680	31,562	336,239
Deferred inflows related to OPEB	177,934	19,397	6,338	110,403	314,072
Total deferred inflows of resources	429,863	27,465	51,018	141,965	650,311
NET POSITION					
Net investment in capital assets	402,150	19,946	(652)	531,822	953,266
Unrestricted	(1,191,389)	4,332,390	1,274,564	(221,928)	4,193,637
Total net position	$ (789,239)	$ 4,352,336	$ 1,273,912	$ 309,894	$ 5,146,903

For the year ended September 30, 2024	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
OPERATING REVENUES					
Charges for services	$ 6,487,224	$ 315,017	$ 6,780,159	$ 2,460,058	$ 16,042,458
Miscellaneous	1,163	97	-	4,768	6,028
Total operating revenues	6,488,387	315,114	6,780,159	2,464,826	16,048,486
OPERATING EXPENSES					
Personal services	1,896,048	608,192	241,366	1,793,150	4,538,756
Contracted services	36,752	40,513	9,311	379,302	465,878
Repairs and maintenance	1,461,434	-	1,351	5,748	1,468,533
Utilities	404,415	-	-	17,380	421,795
Depreciation and amortization	118,737	8,081	1,143	91,416	219,377
Materials	2,379,223	-	-	-	2,379,223
Insurance claims	-	705,850	-	-	705,850
Other operating expenses	428,881	36,187	6,467,532	240,384	7,172,984
Total operating expenses	6,725,490	1,398,823	6,720,703	2,527,380	17,372,396
Operating income (loss)	(237,103)	(1,083,709)	59,456	(62,554)	(1,323,910)
NONOPERATING REVENUES (EXPENSES)					
Interest and fiscal charges	(14,257)	(295)	-	(5,170)	(19,722)
Insurance proceeds	-	688,282	12,410	-	700,692
Gain (loss) on disposal of capital assets	2,185	-	-	-	2,185
Investment earnings (loss)	22,513	395,722	(71,864)	69,499	415,870
Total nonoperating revenues (expenses)	10,441	1,083,709	(59,454)	64,329	1,099,025
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(226,662)	-	2	1,775	(224,885)
Change in net position	(226,662)	-	2	1,775	(224,885)
Net position (deficit), beginning of year	(562,577)	1,457,339	1,273,910	308,119	2,476,791
Restatement and/or prior period adjustment	-	2,894,997	-	-	2,894,997
Total net position (deficit) - beginning (as restated)	(562,577)	4,352,336	1,273,910	308,119	5,371,788
Net position, end of year	$ (789,239)	$ 4,352,336	$ 1,273,912	$ 309,894	$ 5,146,903

For the year ended September 30, 2024	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and others	$ 6,476,472	$ 315,889	$ 6,706,319	$ 2,280,672	$ 15,779,352
Cash received from miscellaneous operating activities	1,163	97	-	4,768	6,028
Cash paid to suppliers for goods and services	(4,353,570)	384,511	(6,416,778)	(251,139)	(10,636,976)
Cash paid to employees for services	(1,884,052)	(607,438)	(231,742)	(1,793,420)	(4,516,652)
Net cash provided by (used in) operating activities	240,013	93,059	57,799	240,881	631,752
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	2,185	-	-	-	2,185
Principal paid on long-term debt	(8,864)	(1,278)	(1,182)	(9,902)	(21,226)
Principal paid on subscription liabilities	(28,494)	-	-	(28,493)	(56,987)
Interest paid on long-term debt and subscription liabilities	(14,070)	(281)	-	(5,144)	(19,495)
Aquisition of capital assets	(84,305)	-	-	(226,990)	(311,295)
Proceeds from long-term debt		-	-		-
Proceeds from insurance	-	688,282	12,410	-	700,692
Net cash provided by (used in) capital and related financing activities	(133,548)	686,723	11,228	(270,529)	293,874
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale and maturities of investment securities	1,139,824	8,897,115	1,322	2,026,352	12,064,613
Purchase of investments	(1,262,720)	(9,980,082)	-	(2,049,487)	(13,292,289)
Interest and dividends on investments	20,529	334,401	(70,349)	57,266	341,847
Net cash provided by (used in) investing activities	(102,367)	(748,566)	(69,027)	34,131	(885,829)
Net increase (decrease) in cash and cash equivalents	4,098	31,216	-	4,483	39,797
Cash and cash equivalents - beginning	11,248	86,163	-	18,015	115,426
Cash and cash equivalents - ending	$ 15,346	$ 117,379	$ -	$ 22,498	$ 155,223
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Assets acquired via lease	$ 10,819	$ -	$ 923	$ 10,978	$ 22,720
Subscription-based information asset and related liability transferred	$ 40,096	$ -	$ -	$ (176,651)	$ (136,555)

Continued

For the year ended September 30, 2024	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income	$ (237,103)	$ (1,083,709)	$ 59,456	$ (62,554)	$ (1,323,910)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation and amortization	118,737	8,081	1,143	91,416	219,377
(Increase) decrease in assets					
Accounts receivable, net	(13,523)	-	(74,851)	(189,743)	(278,117)
Prepaid expenses	3,021	1,142	108,251	11,759	124,173
Due from other funds	30,194	872	1,011	10,357	42,434
Due from other governments	(4,883)	-	-	-	(4,883)
Due from component unit	(22,540)	-	-	-	(22,540)
Increase (decrease) in liabilities					
Accounts payable and accrued liabilities	(87,335)	(974)	(40,703)	5,653	(123,359)
Deferred revenue	-	-	-	-	-
Accrued compensated absences	16,207	640	9,227	2,848	28,922
Due to other funds	441,449	913,262	(6,132)	374,263	1,722,842
Other postemployment benefits	5,508	660	574	5,009	11,751
Net pension liability	(1,402)	(232)	(233)	(1,350)	(3,217)
Estimated liability for self insured losses	-	253,631	-	-	253,631
Decrease (increase) in deferred outflows:					
related to net pension	(58,273)	(9,649)	(9,677)	(56,085)	(133,684)
related to OPEB	(5,563)	(667)	(579)	(5,059)	(11,868)
Decrease (increase) in deferred inflows					
related to OPEB	(17,657)	(2,117)	(1,839)	(16,058)	(37,671)
related to net pension	73,176	12,119	12,151	70,425	167,871
Total adjustments	477,116	1,176,768	(1,657)	303,435	1,955,662
Net cash provided by (used in) operating activities	$ 240,013	$ 93,059	$ 57,799	$ 240,881	$ 631,752

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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.

September 30, 2024	Custodial Funds Fines and Forfeitures	Jury and Witness	Tax Deed	Support	Court Registry	Cash Bond	Restitution
ASSETS							
Cash and cash equivalents	$ 5,008,942	$ 35,158	$ 1,121,722	$ 27,799	$ 3,831,018	$ 1,728,488	$ 193,217
Accounts receivable, net	-	-	-	-	-	-	56
Property and equipment, net	-	-	-	-	-	-	-
Total assets	$ 5,008,942	$ 35,158	$ 1,121,722	$ 27,799	$ 3,831,018	$ 1,728,488	$ 193,273
LIABILITIES							
Deposits	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to others	28,557	-	-	-	-	-	35,428
Due to other governments	1,761,549	36	7,326	27,799	46,437	66,700	157,845
Total liabilities	$ 1,790,106	$ 36	$ 7,326	$ 27,799	$ 46,437	$ 66,700	$ 193,273
NET POSITION							
Restricted for							
Held for others	$ 3,218,836	$ 35,122	$ 1,114,396	$ -	$ 3,784,581	$ 1,661,788	$ -
Total net position	$ 3,218,836	$ 35,122	$ 1,114,396	$ -	$ 3,784,581	$ 1,661,788	$ -

Custodial Funds							
Property Tax	Tag	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene	Total
$ 3,400,318	$ 513,657	$ 8,342	$ 242,993	$ 70,298	$ 13,412	$ 149,425	$ 16,344,789
-	-	-	-	-	-	-	56
-	-	-	-	-	15,874	-	15,874
$ 3,400,318	$ 513,657	$ 8,342	$ 242,993	$ 70,298	$ 29,286	$ 149,425	$ 16,360,719
$ 3,032,673	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,032,673
303,389	513,657	-	-	-	-	-	881,031
64,256	-	-	-	70,298	13,412	-	2,215,658
$ 3,400,318	$ 513,657	$ -	$ -	$ 70,298	$ 13,412	$ -	$ 6,129,362
$ -	$ -	$ 8,342	$ 242,993	$ -	$ 15,874	$ 149,425	$ 10,231,357
$ -	$ -	$ 8,342	$ 242,993	$ -	$ 15,874	$ 149,425	$ 10,231,357

For the year ended September 30, 2024	Custodial Funds: Fines and Forfeitures	Jury and Witness	Tax Deed	Support	Court Registry	Cash Bond
Additions						
Funds held for others	$ 52,470,759	$ -	$ 3,474,084	$ 1,337,952	$ 17,802,544	$ 1,515,927
Court costs	-	26,813	-	-	-	-
Property taxes collected for other governments	-	-	-	-	-	-
Seizures	-	-	-	-	-	-
Bonds, purges, and levies	-	-	-	-	-	-
Total additions	52,470,759	26,813	3,474,084	1,337,952	17,802,544	1,515,927
Deductions						
Funds held for others	51,855,504	-	3,043,627	1,337,952	16,081,651	1,638,503
Court costs	-	22,591	-	-	-	-
Property taxes distributed to other governments	-	-	-	-	-	-
Seizures	-	-	-	-	-	-
Bonds, purges, and levies	-	-	-	-	-	-
Total deductions	51,855,504	22,591	3,043,627	1,337,952	16,081,651	1,638,503
Net increase (decrease) in fiduciary net position	615,255	4,222	430,457	-	1,720,893	(122,576)
Net position - beginning of year, as originally reported	2,603,581	30,900	683,939	-	2,063,688	1,784,364
Prior period adjustment	-	-	-	-	-	-
Restatement	-	-	-	-	-	-
Net position, beginning of year	2,603,581	30,900	683,939	-	2,063,688	1,784,364
Net position, end of year	$ 3,218,836	$ 35,122	$ 1,114,396	$ -	$ 3,784,581	$ 1,661,788

Custodial Funds								
Restitution	Property Tax	Tag	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene	Total
$ 780,722	$ -	$ 29,710,558	$ -	$ -	$ 237,913	$ 32,874	$ -	$ 107,363,333
-	-	-	-	-	-	-	-	26,813
-	395,614,325	-	-	-	-	-	-	395,614,325
-	-	-	-	187,447	-	-	198	187,645
-	-	-	77,274	-	-	-	-	77,274
780,722	395,614,325	29,710,558	77,274	187,447	237,913	32,874	198	503,269,390
780,722	-	29,710,558	-	-	237,913	17,000	-	104,703,430
-	-	-	-	-	-	-	-	22,591
-	395,614,325	-	-	-	-	-	-	395,614,325
-	-	-	-	198,717	-	-	84,105	282,822
-	-	-	68,932	-	-	-	-	68,932
780,722	395,614,325	29,710,558	68,932	198,717	237,913	17,000	84,105	500,692,100
-	-	-	8,342	(11,270)	-	15,874	(83,907)	2,577,290
-	-	-	-	254,263	-	-	233,332	7,654,067
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	254,263	-	-	233,332	7,654,067
$ -	$ -	$ -	$ 8,342	$ 242,993	$ -	$ 15,874	$ 149,425	$ 10,231,357

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 *These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.*	C-2
REVENUE CAPACITY *These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.*	C-12
DEBT CAPACITY *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.*	C-18
DEMOGRAPHIC AND ECONOMIC INFORMATION *These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.*	C-27
OPERATING INFORMATION *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.*	C-30

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

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Governmental activities				
Net investment in capital assets	$ 170,031,683	$ 174,625,157	$ 185,942,825	$ 197,386,933
Restricted	64,930,455	62,482,780	52,028,548	89,936,688
Unrestricted	(48,500,836)	(39,893,820)	(37,426,236)	(69,050,293)
Total governmental activities net position	**$ 186,461,302**	**$ 197,214,117**	**$ 200,545,137**	**$ 218,273,328**
Business-type activities				
Net investment in capital assets	$ 85,630,990	$ 77,098,606	$ 76,389,185	$ 76,550,659
Restricted	14,775,326	16,126,502	14,690,995	16,031,428
Unrestricted	25,641,282	28,101,073	30,278,469	27,227,589
Total business-type activities net position	**$ 126,047,598**	**$ 121,326,181**	**$ 121,358,649**	**$ 119,809,676**
Primary Government				
Net investment in capital assets	$ 255,662,673	$ 251,723,763	$ 262,332,010	$ 273,937,592
Restricted	79,705,781	78,609,282	66,719,543	105,968,116
Unrestricted	(22,859,554)	(11,792,747)	(7,147,767)	(41,822,704)
Total primary government net position	**$ 312,508,900**	**$ 318,540,298**	**$ 321,903,786**	**$ 338,083,004**

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

Schedule 1

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 193,766,314	$ 236,648,268	$ 120,938,759	$ 108,094,420	$ 153,393,159	$ 252,492,044
75,496,876	77,167,310	174,469,887	199,054,853	217,312,873	198,456,020
(63,690,229)	(56,254,053)	(26,191,204)	(19,082,548)	(30,044,513)	(35,488,486)
$ 205,572,961	**$ 257,561,525**	**$ 269,217,442**	**$ 288,066,725**	**$ 340,661,519**	**$ 415,459,578**
$ 70,196,300	$ 94,423,482	$ 85,408,521	$ 52,582,324	$ 56,875,136	$ 67,845,021
18,132,682	19,762,480	23,506,603	25,306,873	25,088,798	33,551,572
22,925,271	23,097,094	42,687,082	45,069,252	52,989,735	47,352,958
$ 111,254,253	**$ 137,283,056**	**$ 151,602,206**	**$ 122,958,449**	**$ 134,953,669**	**$ 148,749,551**
$ 263,962,614	$ 331,071,750	$ 206,347,280	$ 160,676,744	$ 210,268,295	$ 320,337,065
93,629,558	96,929,790	197,976,490	224,361,726	242,401,671	232,007,592
(40,764,958)	(33,156,959)	16,495,878	25,986,704	22,945,222	11,864,472
$ 316,827,214	**$ 394,844,581**	**$ 420,819,648**	**$ 411,025,174**	**$ 475,615,188**	**$ 564,209,129**

	Fiscal Year 2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	$ 39,149,936	$ 47,032,293	$ 52,467,733	$ 48,503,172
Public safety	40,034,847	41,041,309	43,679,953	48,589,600
Physical environment	859,398	734,092	894,857	1,321,473
Transportation	28,918,058	25,079,518	34,898,777	37,826,331
Economic environment	31,517,039	25,070,779	22,692,937	25,346,097
Human services	5,774,723	6,280,176	6,506,744	6,795,314
Culture/recreation	5,944,644	6,428,430	8,242,201	7,721,631
Interest on long-term debt	3,315,923	3,096,600	3,001,553	3,883,725
Total governmental activities expenses	155,514,568	154,763,197	172,384,755	179,987,343
Business-type activities:				
Wholesale water system	12,258,486	18,861,132	15,169,886	17,679,973
Retail water and wastewater	10,572,655	11,834,678	11,965,300	12,362,477
Industrial wastewater	-	-	-	-
Solid waste fund	21,281,558	18,820,367	17,118,847	18,611,836
Building services	1,388,854	1,418,602	1,729,303	1,721,266
Emergency medical services	6,605,406	7,534,405	8,341,115	7,503,778
Total business-type activities expenses	52,106,959	58,469,184	54,324,451	57,879,330
Total primary government expenses	**$ 207,621,527**	**$ 213,232,381**	**$ 226,709,206**	**$ 237,866,673**
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 14,937,260	$ 15,185,508	$ 15,874,222	$ 16,862,500
Public safety	1,118,265	1,105,411	1,131,986	1,111,888
Physical environment	204,132	52,747	54,853	53,480
Transportation	2,769,342	3,961,322	3,838,239	4,416,377
Economic Environment	-	-	-	-
Human services	670	740	34,055	885
Culture and recreation	644,267	681,635	732,517	790,868
Operating grants and contributions	7,955,071	7,067,621	8,241,334	6,549,827
Capital grants and contributions	10,653,053	12,615,670	6,904,530	18,508,077
Total governmental activities program revenue	38,282,060	40,670,654	36,811,736	48,293,902
Business-type activities:				
Charges for services:				
Water system revenue	16,456,994	16,541,878	16,175,074	16,368,156
Retail water and wastewater	10,521,926	11,439,766	12,516,809	12,325,470
Industrial wastewater	-	-	-	-
Solid waste fund	11,127,783	12,329,777	13,305,785	13,748,203
Building services	1,009,679	996,913	1,122,403	1,577,734
Emergency medical services	6,869,420	6,545,020	6,585,072	6,391,539
Operating grants and contributions	4,052,543	476,979	150,000	203,482
Capital grants and contributions	1,004,435	1,204,633	2,351,683	1,761,121
Total business-type activities program revenue	51,042,780	49,534,966	52,206,826	52,375,705
Total primary government program revenues	**$ 89,324,840**	**$ 90,205,620**	**$ 89,018,562**	**$ 100,669,607**

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

Schedule 2

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 78,986,762	$ 61,187,391	$ 60,318,488	$ 64,293,176	$ 68,467,815	$ 70,839,478
60,835,929	64,341,274	63,386,157	77,704,743	97,335,805	88,928,634
55,390,912	2,866,863	7,337,452	1,941,335	2,179,996	2,347,871
39,136,958	54,852,605	45,958,641	48,600,739	44,868,091	53,868,892
30,229,959	25,407,109	35,212,367	38,180,350	56,338,868	64,727,446
10,701,839	9,550,736	9,999,680	17,061,983	19,912,173	23,810,998
8,029,123	16,520,956	7,540,895	7,654,642	9,631,733	10,136,629
5,169,215	5,341,928	4,192,989	3,627,191	4,041,923	5,237,357
288,480,697	240,068,862	233,946,669	259,064,159	302,776,404	319,897,305
17,259,688	14,902,015	16,575,079	17,909,903	17,511,086	18,876,478
12,398,623	12,586,365	13,035,165	13,228,101	14,554,797	15,779,254
-	-	-	-	-	-
161,271,639	33,209,638	15,111,930	10,187,092	20,698,301	17,752,277
2,542,238	2,145,009	2,388,445	2,660,784	4,839,862	4,157,945
8,985,778	9,783,291	-	-	-	-
202,457,966	72,626,318	47,110,619	43,985,880	57,604,046	56,565,954
$ 490,938,663	**$ 312,695,180**	**$ 281,057,288**	**$ 303,050,039**	**$ 360,380,450**	**$ 376,463,259**
$ 17,658,780	$ 17,526,143	$ 24,064,424	$ 22,981,708	$ 26,993,774	$ 29,190,409
2,385,314	3,009,865	3,942,395	8,523,926	4,518,082	4,750,898
51,765	53,466	54,060	50,388	55,802	48,686
3,718,393	6,544,563	4,329,649	5,548,401	5,610,467	8,444,586
174,509	1,344,272	2,055,762	2,436,247	2,637,326	2,945,368
780	700	1,050	10,360,620	16,823,078	12,988,334
748,323	967,009	563,441	-	-	-
64,469,343	80,462,659	34,183,855	33,301,062	64,700,814	39,925,921
14,473,955	15,347,227	3,801,596	5,486,406	18,188,351	26,900,473
103,681,162	125,255,904	72,996,232.00	88,688,758.00	139,527,694.00	125,194,675.00
16,590,875	16,908,666	16,838,892	17,659,999	18,904,013	19,801,897
11,851,146	12,958,573	13,561,300	13,600,686	15,199,583	17,268,710
-	-	-	-	-	-
26,744,257	14,975,174	11,376,795	9,187,266	9,184,905	9,661,118
3,392,383	3,600,931	3,938,803	3,609,995	2,673,477	2,305,435
4,830,323	3,940,583	-	-	-	-
126,015,464	33,034,028	341,186	25,927	674,036	2,374,238
2,372,524	2,845,817	4,444,947	4,475,020	4,696,935	4,536,776
191,796,972	88,263,772	50,501,923	48,558,893	51,332,949	55,948,174
$ 295,478,134	**$ 213,519,676**	**$ 123,498,155**	**$ 137,247,651**	**$ 190,860,643**	**$ 181,142,849**

(Continued)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Net (Expense) Revenue				
Governmental activities	$ (117,232,508)	$ (114,092,543)	$ (135,573,019)	$ (131,693,441)
Business-type activities	(1,064,179)	(8,934,218)	(2,117,625)	(5,503,625)
Total primary government net expenses	(118,296,687)	(123,026,761)	(137,690,644)	(137,197,066)
General Revenue and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	72,337,961	74,587,688	77,143,203	76,315,124
Sales taxes	41,461,764	42,572,741	54,634,864	60,723,275
State shared revenues	3,916,783	4,034,294	4,234,003	4,446,400
Investment earnings	843,450	716,243	907,602	1,708,726
Miscellaneous	2,157,506	2,934,392	1,984,367	2,185,037
Transfers	27,680	-	-	(2,143,650)
Total governmental activities	120,745,144	124,845,358	138,904,039	143,234,912
Business-type activities:				
Sales tax	2,500	2,000	1,700	1,700
State shared revenues	-	-	-	-
Investment earnings	1,556,455	1,416,516	-	1,668,127
Miscellaneous	5,415,800	3,327,188	1,687,573	697,981
Transfers	(27,680)	-	460,820	2,143,650
Total business-type activities	6,947,075	4,745,704	2,150,093	4,511,458
Total primary government	**$ 127,692,219**	**$ 129,591,062**	**$ 141,054,132**	**$ 147,746,370**
Change in Net Position, before extraordinary item				
Governmental activities	$ 3,512,636	$ 10,752,815	$ 3,331,020	$ 11,541,471
Business-type activities	5,882,896	(4,188,514)	32,468	(992,167)
Total primary government, before extraordinary item	**$ 9,395,532**	**$ 6,564,301**	**$ 3,363,488**	**$ 10,549,304**
Extraordinary item				
Governemntal activities	$ -	$ -	$ -	$ -
Business-type activities	-	-	-	-
Total extraordinary item	**$ -**	**$ -**	**$ -**	**$ -**
Change in Net Position, after extraordinary item				
Governmental activities	3,512,636	10,752,815	3,331,020	11,541,471
Business-type activities	5,882,896	(4,188,514)	32,468	(992,167)
Total primary government, after extraordinary item	**$ 9,395,532**	**$ 6,564,301**	**$ 3,363,488**	**$ 10,549,304**

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

Schedule 2
(Continued)

Fiscal Year

2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ (184,799,535)	$ (114,812,958)	$ (160,950,437)	$ (170,375,401)	$ (163,248,710)	$ (194,702,630)
(10,660,994)	15,637,454	3,391,304	4,573,013	(6,271,097)	(617,780)
(195,460,529)	(99,175,504)	(157,559,133)	(165,802,388)	(169,519,807)	(195,320,410)
83,829,900	78,486,505	85,706,636	95,141,991	110,406,779	155,548,804
66,131,285	59,458,898	84,964,163	89,556,226	89,746,332	90,292,399
4,650,451	4,347,686	5,118,893	6,575,457	7,050,330	6,685,031
3,894,275	3,380,139	520,522	(2,614,316)	13,256,949	17,782,231
24,196,176	25,280,329	6,197,675	3,302,763	3,782,730	3,537,484
(2,689,977)	(4,152,035)	(6,070,901)	(3,040,888)	(13,566,692)	(7,315,835)
180,012,110	166,801,522	176,436,988	188,921,233	210,676,428	266,530,114
1,200	1,503	1,100	2,700	1,700	1,400
-	-	-	-	-	-
4,299,425	2,647,998	468,836	16,207	3,885,256	6,329,336
954,242	3,589,813	528,790	554,468	812,669	767,091
2,689,977	4,152,035	6,070,901	3,040,888	13,566,692	7,315,835
7,944,844	10,391,349	7,069,627	3,614,263	18,266,317	14,413,662
$ 187,956,954	**$ 177,192,871**	**$ 183,506,615**	**$ 192,535,496**	**$ 228,942,745**	**$ 280,943,776**
$ (4,787,425)	$ 51,988,564	$ 15,486,551	$ 18,574,767	$ 47,427,718	$ 71,827,484
(2,716,150)	26,028,803	10,460,931	8,187,276	11,995,220	13,795,882
$ (7,503,575)	**$ 78,017,367**	**$ 25,947,482**	**$ 26,762,043**	**$ 59,422,938**	**$ 85,623,366**
$ (11,537,225)	$ -	$ -	$ -	$ -	$ -
(5,839,273)	-	-	(36,831,033)	-	-
$ (17,376,498)	**$ -**	**$ -**	**$ (36,831,033)**	**$ -**	**$ -**
(16,324,650)	51,988,564	15,486,551	18,574,767	47,427,718	$ 71,827,484
(8,555,423)	26,028,803	10,460,931	(28,643,757)	11,995,220	13,795,882
$ (24,880,073)	**$ 78,017,367**	**$ 25,947,482**	**$ (10,068,990)**	**$ 59,422,938**	**$ 85,623,366**

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
General Fund				
Nonspendable	$ 225,262	$ 1,611,560	$ 1,451,579	$ 1,311,571
Restricted	21,698,079	11,788,083	11,861,948	11,414,198
Assigned	3,890,036	3,586,221	3,383,981	2,030,176
Unassigned	10,538,830	13,084,012	13,969,729	11,823,770
Total general fund	**$ 36,352,207**	**$ 30,069,876**	**$ 30,667,237**	**$ 26,579,715**
All Other Governmental Funds				
Nonspendable	$ 112,387	$ 712,143	$ 860,173	$ 616,207
Restricted	43,259,246	50,694,697	40,166,602	78,522,490
Assigned	6,893,278	8,435,005	17,303,832	20,029,225
Unassigned	(20,587)	(581,660)	-	-
Total all other governmental funds	**$ 50,244,324**	**$ 59,260,185**	**$ 58,330,607**	**$ 99,167,922**

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

Schedule 3

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 1,249,322	$ 194,560	$ 383,806	$ 2,468,393	$ 2,702,500	$ 1,526,896
15,003,479	12,612,735	8,482,195	21,237,450	13,275,843	20,047,040
5,472,669	2,233,168	8,848,122	9,398,381	11,892,265	17,951,069
8,252,362	22,681,796	46,840,719	40,834,470	49,094,544	53,855,021
$ 29,977,832	**$ 37,722,259**	**$ 64,554,842**	**$ 73,938,694**	**$ 76,965,152**	**$ 93,380,026**
$ 722,876	$ 1,169,214	$ 609,230	$ 22,086,064	$ 18,605,913	$ 905,177
70,033,326	73,375,273	187,963,286	193,596,462	209,149,952	188,092,543
44,260,717	72,824,177	32,141,013	11,410,382	10,439,264	13,446,213
-	-	-	-	-	-
$ 115,016,919	**$ 147,368,664**	**$ 220,713,529**	**$ 227,092,908**	**$ 238,195,129**	**$ 202,443,933**

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	$ 98,305,773	$ 100,785,637	$ 115,035,942	$ 120,024,081
Licenses and permits	2,130	460	1,095	2,815
Intergovernmental revenue	38,527,525	37,529,977	36,791,038	46,171,944
Charges for services	19,219,347	19,562,691	20,742,328	21,586,101
Fines and forfeitures	170,018	331,800	225,728	313,645
Special assessments	281,876	52,747	54,853	55,182
Investment earnings	830,159	747,971	926,264	1,670,988
Contributions and donations	443,476	1,407,714	567,619	1,687,661
Miscellaneous	900,547	1,364,082	607,936	909,244
Total revenues	158,680,851	161,783,079	174,952,803	192,421,661
Expenditures				
General government	20,932,005	21,162,373	22,295,589	23,258,808
Public safety	59,748,975	61,838,320	63,049,920	65,883,500
Physical environment	466,235	375,620	523,899	813,413
Transportation	14,006,805	12,949,706	24,007,106	25,649,626
Economic environment	33,353,190	24,411,239	22,020,464	24,377,905
Human services	5,639,354	6,151,154	6,427,087	6,728,281
Culture and recreation	4,532,509	4,957,231	5,740,804	5,897,373
Capital Outlay	15,395,555	21,074,039	27,821,652	33,364,368
Debt service				
Principal retirement	2,762,184	4,178,784	3,504,228	3,745,186
Interest and fiscal charges	2,967,116	3,190,413	2,706,371	2,847,826
Bond issuance costs	-	-	-	193,200
Total expenditures	159,803,928	160,288,879	178,097,120	192,759,486
Excess of revenues over (under) expenditures	(1,123,077)	1,494,200	(3,144,317)	(337,825)
Other Financing Sources (Uses)				
Operating transfers in	3,770,224	3,253,337	13,927,938	9,653,749
Operating transfers out	(3,742,544)	(3,253,337)	(13,961,758)	(11,797,399)
Debt issuance	41,254,325	791,395	969,986	51,840,840
Premium on bonds issued	-	-	-	-
Reversion to State of Florida	-	-	-	-
Payment to refunded bond escrow agent	(40,125,166)	-	-	(12,416,559)
Proceeds from sale of capital assets	119,972	447,935	1,875,934	4,097
Total other financing sources (uses)	1,276,811	1,239,330	2,812,100	37,284,728
Net change in fund balance	**$ 153,734**	**$ 2,733,530**	**$ (332,217)**	**$ 36,946,903**
Debt service as a percentage of noncapital expenditures	3.97%	5.29%	4.13%	4.14%

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

Schedule 4

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 130,750,695	$ 120,088,645	$ 148,505,828	$ 160,768,688	$ 176,035,506	$ 222,047,982
2,770	2,555	4,509	4,468	6,535	12,805
87,368,951	117,601,549	63,089,558	68,867,428	103,451,631	93,572,672
22,551,494	24,385,992	31,569,799	33,635,093	36,563,846	38,505,328
279,904	315,735	626,258	652,846	1,471,547	1,620,468
51,765	53,466	54,060	10,259,673	16,726,499	12,886,121
3,739,452	3,239,224	417,574	(2,545,028)	12,921,570	17,366,128
11,548,389	1,060,865	1,366,222	7,543,441	10,445,021	3,302,078
5,791,674	7,226,898	6,398,218	5,547,830	4,746,336	4,909,090
262,085,094	273,974,929	252,032,026	284,734,439	362,368,491	394,222,672
46,193,805	38,332,102	33,518,621	35,041,079	33,054,934	36,043,538
78,295,705	80,538,734	87,094,376	88,977,682	101,461,763	108,481,352
54,532,108	2,624,906	6,821,055	1,357,424	1,788,253	1,731,142
26,832,825	39,257,688	39,305,491	40,437,074	35,513,540	42,118,444
29,224,121	24,667,792	33,969,821	35,962,596	52,958,799	63,006,279
10,605,163	9,450,103	9,904,220	17,065,777	20,093,956	23,716,907
6,049,738	7,813,714	6,108,051	7,457,642	7,572,188	8,063,505
55,975,171	39,916,217	28,745,233	38,804,955	81,845,622	60,241,254
9,812,355	57,941,060	59,609,306	11,876,314	11,934,639	65,863,220
4,916,810	5,464,380	4,023,799	3,871,823	3,941,884	5,393,808
127,288	214,888	184,030	225,755	102,281	96,046
322,565,089	306,221,584	309,284,003	281,078,121	350,267,859	414,755,495
(60,479,995)	(32,246,655)	(57,251,977)	3,656,318	12,100,632	(20,532,823)
11,243,950	14,521,295	596,016,501	18,576,646	17,828,104	30,573,340
(13,016,907)	(15,784,957)	(506,507,917)	(18,578,595)	(19,828,104)	(32,573,340)
81,601,475	107,026,883	76,800,894	121,092,232	52,710,598	52,900,176
-	-	-	-	-	-
-	-	-	-	-	-
-	(33,533,489)	(11,320,087)	(109,391,218)	(48,874,337)	(49,943,109)
108,407	113,095	108,509	274,041	191,786	239,434
79,936,925	72,342,827	155,097,900	11,973,106	2,028,047	1,196,501
$ 19,456,930	**$ 40,096,172**	**$ 97,845,923**	**$ 15,629,424**	**$ 14,128,679**	**$ (19,336,322)**
5.53%	23.81%	22.68%	6.50%	5.91%	20.10%

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

Schedule 5

Fiscal Year	Residential Property	Commercial Property	Personal Property	Industrial Property	Agricultural Property	Centrally Assessed Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
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%
2024	$ 26,304,005	$ 3,878,810	$ 2,822,612	$ 755,325	$ 78,805	$ 34,804	$ 4,566,717	$ (8,849,301)	$ 29,591,776	7.0162	$ 43,704,264	67.71%

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
County Direct Rates:										
General	4.6500	4.6500	4.4362	4.4362	4.4362	4.4362	4.4362	4.4362	5.4362	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	1.3800	1.3800	1.3800	1.3800	1.3800	1.3800	1.3800	1.3800	1.3800	1.3800
Total Direct Rate	**6.2300**	**6.2300**	**6.0162**	**6.0162**	**6.0162**	**6.0162**	**6.0162**	**6.0162**	**7.0162**	**7.0162**
Municipalities:										
City of Panama City	3.9740	3.9740	3.9740	4.3500	5.5469	4.9999	4.8999	4.7999	4.7999	4.7999
Panama City Downtown Improvement Board	3.0000	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	4.3000	4.1000	4.1000	4.0000	4.0500
City of Mexico Beach	4.9270	5.1840	5.3510	5.3270	8.0000	8.0000	7.0000	6.5000	5.9999	5.7500
City of Callaway	2.2500	2.2500	2.2500	1.9900	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500
City of Parker *	--	--	--	--	--	--	--	--	3.0000	3.0000
City of Springfield	3.4650	3.4650	3.4650	3.4650	3.4650	3.4650	3.4650	4.4650	4.8650	4.8650
School Districts	6.9070	6.4750	6.3410	6.1220	5.9476	5.9860	5.8470	5.5040	5.4980	5.3110
Northwest Florida Water Management District	0.0378	0.0366	0.0353	0.0338	0.0327	0.0311	0.0294	0.0261	0.0234	0.0218
Special District:										
Beach Mosquito Control	0.2230	0.2955	0.4100	0.5450	0.5240	0.3500	0.3000	0.2200	0.1800	0.1400

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

Source: *Bay County Tax Collector*

Schedule 7

	Fiscal Year 2024			Fiscal Year 2015		
	Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power & Light (formerly Gulf Power)	$ 795,443,788	1	2.69%	$ 534,823,740	1	3.65%
St. Joe Land & Development	302,996,996	2	1.02%	118,507,459	2	0.81%
Cardone Ashley-Retreat 360, LLC	140,973,081	3	0.48%	-	-	-
DR Horton-FR-Sunset-DHIR-Bridge Harbor	131,901,043	4	0.45%	-	-	-
Arbor Trace-Eagles Landing-Mill Bayou	120,735,135	5	0.41%	-	-	-
Hilton-DaysInn-Paradise PCB @ Affiliates	100,468,002	6	0.34%	-	-	-
HCA-Bay Hospital	98,017,281	7	0.33%	102,483,129	3	0.70%
West Rock CP, LLC (formerly RockTenn)	95,934,201	8	0.32%	71,440,257	6	0.49%
Palmetto Hospitality	85,188,906	9	0.29%	-	-	-
Pier Park, LLC	77,067,091	10	0.26%	94,906,411	4	0.65%
Gulfview Holdings	-	-	-	74,023,305	5	0.51%
Oceaneering International Inc	-	-	-	57,720,643	7	0.39%
Berg Steel Pipe Corp.	-	-	-	49,899,407	8	0.34%
Wyndham Vacation Resorts, Inc.	-	-	-	46,608,409	9	0.32%
Arizona Chemical Company	-	-	-	46,072,631	10	0.31%
Total	**$ 1,948,725,524**		**6.59%**	**$ 1,196,485,391**		**8.17%**

Total Taxable Assessed Value 2024	29,591,776,137
Total Taxable Assessed Value 2015	14,637,979,228

Source: *Bay County Property Appraiser*

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

Schedule 8

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Original Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Original Levy
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%
2024	$ 160,860,612	$ 254,348	$ 161,114,961	$ 155,397,373	97%	$ 154,099	$ 155,551,472	97%

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

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.

Fiscal Year Ending	**Total Distributions To Cities and Counties**	**Percentage Change**	**Total Distributions Bay County**	**Percentage Change**
2015	$ 1,790,139,397	26.63%	$ 11,670,772	28.79%
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%
2024	$ 2,885,545,810	-1.16%	$ 20,175,983	-0.64%

Source: *Florida Department of Revenue*

Note: This data is based on a State Fiscal Year (July 1 - June 30).

Distribution of Half-Cent
Sales Tax in Bay County, Florida
Last Ten Fiscal Years
(Unaudited)

Schedule 10

Fiscal Year 2015 - 2024 distribution of Sales Tax Revenues is represented in the following chart.

Fiscal Year Ending	Distributions To The County	Percentage Of County to Total	Distributions To The Cities	Percentage Of Cities to Total
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%
2024	$ 20,175,983	60%	$ 13,728,246	40%

Source: *Florida Department of Revenue*

Note: This data is based on a State Fiscal Year (July 1 - June 30).

	Fiscal Year			
	2015	2016	2017	2018
Governmental Activities				
Revenue bonds	$ 48,849,178	$ 45,864,991	$ 43,625,804	$ 39,877,000
Leases	765,740	983,547	1,066,501	1,209,207
Financed purchases	-	-	-	-
Notes payable	40,715,000	40,099,000	39,726,000	79,095,000
Subscription payable (**)	-	-	-	-
Total Governmental Activities	90,329,918	86,947,538	84,418,305	120,181,207
Business-type Activities				
Revenue bonds	$ 85,461,023	$ 83,298,094	$ 77,083,388	$ 72,146,636
Leases	29,812	26,772	14,962	1,412,235
Financed purchases	-	-	-	-
Notes payable	29,485,087	27,075,284	24,584,285	22,011,712
Subscription payable (**)	-	-	-	-
Total Business-type Activities	114,975,922	110,400,150	101,682,635	95,570,583
Total Primary Government	**$ 205,305,840**	**$ 197,347,688**	**$ 186,100,940**	**$ 215,751,790**
Debt as a Percentage of Personal Income	2.8%	2.6%	2.4%	2.7%
Amount of Debt per Capita	$ 1,184	$ 1,128	$ 1,073	$ 1,041

*Information not available

Note: Details regarding the County's debt can be found in Notes 12 and 13 of the financial statements.
See Schedule 16 for personal income and population data.
Revenue bonds are reported with unamortized premiums and/or discounts.

**The Governmental Accounting Standards Board issued GASB Statement number 96 related to subscription based-IT contracts with an implementation date of October 1, 2022 (FY23) for Bay County.

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

Schedule11

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 64,927,344	$ 48,507,314	$ 84,570,954	$ 72,167,337	$ 21,801,000	$ 20,261,000
1,114,348	1,334,091	2,437,055	1,656,580	1,335,953	1,728,798
-	-	-	566,391	2,648,660	2,136,645
127,745,191	158,787,416	188,875,218	202,488,296	243,120,661	182,029,699
-	-	-	-	1,336,416	1,191,776
193,786,883	208,628,821	275,883,227	276,878,604	270,242,690	207,347,918
$ 170,932,654	$ 96,462,820	$ 76,726,382	$ 70,325,630	$ 63,677,879	$ 59,449,127
2,175,892	1,614,933	17,369	-	-	-
-	-	-	46,383	32,425	113,239
27,705,653	41,179,049	15,742,970	14,302,694	15,303,286	13,757,903
-	-	-	-	-	720,562
200,814,199	139,256,802	92,486,721	84,674,707	79,013,590	74,040,831
$ 394,601,082	**$ 347,885,623**	**$ 368,369,948**	**$ 361,553,311**	**$ 349,256,280**	**$ 281,388,749**
5.2%	4.7%	3.8%	3.6%	3.3%	*
$ 1,191	$ 2,359	$ 2,066	$ 1,965	$ 1,862	$ 1,435

Bay County, Florida
Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Schedule 12

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water System Revenue Bonds										
Series 2005										
Revenue - sale of goods and services	$ 17,293,612	$ 17,342,106								
Less: Operating expenses	(7,270,249)	(12,137,362)								
Net available revenue	**$ 10,023,363**	**$ 5,204,744**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Debt service										
Principal	$ 1,700,000	$ 1,780,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	$ 1,974,800	$ 1,889,800	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Coverage*	2.7	1.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sales Tax Revenue Refunding Bonds										
Series 2007										
Revenue - proceeds of the Local Government Half-cent Sales Tax	$ 12,039,862	$ 12,775,077	$ 13,090,888	-	-	-	-	-		
Less: Operating expenses	-	-	-						-	
Net available revenue	**$ 12,039,862**	**$ 12,775,077**	**$ 13,090,888**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Debt service										
Principal	$ 540,000	$ 560,000	$ 580,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	$ 599,450	$ 577,850	$ 555,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Coverage*	10.6	11.2	11.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water and Sewer System Revenue Bonds										
Series 2015										
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	$ 23,907,016
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)	$ (12,721,370)
Net available revenue	**$ -**	**$ 2,872,718**	**$ 3,800,009**	**$ 3,011,373**	**$ 4,640,086**	**$ 6,232,200**	**$ 6,434,317**	**$ 5,866,129**	**$ 12,069,497**	**$ 11,185,646**
Debt service										
Principal	$ -	$ -	$ - 585,000	$ 600,000	$ 625,000	$ 650,000	$ 680,000	$ 695,000	$ 710,000	$ 730,000
Interest	$ -	$ 918,075	$ 1,112,819	$ 1,095,268	$ 1,071,268	$ 1,046,268	$ 1,013,769	$ 1,000,169	$ 984,531	$ 966,781
Coverage*	N/A	3.1	2.2	1.8	2.7	3.7	3.8	3.5	7.1	6.6
Capital Improvement Revenue Bond										
Series 2012										
Revenue - County Revenue Sharing Funds (50%)	$ 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	-	-	-	-	-	-	-	-	$ -	$ -
Net available revenue	**$ 1,958,391**	**$ 2,017,147**	**$ 2,117,002**	**$ 2,223,200**	**$ 2,325,226**	**$ 2,173,843**	**$ 2,559,447**	**$ 3,287,728**	**$**	**$**
Debt service										
Principal	$ 399,000	$ 809,000	$ 410,000	$ 424,000	$ 437,000	$ 450,000	$ 463,000	$ 478,000	$ -	$ -
Interest	$ 394,190	$ 580,775	$ 383,141	$ 363,256	$ 350,205	$ 337,665	$ 322,922	$ 308,660	$ -	$ -
Coverage*	2.5	1.5	2.7	2.8	3.0	2.8	3.3	4.2	N/A	N/A
Water System Revenue Note										
Series 2014										
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	$ 27,946,112
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)	(12,016,104)
Net available revenue	**$ 10,023,363**	**$ 5,204,744**	**$ 7,238,588**	**$ 4,845,156**	**$ 7,044,969**	**$ 9,472,493**	**$ 8,368,673**	**$ 7,911,949**	**$ 18,111,873**	**$ 15,930,008**
Debt service										
Principal	$ 760,000	$ 785,000	$ 815,000	$ 845,000	$ 880,000	$ 910,000	$ 945,000	$ 980,000	$ 1,015,000	$ 1,050,000
Interest	$ 700,225	$ 672,105	$ 643,060	$ 612,906	$ 581,640	$ 549,080	$ 515,410	$ 480,445	$ 444,185	$ 406,630
Coverage*	6.9	3.6	5.0	3.3	4.8	6.5	5.7	5.4	12.4	10.9
Sales Tax Refunding Revenue Note										
Series 2015										
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	-	-	-	-	-					
Net available revenue	**$ 12,039,862**	**$ 12,775,077**	**$ 13,090,888**	**$ 13,320,982**	**$ 15,467,835**	**$**	**$**	**$**	**$**	**$**
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*	17.0	7.6	7.8	7.9	9.2	NA	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	$ 27,946,112
Less: Operating expenses			(8,948,101)	(11,857,100)	(11,645,521)	(9,207,462)	(10,532,908)	(11,936,461)	(11,622,418)	(12,016,104)
Net available revenue	**$ -**	**$**	**$ 7,238,588**	**$ 4,845,156**	**$ 7,044,969**	**$ 9,472,493**	**$ 8,368,673**	**$ 7,911,949**	**$ 18,111,873**	**$ 15,930,008**
Debt service										
Principal			$ 1,450,000	$ 1,650,000	$ -1,710,000	$ 1,780,000	$ 1,870,000	$ 1,960,000	$ 2,055,000	$ 2,160,000
Interest			$ 1,290,311	$ 1,398,150	$ 1,332,150	$ 1,263,750	$ 1,174,750	$ 1,081,250	$ 983,250	$ 880,500
Coverage*	N/A	N/A	2.6	1.6	2.3	3.1	2.7	2.6	6.0	5.2

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	$ 19,857,214
Less: Operating expenses				-	-	-	-	-	-	-
Net available revenue	$ -	$	$	$ 13,320,982	$ 15,467,835	$ 14,459,113	$ 18,503,876	$ 20,029,849	$ 20,273,280	$ 19,857,214
Debt service										
Principal				$ 303,000	$ 631,000	$ 649,000	$ 666,000	$ 688,000	$ 708,000	$ 728,000
Interest				$ 167,825	$ 310,880	$ 292,581	$ 273,760	$ 254,446	$ 234,494	$ 213,962
Coverage*	N/A	N/A	N/A	28.3	16.4	15.4	19.7	21.3	21.5	21.1
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				-	-					
Net available revenue	$ -	$	$	$ 20,894,847	$ 20,597,672	$	$	$	$	$
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	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	$ 19,857,214
Less: Operating expenses						-	-	-	-	-
Net available revenue	$ -	$	$	$	$	$ 14,459,113	$ 18,503,876	$ 20,029,849	$ 20,273,280	$ 19,857,214
Debt service					-					
Principal						$ 305,000	$ 550,000	$ 555,000	$ 565,000	$ 3,770,000
Interest						$ 423,735	$ 792,379	$ 781,049	$ 769,616	$ 757,977
Coverage*	N/A	N/A	N/A	N/A	N/A	19.8	13.8	15.0	15.2	4.4
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	$ 29,774,681
Less: Operating expenses						-	-	-	-	-
Net available revenue	$ -	$	$	$	$	$ 16,804,364	$ 29,176,570	$ 30,036,253	$ 29,622,231	$ 29,774,681
Debt service										
Principal						$ 340,000	$ 2,140,000	$ 2,190,000	$ 2,240,000	$ 2,290,000
Interest						$ 79,015	$ 686,448	$ 640,224	$ 592,920	$ 544,536
Coverage* ,**	N/A	N/A	N/A	N/A	N/A	40.1	10.3	10.6	10.5	10.5
Solid Waste System Revenue Bond										
Series 2021										
Revenue - sales of goods and services							$ 11,559,753	$ 9,380,558	$ 9,633,212	$ 10,110,953
Less: Operating expenses	-	-	-	-			(9,514,687)	(6,167,319)	(6,222,369)	(5,540,659)
Net available revenue	$ -	$	$	$	$	$	$ 2,045,066	$ 3,213,239	$ 3,410,843	$ 4,570,294
Debt service										
Principal							$ -	$ 799,000	$ 866,000	$ 882,200
Interest							$ -	$ 357,114	$ 365,417	$ 349,223
Coverage* ,**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.8	2.8	3.7

*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			
	2015	**2016**	**2017**	**2018**
Operating Revenues	$ 16,486,712	$ 16,543,379	$ 16,186,689	$ 16,702,256
Interest	340,622	249,936	419,970	502,426
Other Revenue	-	-	-	-
Gross Revenues	**$ 16,827,334**	**$ 16,793,315**	**$ 16,606,659**	**$ 17,204,682**
Operating Expenses	$ 7,270,244	$ 12,137,362	$ 8,948,101	$ 11,857,100
Net Revenue	**$ 9,557,090**	**$ 4,655,953**	**$ 7,658,558**	**$ 5,347,582**
Debt Service 2005 Issue	3,674,800	3,669,800	-	-
Debt Service 2014 Issue	1,460,225	1,457,105	1,458,060	1,457,906
Debt Service 2016 Issue	-	-	2,740,311	3,048,150
Total Debt Service	**$ 5,135,025**	**$ 5,126,905**	**$ 4,198,371**	**$ 4,506,056**
Coverage Factor	**1.861**	**0.908**	**1.824**	**1.187**

* FY23 Operating Revenues and Interest values adjusted to be consistant by Fiscal year. The Gross Revenue value changed $2 due to rounding.

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

Schedule13

Fiscal Year

2019	2020	2021	2022	2023 *	2024
$ 17,592,185	$ 18,182,584	$ 18,835,308	$ 19,603,614	$ 28,113,498	$ 25,692,837
1,098,305	497,371	66,273	244,796	1,620,795	2,253,275
-	-	-	-	-	-
$ 18,690,490	**$ 18,679,955**	**$ 18,901,581**	**$ 19,848,410**	**$ 29,734,293**	**$ 27,946,112**
$ 11,645,521	$ 9,207,462	$ 11,645,521	$ 11,936,461	$ 11,622,415	$ 12,016,104
$ 7,044,969	**$ 9,472,493**	**$ 7,256,060**	**$ 7,911,949**	**$ 18,111,878**	**$ 15,930,008**
-	-	-	-	-	-
1,461,640	1,459,080	1,460,410	1,460,445	1,459,185	1,456,630
3,042,150	3,043,750	3,044,750	3,041,250	3,038,250	3,040,500
$ 4,503,790	**$ 4,502,830**	**$ 4,505,160**	**$ 4,501,695**	**$ 4,497,435**	**$ 4,497,130**
1.564	**2.104**	**1.611**	**1.758**	**4.027**	**3.542**

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Half-Cent Sales Tax Receipts (1)	$ 12,039,862	$ 12,775,077	$ 13,090,888	$ 13,320,982
Series 2007 Bond (2)	1,141,450	1,141,450	1,141,450	-
Series 2015 Note (3)	4,875,187	4,875,187	4,875,187	4,875,187
Series 2018 A&B Note (4)	-	-	-	944,657
Series 2020 Note (5)	-	-	-	-
Total Maximum Annual Debt Service	**$ 6,016,637**	**$ 6,016,637**	**$ 6,016,637**	**$ 5,819,844**
Coverage of Maximum Annual Debt Service by Sales Tax Revenues	**2.00**	**2.12**	**2.18**	**2.29**

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

(2) Maximum debt service is in year 2018-Refunded by the Series 2018 A&B Note
(3) Maximum debt service is in year 2030
(4) Maximum debt service is in year 2028
(5) 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					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 15,467,835	$ 14,459,113	$ 18,503,876	$ 20,029,849	$ 20,273,280	$ 19,857,214
-	-	-	-	-	-
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	4,532,647
$ 5,819,844	**$ 5,477,045**	**$ 5,477,304**	**$ 5,477,304**	**$ 5,477,304**	**$ 5,477,304**
2.66	**2.64**	**3.38**	**3.66**	**3.70**	**3.63**

Direct and Overlapping Governmental Activites 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	$ 150,505	100.00%	$ 150,505
	150,505		150,505
Bay County direct debt	207,348		207,348
Total direct and overlapping debt			$ 357,853

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
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	8,727,789	50,009	6.3%
2021	178,282	9,744,833	54,283	4.0%
2022	184,002	9,950,985	53,728	2.7%
2023	187,545	10,696,469	56,070	2.7%
2024	196,112	*	*	3.4%

* 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

	2024			2015		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Bay District Schools	3,900	1	4.27%	4,411	2	5.11%
Tyndall Air Force Base	2,818	2	3.08%	6,471	1	7.50%
Walmart	1,717	3	1.88%	-	-	-
Bay Hospital (formerly LHP Bay County)	1,240	4	1.36%	2,000	5	2.32%
Eastern Shipbuilding	1,090	5	1.19%	1,800	6	2.09%
Ascension Health Services (formerly Gulf Coast)	800	6	0.88%	631	7	0.73%
Publix Supermarkets	780	7	0.85%	-	-	-
Trane	738	8	0.81%	575	9	0.67%
Royal American Management	652	9	0.71%	-	-	-
Bay County Board of County Commissioners	707	10	0.77%	596	8	0.69%
Naval Support Activity	-	-	-	3,170	3	3.67%
General Dynamics	-	-	-	2,300	4	-
City of Panama City	-	-	-	537	10	0.62%
	14,442		**15.80%**	**22,491**		**23.39%**
Total Bay County Labor Force	**91,400**			**86,319**		

Source: *FloridaJobs.org*

Bay County, Florida
Full-time Equivalent County Employees by Function
Last Ten Fiscal Years
(Unaudited)

Schedule 18

	Fiscal Year									
Function/Program	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
General Government	60	61	89	73	73	72	71	74	74	85
Public Safety	200	203	202	238	201	212	220	223	234	240
Physical Environment	125	131	138	138	130	129	130	135	136	156
Transportation	112	112	118	121	119	113	107	107	116	134
Economic Environment	2	2	2	2	1	1	3	5	1	1
Human Services	14	13	14	13	13	12	13	13	13	16
Culture/Recreation	74	79	90	90	83	72	78	70	79	66
Judicial System	9	10	11	12	9	11	11	9	9	9
Total	**596**	**611**	**664**	**687**	**629**	**622**	**633**	**636**	**662**	**707**

Source: *County personnel department*

	Fiscal Year									
Function/Program	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
General Government										
Assessed properties	114,147	114,556	114,810	116,155	117,208	118,531	120,087	122,469	125,147	127,224
Court cases:										
Circuit Criminal	5,529	5,716	5,739	6,017	6,074	5,302	5,296	5,530	5,051	4,622
County Criminal	8,629	8,056	7,856	7,792	7,964	6,095	5,989	5,869	6,439	6,534
Public Safety										
E-911 calls**	227,484	240,482	213,008	216,511	207,119	485,905	139,100	298,773	294,445	141,822
Building permits issued*										
Commercial	128	78	85	87	125	215	200	186	647	557
Residential	853	899	951	960	3,646	3,286	2,568	2,741	5,298	6,638
Physical Environment* **										
Landfill and incinerator										
Collections in tonage	251,260	258,758	290,493	233,025	596,176	258,835	268,016	261,369	226,970	269,769
Transportation										
Road miles maintained	721.31	724.85	724.20	725.76	726.84	720.29	722.00	725.83	730.09	736.47
Economic Environment										
Tourist Development Tax										
Registered Units	19,231	19,324	19,717	19,747	19,839	20,416	20,887	22,049	23,408	24,724
Human Services										
Baker Act admissions	430	377	457	394	359	351	340	328	364	284

* Permits include new construction, additions, renovations and alterations
Beginning FY16, Bay County no longer issues commercial permits for the cities.
**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*

Function/Program	Fiscal Year 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Correction facility capacities	1,098	1,098	1,098	1,098	1,098	1,134	1,134	1,134	1,134	1,134
Emergency responder facilities*	19	19	19	19	16	15	15	15	17	16
Culture & Recreation										
Parks	31	31	32	32	32	24	32	32	30	31
Park acreage	331.5	331.5	731.41	731.41	731.41	827	807.51	580.71	854	840
Boat ramps	20	20	21	21	21	21	22	21	21	22
Transportation										
Road miles	721.31	724.85	724.20	725.76	726.84	720.29	722.00	725.83	730.09	736.47
Bridges	51	51	51	51	50	48	48	48	48	48
Traffic signals	17	17	17	17	17	10	11	11	11	13
Physical Environment										
Water mains (miles)**	299	299	300	302	307	315	322	326	338	358

*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, 2024, and have issued our report thereon dated September 25, 2025.

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 September 25, 2025, 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.

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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the County's geographical boundaries during the fiscal year under audit is required. A PACE program did not operate within the County's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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.
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, L.L.C.

Panama City Beach, Florida
September 25, 2025

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

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), and Florida Statutes, *Distribution and Use of (E911) Funds*; for the year ended September 30, 2024. 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), and Florida Statutes, *Distribution and Use of (E911) Funds;* for the year ended September 30, 2024.

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.

Panama City Beach, Florida
September 25, 2025

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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, 2024, 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 September 25, 2025.

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 2024-003 that we consider to be a material weakness.

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.

Panama City Beach, Florida
September 25, 2025

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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, 2024. 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, 2024.

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.

The Honorable County Commissioners
Bay County, Florida
Page Two

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 and major state project 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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.

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

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.

Panama City Beach, Florida
September 25, 2025

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 noted
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:

Assistance Listing Number	Major Federal Program or Cluster
20.507 & 20.526	Federal Transit Cluster
21.027	COVID-19 Coronavirus State and Local Recovery Funds
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)
97.083	Staffing for Adequate Fire and Emergency Response (SAFER)

CFSA Number	Major State Projects
37.003	Beach Management Funding Assistance Program
43.009	Local Government Fire Service Grants
55.009	Small County Outreach Program

	Federal	State
Dollar threshold used to distinguish between Type A and Type B programs:	$ 855,403	$ 1,066,537
Auditee qualified as a low-risk auditee for federal purposes?	___Yes	√ No

Section II - Financial Statement Findings

Finding

Bay County 2024-003

Condition: Material adjustments to the financial records were made in order for the financial statements to conform to generally accepted accounting principles.

Criteria: Internal controls should prevent, or detect and correct, adjustments timely to provide materially correct financial information.

Cause: The County's controls did not identify the adjustments timely.

Effect: Adjustments were required for the current year's balances.

Recommendation: We recommend that the County staff continue to strive toward timelier identification of proposed audit adjustments.

Response: See attached Corrective Action Plan.

Section III – Findings and Questioned Costs – Major Federal Award Programs and State Financial Assistance Projects

2024-001 Lack of Documented Review of Required Quarterly Reports (initially reported in 2024)

Assistance Listing Number: 97.036
Program Title: Disaster Grants-Public Assistance (Presidentially Declared Disasters)
Compliance Requirement: Reporting - Performance Reporting
Pass-through Entity: Florida Division of Emergency Management
Federal Grant/Contract Number and Grant Year: Z0884 2019
Finding Type: Material Weakness in Internal Control and Compliance
Known Questioned Costs: $0

Criteria: 2 CFR section 200.303 requires that nonfederal entities receiving federal awards establish and maintain internal control over the federal awards that provides reasonable assurance that the nonfederal entity is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards. Federal awards submitted to the federal awarding agency should include all the activity of the reporting period, are supported by the underlying accounting or performance records, and are fairly presented in accordance with program.

Condition: Of the 40 quarterly Federal Emergency Management Agency reports included in our sample for testing, 3 of the reports prepared by the County's consultant were not based on the approved expenses and the underlying supporting documentation. This was not a statistically valid sample.

Cause: The County has not implemented procedures to formally document their review of the quarterly reporting prior to submission of those reports by their third-party consultant to the Florida Division of Emergency Management which would have been able to detect these errors.

Effect: Quarterly reporting could include potential errors and cause the County to be out of compliance with the requirements of the grant.

Recommendation: The County should implement formal documentation via signature of approval on the quarterly reporting prior to submission to the Florida Division of Emergency Management.

Management Response: See attached Corrective Action Plan.

2024-002 Ineligible Expenses Approved for Reimbursement

Assistance Listing Number: 97.083
Program Title: Staffing for Adequate Fire and Emergency Response Grant (SAFER)Compliance
Requirement: Cash Management
Pass-through Entity: N/A - Direct
Federal Grant/Contract Number and Grant Year: EMW-2019-FF-01635 2019
Finding Type: Material Weakness in Internal Control and Compliance
Known Questioned Costs: $0

Criteria: 2 CFR section 200.303 requires that nonfederal entities receiving federal awards establish and maintain internal control over the federal awards that provides reasonable assurance that the nonfederal entity is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards.

Condition: Of the three reimbursement requests selected for testing, two reimbursement requests had ineligible payroll costs approved for reimbursement by the Grant Administrator. This was not a statistically valid sample.

Cause: Errors in the completion of the report by the Grant Administrator and inadequate review of the reports by the County which would have detected these errors.

Effect: In both instances, the grantor caught the ineligible costs submitted for reimbursement and only reimbursed the eligible payroll costs. However, this could have been a much more significant issue if the grantor had not caught these ineligible costs which would then have caused the County to be out of compliance with the requirements of the grant.

Recommendation: The County should implement an additional review of the payroll costs submitted with the reimbursement request. Review should be documented via signature of approval prior to submission or formal email confirmation that a review was done and the reimbursement request may be submitted.

Management Response: See attached Corrective Action Plan.

The County has taken corrective action for the findings included in the prior year audit report.

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing No./CFSA	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
FEDERAL AWARDS				
Federal Transit Cluster-Cluster				
Department of Transportation				
Federal Transit-Formula Grants				
Federal Transit-Formula Grants	20.507	5307 FHWA Flex Funds -- FL-2023-093-00	$ -	$ 230,147
Federal Transit-Formula Grants	20.507	CARES ACT Capital, Operating & Planning, Bay County TPO -- FL-2021-074-00	-	2,037,445
Federal Transit-Formula Grants	20.507	5307 Capital, Operating & Planning for Bay County TPO -- FL-2022-044-00	-	1,531,671
COVID-19 Federal Transit-Formula Grants	20.507	5307 FHWA Flex Funds -- FL-2022-053-00	-	34,323
Federal Transit-Formula Grants	20.507	5307 Capital, Operating & Planning for Bay County TPO -- FL-2021-058-00	-	291,084
Federal Transit-Formula Grants	20.507	5307 Capital, Operating & Planning for Bay County TPO -- FL-2024-001-00	-	1,006,666
Total Federal Transit-Formula Grants			-	5,131,336
Bus and Bus Facilities Formula Grants				
Bus and Bus Facilities Formula Grants	20.526	5339 Capital Urbanized Area Grant, Bay County TPO -- FL-2023-077-00	-	78,430
Total Bus and Bus Facilities Formula Grants			-	78,430
Total Federal Transit Cluster-Cluster			-	5,209,766
Highway Safety Cluster-Cluster				
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-2024-00020	-	61,438
Total State and Community Highway Safety			-	61,438
Passed through Florida Department of Transportation				
National Priority Safety Programs				
National Priority Safety Programs	20.616	Enhanced Impaired Driving Enforcement, Equipment & OT--M5HVE-2024-00021	-	5,576
Total National Priority Safety Programs			-	5,576
Total Highway Safety Cluster-Cluster			-	67,014
Department of Transportation				
Highway Planning and Construction				
Passed through Florida Department of Transportation				
Highway Planning and Construction	20.205	County Road 2297 Allanton Road Safety Improvements Project -- G2U80	-	316,927
Highway Planning and Construction	20.205	CR30 Front Beach Road Sidewalk Construction - Phase III (LAP)--G2I12	-	940,236
Total Highway Planning and Construction			-	1,257,163
Formula Grants for Rural Areas				
Passed through Florida Department of Transportation				
COVID-19 Formula Grants for Rural Areas	20.509	5311 Operating Assistance through CRRSAA & ARPA -- G2C86	-	184,842
COVID-19 Formula Grants for Rural Areas	20.509	5311 Funding, transit operating assistance, for non-urbanized -- G2T19		33,766
Total Formula Grants for Rural Areas and Tribal Transit Program			-	218,608
Safe Streets and Roads for All				
Safe Streets and Roads for All	20.939	Safe Streets for All (SS4A) -- 693JJ32340299	-	8,716
Total Safe Streets and Roads for All			-	8,716
Total United States Department of Transportation			-	6,761,267
Other Programs				
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--GNTSP20	95,955	95,955
Total Gulf Coast Ecosystem Restoration Council (RESTORE)			95,955	95,955
Total Gulf Coast Ecosystem Restoration Council			95,955	95,955

(Continued)

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing No./CFSA	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
Department of Homeland Security				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)				
Passed through Florida Division of Emergency Management				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA -Michael- DR4399--Z0884	-	4,768,191
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA - DR4564 Hurricane Sally--Z2646	-	214,582
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA -Michael- DR4399--Z1038	-	19,434
Total Disaster Grants-Public Assistance (Presidentially Declared Disasters)			-	5,002,207
Hazard Mitigation Grant (HMGP)				
Passed through Florida Division of Emergency Management				
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-016R--H0640	-	1,200,579
COVID-19 Hazard Mitigation Grant (HMGP)	97.039	HMGP - HM DR4399-022A -- H1015	-	1,209,361
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-013R--H0582	-	47,572
Hazard Mitigation Grant (HMGP)	97.039	HMGP - HM DR4399-018A -- H1052	-	27,250
Hazard Mitigation Grant (HMGP)	97.039	HMGP - HM DR4399-111A -- H1045	-	19,255
Hazard Mitigation Grant (HMGP)	97.039	HMGP - HM DR4399-021A -- H1047	-	12,085
Hazard Mitigation Grant (HMGP)	97.039	HMGP-HS-003R --H0837	-	3,271
Hazard Mitigation Grant (HMGP)	97.039	HMGP-HS-022R --H0840	-	139,172
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-133R--H0808	-	67,396
Hazard Mitigation Grant (HMGP)	97.039	HMGP - HM DR4399-020A -- H1058	-	10,420
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-131R--H0798	-	915,325
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-159R--H0803	-	423,203
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-119R--H0754	-	1,631,199
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP)- COVID DR4486-11R--H0985	-	233,866
Hazard Mitigation Grant (HMGP)	97.039	HMGP-HS-002R --H0832	-	8,879
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-038R--H0679	-	256,392
Hazard Mitigation Grant (HMGP)	97.039	HMGP-DR4673-005R -- H1062	-	1,201
Hazard Mitigation Grant (HMGP)	97.039	Hazard Mitigation Grant Program (HMGP) - FEMA HM DR4399-023R--H0592	-	334,838
Total Hazard Mitigation Grant (HMGP)			-	6,541,264
Emergency Management Performance Grants				
Passed through Florida Division of Emergency Management				
Emergency Management Performance Grants	97.042	Emergency Management Performance Grant (EMPG) SFY24 -- G0483	-	84,586
Total Emergency Management Performance Grants			-	84,586
Fire Management Assistance Grant				
Passed through Florida Division of Emergency Management				
Fire Management Assistance Grant	97.046	Chipola Wildfire Complex -- D1540	-	342,461
Total Fire Management Assistance Grant			-	342,461
Staffing for Adequate Fire and Emergency Response (SAFER)				
Passed through Florida Division of Emergency Management				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Staffing for Adequate Fire and Emergency Response Grant (SAFER) -- EMW-2019-FF-01635	-	900,499
Total Staffing for Adequate Fire and Emergency Response (SAFER)			-	900,499
Homeland Security Grant Program				
Passed through Florida Division of Emergency Management				
Homeland Security Grant Program	97.067	State Homeland Security--FY 19 SHSGP #R0200	-	31,400
Homeland Security Grant Program	97.067	State Homeland Security--SHSGP FY22 #R0755	-	349,439
Homeland Security Grant Program	97.067	State Homeland Security--SHSGP FY22 #R0745	-	32,934
Homeland Security Grant Program	97.067	2021 Homeland Security R0463 -- EMW-2021-SS-00056-S01	-	71,735
Homeland Security Grant Program	97.067	State Homeland Security--SHSGP FY21 #R0462	-	29,885
Homeland Security Grant Program	97.067	Homeland Security HM1B R0201 -- EMW-2020-SS-0035-S01	-	47,818
Total Homeland Security Grant Program			-	563,211
Total Department of Homeland Security			-	13,434,228

(Continued)

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing No./CFSA	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
United States Department of Justice				
Crime Victim Assistance				
Passed through State of Florida Department of Legal Affairs				
Crime Victim Assistance	16.575	VOCA-C-2023-Bay County Sheriff's Office-00210	-	89,607
Total Crime Victim Assistance			-	89,607
Violence Against Women Formula Grants				
Passed through Florida Department of Children and Families				
Violence Against Women Formula Grants	16.588	Intimate Violence Enhanced Service Team (InVEST)--LN259	-	195,776
Total Violence Against Women Formula Grants			-	195,776
Edward Byrne Memorial Justice Assistance Grant Program				
Passed through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	R7103	-	91,407
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BJA FY 23 Edward Byrne Memorial JAG Program - 15PBJA-23-GG-03263-JAGX	-	30,958
Total Edward Byrne Memorial Justice Assistance Grant Program			-	122,365
Paul Coverdell Forensic Sciences Improvement Grant Program				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2022 Paul Coverdell Forensic Science - MEO 14 -- D0339	-	2,787
Total Paul Coverdell Forensic Sciences Improvement Grant Program			-	2,787
Total United States Department of Justice			-	410,535
Department of Health and Human Services				
Child Support Enforcement				
Passed through Florida Department of Revenue				
Child Support Enforcement	93.563	Bay County Clerk of Court/ Child Support Enforcement --COC03	-	77,236
Total Child Support Enforcement			-	77,236
Total Department of Health and Human Services			-	77,236
Department of Housing and Urban Development				
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	Community Development Block Grant (CDBG) - M0179--M0179	-	544,388
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - M0184--M0184	-	13,250
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0071--M0071	-	102,285
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - M0063--M0063	-	15,857
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0121--M0121	-	611,872
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - HM DR4399- M0074--M0074	-	461,189
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDBG-Voluntary Home Buyout-Disaster Recovery M0027--M0027	-	222,911
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - M0180--M0180	-	11,708
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDBG-DR Phase 1 Redwood Drainage Project M0015--M0015	-	82,997
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 Restora	-	171,630
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - M0183--M0183	-	24,165
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) M0169 Fountain Complex--M0169	-	558,985
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - M0182--M0182	-	18,890
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Community Development Block Grant (CDBG) - M00161--M0161	-	141,760
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			-	2,981,887
Total Department of Housing and Urban Development			-	2,981,887

(Continued)

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing No./CFSA	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
Department of the Treasury				
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	Bay County East Pass Environmental Impact Statement and Inlet and Beach Mgm--1 RDCGR030119-01-00	-	89,700
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	104,862	104,862
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (Gulf Restore)	21.015	Bay County Artificial Reef--RDCGR030067-01-02	-	458,425
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	191,362	191,362
Total Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (Gulf Restore)			296,224	844,349
Coronavirus State and Local Fiscal Recovery Funds				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19 American Rescue Plan Act of 2021-- 1505-0271	-	3,674,976
Total Coronavirus State and Local Fiscal Recovery Funds			-	3,674,976
Local Assistance and Tribal Consistency Fund				
Passed through Florida Division of Emergency Management				
Local Assistance and Tribal Consistency Fund	21.032	Local Assistance & Tribal Consistency Fund (LATCF)	-	11,550
Total Coronavirus State and Local Fiscal Recovery Funds			-	11,550
Total Department of the Treasury			296,224	4,530,875
United States Department of Agriculture				
Community Facilities Loans and Grants				
Community Facilities Loans and Grants	10.766	USDA Grant - Fountain Fire Station -- 83168	-	221,444
Total Community Facilities Loans and Grants			-	221,444
Total United States Department of Agriculture			-	221,444
Total Other Programs			392,179	21,752,160
Total Expenditures of Federal Awards			$ 392,179	$ 28,513,427

State Agency Pass-through Entity State Project	CSFA No.	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
STATE FINANCIAL ASSISTANCE				
Executive Office of the Governor				
Emergency Management Programs				
Emergency Management Programs	31.063	A0392	$ -	$ 81,423
Emergency Management Programs	31.063	A0476	-	8,580
Total Emergency Management Programs			-	90,003
Tornado Debris Removal Program				
Tornado Debris Removal Program	31.087	T0397	-	780,233
Total Hurricane Shelter Retrofit Project			-	780,233
Total Executive Office of the Governor			-	870,236
Department of Environmental Protection				
Beach Management Funding Assistance Program				
Beach Management Funding Assistance Program	37.003	22BA2	-	15,810,370
Beach Management Funding Assistance Program	37.003	22BA3	-	107,307
Beach Management Funding Assistance Program	37.003	21BA2	-	270,354
Beach Management Funding Assistance Program	37.003	24BA1	-	395,065
Total Beach Management Funding Assistance Program			-	16,583,096
Statewide Water Quality Restoration Projects				
Statewide Water Quality Restoration Projects	37.039	LPA0143	-	88,348
Military Point Advanced Wastewater Treatment Facility Water Reuse / Tyndall AFB Water	37.039	LPA0254		56,333
Star Avenue Water Resiliency Project	37.039	LPA0458		2,000,000
Total Statewide Water Quality Restoration Projects			-	2,144,681
Resilient Florida Program				
Resilient Florida Program	37.098	22PLN28	-	103,814
Total Resilient Florida Program			-	103,814
Total Department of Environmental Protection			-	18,831,591

(Continued)

State Agency Pass-through Entity State Project	CSFA No.	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
Department of Agriculture and Consumer Services				
Mosquito Control				
Mosquito Control	42.003	30485	-	61,117
Total Mosquito Control			-	61,117
Total Department of Agriculture and Consumer Services			-	61,117
Florida Housing Finance Corporation				
State Housing Initiatives Partnership (SHIP) Program				
State Housing Initiatives Partnership (SHIP) Program	40.901	Bay County	-	16,154
Total State Housing Initiatives Partnership (SHIP) Program			-	16,154
Hurricane Housing Recovery Program				
Hurricane Housing Recovery Program	40.902	Bay County	-	8,884,947
Total Hurricane Housing Recovery Program			-	8,884,947
Total Florida Housing Finance Corporation			-	8,901,101
Florida Department of Financial Services				
Local Government Fire Service Grants				
Local Government Fire Service Grants	43.009	FM888	-	1,699,421
Total Fire Decontamination Equipment Grant Project			-	1,699,421
Total Florida Department of Financial Services			-	1,699,421
Department of State, Division of Library and Information Services				
State Aid to Libraries				
State Aid to Libraries	45.030	23-ST-41	-	17,243
State Aid to Libraries	45.030	23-ST-42	-	32,093
State Aid to Libraries	45.030	23-ST-44	-	51,664
State Aid to Libraries	45.030	24-ST-41	-	312,724
State Aid to Libraries	45.030	24-ST-42	-	22,817
State Aid to Libraries	45.030	24-ST-43	-	18,226
Total State Aid to Libraries			-	454,767
Total Department of State, Division of Library and Information Services			-	454,767
Florida Department of Education				
Guardian				
Guardian	48.140	969C-90210-4D001	-	100,000
Total Guardian Awards			-	100,000
Total Florida Department of Education			-	100,000
Department of Transportation				
Florida Commission for the Transportation Disadvantaged				
Florida Commission for the Transportation Disadvantaged	55.001	G2K24	-	352,701
Florida Commission for the Transportation Disadvantaged	55.001	G2Y94	-	131,107
Total Florida Commission for the Transportation Disadvantaged			-	483,808
Small County Outreach Program	55.009	G2O22	-	78,763
Small County Outreach Program	55.009	G2C35	-	1,767,387
Total Small County Outreach Program			-	1,846,150
Public Transit Block Grant				
Public Transit Block Grant	55.010	G2R33	-	644,034
Total Public Transit Block Grant			-	644,034
Public Transit Service Development Program				
Public Transit Service Development Program	55.012	G2S76	-	188,575
Total Public Transit Service Development Program			-	188,575
Transit Corridor Development Program				
Transit Corridor Development Program	55.013	G2F60	-	40,616
Transit Corridor Development Program	55.013	G2393	-	232,505
Total Transit Corridor Development Program			-	273,121
Local Transportation Projects				
Local Transportation Projects	55.039	G1Z93	-	431,204
State Financial Assistance Agreement - Eastern Shipbuilding	55.039	G2A85	-	247,236
Total Local Transportation Projects			-	678,440
Innovative Service Development Grant				
Bay County Innovative Service Development Grant	55.045	G2L81	-	182,540
Commission - Transportation Disadvantaged: Innovative Service Development Grant	55.045	G3080	-	44,861
Total Local Transportation Projects			-	227,401
Total Department of Transportation			-	4,341,529

(Continued)

State Agency Pass-through Entity State Project	CSFA No.	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
Department of Health				
County Grant Awards				
EMS County Grant 2023-2024	64.005	C2403	-	20,645
Total County Grant Awards			-	20,645
Total Department of Health			-	20,645
Department of Law Enforcement				
Bay County Jail Bed Expansion for Substance Abuse				
Bay County Jail Bed Expansion for Substance Abuse	71.055	7G001	-	114,933
Total Bay County Jail Bed Expansion for Substance Abuse			-	114,933
Bay County Sheriff Helicopter Hangar				
Bay County Sheriff Helicopter Hangar	71.080	3W001		97,137
Total Bay County Sheriff Helicopter Hanger				97,137
Drone Replacement Program				
Drone Replacement Program	71.092	3X060	-	48,580
Total Drone Replacement Program				48,580
FY23-24 State Financial Assistance for Fentanyl Eradication (S.A.F.E.)				
FY23-24 State Financial Assistance for Fentanyl Eradication (S.A.F.E.)	71.122	2023-SAFE-SF-029	-	87,201
Total FY23-24 State Financial Assistance for Fentanyl Eradication (S.A.F.E.)				87,201
FL Fusion Center Network Position Support - Crime Analyst				
FL Fusion Center Network Position Support - Crime Analyst	71.162	FC241	-	16,686
Total FL Fusion Center Network Position Support - Crime Analyst				16,686
Total Department of Law Enforcement			-	364,537
Department of Management Services				
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	-	95,762
Total Prepaid Next Generation 911 (NG911) State Grant Program			-	255,662
Total Department of Management Services			-	255,662
Department of Highway Safety and Motor Vehicles				
Florida Arts License Plates Project				
Florida Arts License Plates Project	76.041	2022TAGS	-	233
Total Florida Arts License Plates Project			-	233
Total Department of Highway Safety and Motor Vehicles			-	233
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			$ -	$ 35,900,839

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% deminimis cost rate allowed under the Uniform Guidance.
3. Expenditures reported under ALN No. 97.036, ALN No. 43.009, ALN No. 37.003, ALN No. 97.067, & ALN No. 97.083 include costs of $963,591, $51,294, $52,040, $119,553, and $730,743, respectively, reported on the financial statements in a prior period.
4. In February 2024, the County was awarded a $3,225,000 loan from the United States Department of Agriculture Rural Development. This award was under CFDA number 10.766, Community Facilities Loans and Grants. As of September 30, 2024, the City had current year expenditures of $221,444.
5. There were no noncash federal expenditures, and no federally funded insurance.
6. Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the County does not believe that such disallowance, if any, would have a material effect on the financial position of the County.

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September 25, 2025

Bay County, Florida
Management's Corrective Action Plan
For the Fiscal Year Ended September 30, 2024

Finding Number: 2024-001

Planned Corrective Action:

For future quarterly Federal Emergency Agency Reports, the County will implement a formal review and documentation process, including signature, to ensure compliance and prevent over or under-reporting of qualified expenses.

Finding Number: 2024-002

Planned Corrective Action:

To prevent future reporting deficiencies, the County will implement additional review processes, including but not limited to review by the Clerk of Court Board Finance Office, of the payroll costs submitted with the reimbursement requests. Any reviews will be documented with an approval via a formal email confirmation.

Finding Number: 2024-003

Planned Corrective Action:

In preparing future Annual Comprehensive Financial Reports, the Bay County Finance Office, in cooperation with the County, will strive towards identifying and recording all proposed audit adjustments more timely. This will include coordinating with all County departments to ensure that the finance department is made aware of all adjustments.

Anticipated Completion Date: 10/1/2025

Responsible Contact Person: Katy Nail

Katy Nail

Katy Nail, Chief Financial Officer

SUPERVISOR OF ELECTIONS	TAX COLLECTOR
Nina Ward	Chuck Perdue
CLERK OF COURT AND COMPTROLLER	SHERIFF
Bill Kinsaul	Tommy Ford
PROPERTY APPRAISER	
Dan Sowell	

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INDEPENDENT AUDITOR'S REPORT

The Honorable Nina Ward
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, 2024, 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, 2024, 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, 2024, 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 September 25, 2025, 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.

Panama City Beach, Florida
September 25, 2025

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September 30, 2024		General Fund
ASSETS		
Cash and cash equivalents	$	622,586
Total assets	$	622,586
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable and accrued liabilities	$	302,755
Due to other governments		319,831
Total liabilities		622,586
Fund balance		-
Total liabilities and fund balance	$	622,586

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

For the year ended September 30, 2024	General Fund
REVENUES	
Charges for services	$ 10,021
Total revenues	10,021
EXPENDITURES	
Current	
General government	2,405,925
Capital outlay	
General government	169,137
Total expenditures	2,575,062
Excess (deficiency) of revenues over (under) expenditures	(2,565,041)
OTHER FINANCING SOURCES (USES)	
Budget appropriations from Board of County Commissioners	2,683,759
Transfer out/return of excess fees	(118,718)
Net other financing sources (uses)	2,565,041
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	$ -

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

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ -	$ 10,021	$ 10,021	$ -
Total revenues	-	10,021	10,021	-
EXPENDITURES				
Current				
General government	2,668,259	2,360,615	2,405,925	(45,310)
Capital outlay				
General government	15,500	333,165	169,137	164,028
Total expenditures	2,683,759	2,693,780	2,575,062	118,718
Excess (deficiency) of revenues over (under) expenditures	(2,683,759)	(2,683,759)	(2,565,041)	118,718
OTHER FINANCING SOURCES (USES)				
Budget appropriations from Board of County Commissioners	2,683,759	2,683,759	2,683,759	-
Transfer out/return of excess fees	-	-	(118,718)	(118,718)
Net other financing sources (uses)	2,683,759	2,683,759	2,565,041	(118,718)
Net change in fund balance	$ -	$ -	-	$ -
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, 2024, 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, September 25, 2025 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. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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). 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.

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, 2024, 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).

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, 2023 through June 30, 2024, were 13.57%, 34.52%, and 58.68% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2024 through September 30, 2024, were 13.63%, 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 21.13% for October 1, 2023 through June 30, 2024 also for July 1, 2024 through September 30, 2024, 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, 2024, 2023, and 2022 were $127,551, $94,366, and $98,884, 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, 2024, were $13,656.

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, 2024, totaled $25,500.

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.

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Nina Ward
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, 2024, and have issued our report thereon dated September 25, 2025.

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 September 25, 2025, 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.

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 fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has 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 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.

Panama City Beach, Florida
September 25, 2025

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INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Nina Ward
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, 2024. 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, 2024.

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.

Panama City Beach, Florida
September 25, 2025

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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 Nina Ward
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, 2024, 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 September 25, 2025, 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.

Panama City Beach, Florida
September 25, 2025

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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, 2024, 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, 2024, 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, 2024, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025, 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, L.L.C.

Panama City Beach, Florida
September 25, 2025

September 30, 2024	General Fund	Court	Records Modernization - Records	Records Modernization - Court	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 441,688	$ 1,138,136	$ 919,411	$ 1,330,530	$ 3,829,765
Accounts receivable, net	146,753	98,671	-	1,327	246,751
Due from other governments	21,991	24,397	-	1,133	47,521
Prepaid items	182,232	17,613	-	10,500	210,345
Total assets	$ 792,664	$ 1,278,817	$ 919,411	$ 1,343,490	$ 4,334,382
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable and accrued liabilities	$ 369,002	$ 641,451	$ -	$ 6,873	$ 1,017,326
Due to other governments	423,662	-	-	-	423,662
Total liabilities	792,664	641,451	-	6,873	1,440,988
Fund balance					
Nonspendable	182,232	17,613	-	10,500	210,345
Restricted	-	619,753	919,411	1,326,117	2,865,281
Unassigned	(182,232)	-	-	-	(182,232)
Total fund balance	-	637,366	919,411	1,336,617	2,893,394
Total liabilities and fund balance	$ 792,664	$ 1,278,817	$ 919,411	$ 1,343,490	$ 4,334,382

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

For the year ended September 30, 2024	General Fund	Court	Records Modernization - Records	Records Modernization - Court	Total Governmental Funds
REVENUES					
Intergovernmental revenue	$ 77,236	$ -	$ -	$ -	$ 77,236
Charges for services	2,620,105	4,522,854	130,989	443,125	7,717,073
Miscellaneous	107,611	-	23,076	65,210	195,897
Total revenues	2,804,952	4,522,854	154,065	508,335	7,990,206
EXPENDITURES					
Current					
General government	4,974,660	4,414,584	64,000	636,109	10,089,353
Capital outlay					
General government	1,135,246	-	-	25,685	1,160,931
Total expenditures	6,109,906	4,414,584	64,000	661,794	11,250,284
Excess (deficiency) of revenues over (under) expenditures	(3,304,954)	108,270	90,065	(153,459)	(3,260,078)
OTHER FINANCING SOURCES (USES)					
Budget appropriations from Board of County Commissioners	3,380,057	-	-	-	3,380,057
Transfer out/return of excess fees	(75,103)	-	-	-	(75,103)
Net other financing sources (uses)	3,304,954	-	-	-	3,304,954
Net change in fund balance	-	108,270	90,065	(153,459)	44,876
Fund balance, beginning of year	-	529,096	829,346	1,490,076	2,848,518
Fund balance, end of year	$ -	$ 637,366	$ 919,411	$ 1,336,617	$ 2,893,394

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

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental revenue	$ 105,000	$ 77,236	$ 77,236	$ -
Charges for services	3,180,709	2,874,633	2,620,105	(254,528)
Miscellaneous	31,500	107,616	107,611	(5)
Total revenues	3,317,209	3,059,485	2,804,952	(254,533)
EXPENDITURES				
Current				
General government	5,532,577	6,414,461	4,974,660	1,439,801
Capital outlay				
General government	51,000	25,081	1,135,246	(1,110,165)
Total expenditures	5,583,577	6,439,542	6,109,906	329,636
Excess (deficiency) of revenues over (under) expenditures	(2,266,368)	(3,380,057)	(3,304,954)	75,103
OTHER FINANCING SOURCES (USES)				
Budget appropriations from Board of County Commissioners	2,266,368	3,380,057	3,380,057	-
Transfer out/return of excess fees	-	-	(75,103)	(75,103)
Net other financing sources (uses)	2,266,368	3,380,057	3,304,954	(75,103)
Net change in fund balance	$ -	$ -	-	$ -
Fund balance, beginning of year			-	
Fund balance, end of year			$ -	

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

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 4,163,012	$ 4,421,500	$ 4,522,854	$ 101,354
Total revenues	4,163,012	4,421,500	4,522,854	101,354
EXPENDITURES				
Current				
General government	4,163,012	4,421,500	4,414,584	6,916
Total expenditures	4,163,012	4,421,500	4,414,584	6,916
Excess of revenues over expenditures	-	-	108,270	108,270
Net change in fund balance	$ -	$ -	108,270	$ 108,270
Fund balance, beginning of year			529,096	
Fund balance, end of year			$ 637,366	

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

September 30, 2024		Custodial Funds
ASSETS		
Cash and cash equivalents	$	11,946,344
Accounts receivable, net		56
Total assets	$	11,946,400
LIABILITIES		
Due to others	$	63,985
Due to other governments		2,067,692
Total liabilities	$	2,131,677
NET POSITION		
Restricted for		
Held for others	$	9,814,723
Total net position	$	9,814,723

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

For the year ended September 30, 2024	Custodial Funds
Additions	
Funds held for others	$ 77,381,988
Court costs	26,813
Total additions	77,408,801
Deductions	
Funds held for others	74,737,959
Court costs	22,591
Total deductions	74,760,550
Net increase (decrease) in fiduciary net position	2,648,251
Net position, beginning of year	7,166,472
Net position, end of year	$ 9,814,723

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, 2024, 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Investments

The Clerk has investments in the Local Government Surplus Funds Trust Fund (pool), hereinafter Florida PRIME, administered by the State of Florida State Board of Administration. 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 Clerk's position in the pool is equal to the value of the pooled shares.

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, September 25, 2025 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. 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). 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.

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, 2024, 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.

The investment program is established in accordance with Section 218.45, Florida Statutes, which allows the Clerk to invest in the Florida State Board of Administration (SBA) 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 deposited in the Public Records Modernization Trust Fund.

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.

Value of Investments in Entities that Use Amortized Cost –The investing of public funds with the Florida State Board of Administration - 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, 2024, the Clerk had $7,653,214 invested. The value of the Clerk's position in the pool is equal to the value of the pooled shares.

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, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Clerk's access to 100 percent of their account value in this external investment pool.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (Continued)

Accounts receivable, net

At September 30, 2024, accounts receivable, net is summarized as follows:

	Accounts Receivable	Allowance for Uncollectible	Net
General fund	$ 146,753	$ -	$ 146,753
Court fund	98,671	-	98,671
Records Modernization – Court fund	1,327	-	1,327
Restitution fund	56	-	56
Total	$ 246,807	$ -	$ 246,807

The Clerk considers all amounts collectible; therefore there is no provision for doubtful accounts at September 30, 2024.

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).

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, 2023 through June 30, 2024, were 13.57%, 34.52%, and 58.68% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2024 through September 30, 2024, were 13.63%, 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 21.13% for October 1, 2023 through June 30, 2024 and also for July 1, 2024 through September 30, 2024, 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, 2024, 2023, and 2022 were $722,149, $670,389, and $597,278, 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, 2024, were $92,395.

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, 2024, totaled $232,022.

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

September 30, 2024	Custodial Funds Fines and Forfeitures	Jury and Witness	Tax Deed
ASSETS			
Cash and cash equivalents	$ 5,008,942	$ 35,158	$ 1,121,722
Accounts receivable, net	-	-	-
Total assets	$ 5,008,942	$ 35,158	$ 1,121,722
LIABILITIES			
Due to others	$ 28,557	$ -	$ -
Due to other governments	1,761,549	36	7,326
Total liabilities	$ 1,790,106	$ 36	$ 7,326
NET POSITION			
Restricted for			
Held for others	$ 3,218,836	$ 35,122	$ 1,114,396
Total net position	$ 3,218,836	$ 35,122	$ 1,114,396

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

Custodial Funds				
Support	Court Registry	Cash Bond	Restitution	Total
$ 27,799	$ 3,831,018	$ 1,728,488	$ 193,217	$ 11,946,344
-	-	-	56	56
$ 27,799	$ 3,831,018	$ 1,728,488	$ 193,273	$ 11,946,400
$ -	$ -	$ -	$ 35,428	$ 63,985
27,799	46,437	66,700	157,845	2,067,692
$ 27,799	$ 46,437	$ 66,700	$ 193,273	$ 2,131,677
$ -	$ 3,784,581	$ 1,661,788	$ -	$ 9,814,723
$ -	$ 3,784,581	$ 1,661,788	$ -	$ 9,814,723

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

For the year ended September 30, 2024	Custodial Funds Fines and Forfeitures	 Jury and Witness	 Tax Deed
Additions			
Funds held for others	$ 52,470,759	$ -	$ 3,474,084
Court costs	-	26,813	-
Total additions	52,470,759	26,813	3,474,084
Deductions			
Funds held for others	51,855,504	-	3,043,627
Court costs	-	22,591	-
Total deductions	51,855,504	22,591	3,043,627
Net increase (decrease) in fiduciary net positon	615,255	4,222	430,457
Net position, beginning of year	2,603,581	30,900	683,939
Net position, end of year	$ 3,218,836	$ 35,122	$ 1,114,396

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

Custodial Funds				
Support	Court Registry	Cash Bond	Restitution	Total
$ 1,337,952	$ 17,802,544	$ 1,515,927	$ 780,722	$ 77,381,988
-	-	-	-	26,813
1,337,952	17,802,544	1,515,927	780,722	77,408,801
1,337,952	16,081,651	1,638,503	780,722	74,737,959
-	-	-	-	22,591
1,337,952	16,081,651	1,638,503	780,722	74,760,550
-	1,720,893	(122,576)	-	2,648,251
-	2,063,688	1,784,364	-	7,166,472
$ -	$ 3,784,581	$ 1,661,788	$ -	$ 9,814,723

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, 2024, and have issued our report thereon dated September 25, 2025.

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 September 25, 2025, 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.

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 fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has 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 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.

Panama City Beach, Florida
September 25, 2025

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

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, 2024. 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, 2024.

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.

Panama City Beach, Florida
September 25, 2025

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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, 2024, 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 September 25, 2025, 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.

Report on 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 were not identified.

Report on 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.

Panama City Beach, Florida
September 25, 2025

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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, 2024, 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, 2024, 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, 2024, 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 September 25, 2025, 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.

Panama City Beach, Florida
September 25, 2025

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September 30, 2024		General Fund
ASSETS		
Cash and cash equivalents	$	501,910
Total assets	$	501,910
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable and accrued liabilities	$	500,710
Due to other governments		1,200
Total liabilities		501,910
Fund balance		-
Total liabilities and fund balance	$	501,910

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

For the year ended September 30, 2024	General Fund
REVENUES	
Charges for services	$ 552
Interest income	15,422
Total revenues	15,974
EXPENDITURES	
Current	
General government	4,174,903
Capital outlay	
General government	526,792
Debt service	
Principal retirement	10,074
Interest and fiscal charges	322
Total expenditures	4,712,091
Excess (deficiency) of revenues over (under) expenditures	(4,696,117)
OTHER FINANCING SOURCES (USES)	
Budget appropriations from Board of County Commissioners	4,643,346
Budget appropriations from other taxing districts	53,971
Transfer out/return of excess fees from Board of County Commissioners	(1,187)
Transfer out/return of excess fees from other taxing districts	(13)
Net other financing sources (uses)	4,696,117
Net change in fund balance	-
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 Property Appraiser
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ -	$ -	$ 552	$ 552
Interest income	-	-	15,422	15,422
Total revenues	-	-	15,974	15,974
EXPENDITURES				
Current				
General government	4,471,008	4,628,973	4,174,903	454,070
Capital outlay				
General government	57,948	57,948	526,792	(468,844)
Debt service				
Principal retirement	10,074	10,074	10,074	-
Interest and fiscal charges	322	322	322	-
Total expenditures	4,539,352	4,697,317	4,712,091	(14,774)
Excess (deficiency) of revenues over (under) expenditures	(4,539,352)	(4,697,317)	(4,696,117)	1,200
OTHER FINANCING SOURCES (USES)				
Budget appropriations from Board of County Commissioners	4,487,196	4,643,346	4,643,346	-
Budget appropriations from other taxing districts	52,156	53,971	53,971	-
Transfer out/return of excess fees from Board of County Commissioners	-	-	(1,187)	(1,187)
Transfer out/return of excess fees from other taxing districts	-	-	(13)	(13)
Net other financing sources (uses)	4,539,352	4,697,317	4,696,117	(1,200)
Net change in fund balance	$ -	$ -	-	$ -
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, 2024, 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.

Excess of expenditures over appropriations

For the year ended September 30, 2024, expenditures exceeded appropriations in the General Fund by $14,774.

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, September 25, 2025, 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. 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

supplementary information (SI). 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.

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, 2024, 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).

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, 2023 through June 30, 2024, were 13.57%, 34.52%, and 58.68% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2024 through September 30, 2024, were 13.63%, 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 21.13% for October 1, 2023 through June 30, 2024 and also for July 1, 2024 through September 30, 2024, with no employee contribution required.

The contribution requirements of plan members and the Property Appraiser are established and may be amended by the Florida Legislature. The Property Appraiser's contributions to FRS for the years ended September 30, 2024, 2023, and 2022 were $389,428, $353,791, and $326,763, 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, 2024, were $37,129.

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, 2024, totaled $43,633.

NOTE 3 – RETIREMENT PLANS (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.

CARR RIGGS & INGRAM

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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, 2024, and have issued our report thereon dated September 25, 2025.

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 September 25, 2025, 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.

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 fraud, waste or abuse, that has occurred, or is likely to have occurred, that has 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 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.

Panama City Beach, Florida
September 25, 2025

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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, 2024. 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, 2024.

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.

Panama City Beach, Florida
September 25, 2025

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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, 2024, 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 September 25, 2025, which contains an emphasis of matter referring to a basis of presentation required for compliance with state reporting requirements.

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. We identified certain deficiencies in internal control, described below and identified as 2024-001, that we consider to be a material weakness.

2024-001

Condition: Material adjustments to the financial records for cash and accounts payable 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 Property Appraiser's controls did not identify the adjustments timely. In addition, the dating of a check was improperly dated in the accounting records.

Effect: Adjustments were required for current year balances.

Recommendation: We recommend that the Property Appraiser accounting staff continue to strive toward identifying and correcting errors more timely.

Views of Responsible Officials and Planned Corrective Action: Management agrees with the auditor's recommendation.

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.

Panama City Beach, Florida
September 25, 2025

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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, 2024, 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, 2024, 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, 2024, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025, 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.

Panama City Beach, Florida
September 25, 2025

September 30, 2024		General Fund
ASSETS		
Cash and cash equivalents	$	4,323,781
Accounts receivable, net		11,389
Due from other governments		3,288
Prepaid items		301,250
Total assets	$	4,639,708
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable and accrued liabilities	$	159,281
Due to other governments		4,480,427
Total liabilities		4,639,708
Fund balance		
Nonspendable		301,250
Unassigned		(301,250)
Total fund balance		-
Total liabilities and fund balance	$	4,639,708

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

For the year ended September 30, 2024	General Fund
REVENUES	
Commissions	
Bay County, Florida Board of County Commissioners	$ 6,470,906
Other governmental units	503,670
Charges for services	2,513,875
Miscellaneous	369,917
Total revenues	9,858,368
EXPENDITURES	
Current	
General government	5,809,785
Capital outlay	
General government	43,968
Debt service	
Principal	215,486
Interest	36,399
Total expenditures	6,105,638
Excess of revenues over expenditures	3,752,730
OTHER FINANCING SOURCES (USES)	
Transfers out	
Distribution of excess commissions to the Bay County, Florida Board of County Commissioners	(3,481,282)
Distribution of excess commissions to other governmental units	(271,448)
Net other financing sources (uses)	(3,752,730)
Net change in fund balance	-
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 Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund

For the year ended September 30, 2024	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
REVENUES				
Commissions				
Bay County, Florida Board of County Commissioners	$ 5,602,360	$ 5,602,360	$ 6,470,906	$ 868,546
Other governmental units	-	-	503,670	503,670
Charges for services	2,745,692	2,745,692	2,513,875	(231,817)
Miscellaneous revenue	115,000	115,000	369,917	254,917
Total revenues	8,463,052	8,463,052	9,858,368	1,395,316
EXPENDITURES				
Current				
General government	6,932,165	6,997,515	5,809,785	1,187,730
Capital outlay				
General government	4,500	54,500	43,968	10,532
Debt service				
Principal	-	-	215,486	(215,486)
Interest	-	-	36,399	(36,399)
Total expenditures	6,936,665	7,052,015	6,105,638	946,377
Excess of revenues over expenditures	1,526,387	1,411,037	3,752,730	2,341,693
OTHER FINANCING SOURCES (USES)				
Transfers out				
Distribution of excess commissions to the Bay County, Florida Board of County of County Commissioners	(1,526,387)	(1,411,037)	(3,481,282)	(2,070,245)
Distribution of excess commissions to other governmental units	-	-	(271,448)	(271,448)
Net other financing sources (uses)	(1,526,387)	(1,411,037)	(3,752,730)	(2,341,693)
Net change in fund balance	$ -	$ -	-	$ -
Fund balance, beginning of year			-	
Fund balance, end of year			$ -	

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

September 30, 2024		Custodial Funds
ASSETS		
Cash and cash equivalents	$	3,913,975
Receivables, net		-
Total assets	$	3,913,975
LIABILITIES		
Deposits	$	3,032,673
Due to other governments		817,046
Due to others		64,256
Total liabilities	$	3,913,975
NET POSITION		
Restricted for		
Held for others	$	-
Total net position	$	-

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

For the year ended September 30, 2024	Custodial Funds
Additions	
Property taxes collected for other goverments	$ 395,614,325
Funds held for others	29,710,558
Total additions	425,324,883
Deductions	
Property taxes distributed to other governments	395,614,325
Funds held for others	29,710,558
Total deductions	425,324,883
Net change in fiduciary net position	-
Net position, beginning of year	-
Net position, end of year	$ -

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Office of the Bay County Tax Collector (Tax Collector) is an integral part of Bay County, Florida (County) and is an elected Constitutional Office that is governed by state statutes and regulations. The financial statements of the Tax Collector are included in Bay County, Florida's basic financial statements. The Tax Collector operates on a fee system under 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, 2024, 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, September 25, 2025 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. 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). 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.

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, 2024, 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.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

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.

At September 30, 2024, accounts receivable, net is summarized as follows:

	General Fund	
Accounts receivable	$	11,389
Less: allowance for doubtful accounts		-
Accounts receivable, net	$	11,389

The Tax Collector considers all amounts collectible; therefore, there is no provision for doubtful accounts at September 30, 2024.

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).

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, 2023 through June 30, 2024, were 13.57%, 34.52%, and 58.68% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2024 through September 30, 2024, were 13.63%, 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 21.13% for October 1, 2023 through June 30, 2024 and also for July 1, 2024 through September 30, 2024, 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, 2024, 2023, and 2022 were $347,815, $296,812, and $253,812, 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, 2024, were $59,262.

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, 2024, totaled $258,082.

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.

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CUSTODIAL FUNDS

Bay County Tax Collector
Combining Special-Purpose Statement of Fiduciary Net Position
Fiduciary Funds

	Custodial Funds		
September 30, 2024	Property Tax	Tag	Total
ASSETS			
Cash and cash equivalents	$ 3,400,318	$ 513,657	$ 3,913,975
Total assets	$ 3,400,318	$ 513,657	$ 3,913,975
LIABILITIES			
Deposits	3,032,673	-	3,032,673
Due to other governments	303,389	513,657	817,046
Due to others	64,256	-	64,256
Total liabilities	$ 3,400,318	$ 513,657	$ 3,913,975
NET POSITION			
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		
For the year ended September 30, 2024	Property Tax	Tag	Total
Additions			
Property taxes collected for other goverments	$ 395,614,325	$ -	$ 395,614,325
Funds held for others	-	29,710,558	29,710,558
Total additions	395,614,325	29,710,558	425,324,883
Deductions			
Property taxes distributed to other governments	395,614,325	-	395,614,325
Funds held for others	-	29,710,558	29,710,558
Total deductions	395,614,325	29,710,558	425,324,883
Net change in fiduciary net position	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	$ -	$ -	$ -

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

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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, 2024, and have issued our report thereon dated September 25, 2025.

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 September 25, 2025, 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 fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has 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 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.

Panama City Beach, Florida
September 25, 2025

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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, 2024. 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, 2024.

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.

Panama City Beach, Florida
September 25, 2025

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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, 2024, 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 September 25, 2025, 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.

Report on 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 were not identified.

Report on 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.

Panama City Beach, Florida
September 25, 2025

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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, 2024, 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, 2024, 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, 2024, 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 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 September 25, 2025, 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.

Panama City Beach, Florida
September 25, 2025

September 30, 2024	General Fund	Inmate Welfare	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,362,445	$ 3,286,137	$ 507,499	$ 5,156,081
Accounts receivable, net	1,702,458	229,324	1,548	1,933,330
Due from other governments	130,253	13,125	-	143,378
Total assets	$ 3,195,156	$ 3,528,586	$ 509,047	$ 7,232,789
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable and accrued liabilities	$ 516,316	$ -	$ 1,238	$ 517,554
Due to other governments	2,291,046	-	-	2,291,046
Unearned revenue	387,794	-	-	387,794
Total liabilities	3,195,156	-	1,238	3,196,394
Fund balance				
Restricted	-	3,528,586	507,809	4,036,395
Total liabilities and fund balance	$ 3,195,156	$ 3,528,586	$ 509,047	$ 7,232,789

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

For the year ended September 30, 2024	General Fund	Inmate Welfare	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental revenue	$ 7,719,750	$ -	$ 518,031	$ 8,237,781
Interest income	345,735	-	-	345,735
Charges for services	-	1,938,775	-	1,938,775
Miscellaneous	299,880	-	-	299,880
Contributions	-	-	-	-
Total revenues	8,365,365	1,938,775	518,031	10,822,171
EXPENDITURES				
Current				
Public safety	61,257,457	1,337,964	409,205	63,004,626
Capital outlay				
Public safety	3,671,828	105,055	53,407	3,830,290
Debt service				
Principal retirement	1,142,707	-	72,550	1,215,257
Interest and fiscal charges	70,064	-	350	70,414
Total expenditures	66,142,056	1,443,019	535,512	68,120,587
Excess (deficiency) of revenues over (under) expenditures	(57,776,691)	495,756	(17,481)	(57,298,416)
OTHER FINANCING SOURCES (USES)				
Budget appropriations from Board of County Commissioners	58,072,917	-	-	58,072,917
Debt issuance	1,857,398	-	-	1,857,398
Transfer out/return of excess fees	(2,153,624)	-	-	(2,153,624)
Net other financing sources (uses)	57,776,691	-	-	57,776,691
Net change in fund balance	-	495,756	(17,481)	478,275
Fund balance, beginning of year	-	3,032,830	525,290	3,558,120
Fund balance, end of year	$ -	$ 3,528,586	$ 507,809	$ 4,036,395

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

For the year ended September 30, 2024	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental revenue	$ 5,986,028	$ 6,933,907	$ 7,719,750	$ 785,843
Interest income	-	-	345,735	345,735
Miscellaneous	-	97,137	299,880	202,743
Total revenues	5,986,028	7,031,044	8,365,365	1,334,321
EXPENDITURES				
Current				
Public safety	59,105,162	61,244,967	61,257,457	(12,490)
Capital outlay				
Public safety	2,774,725	2,774,725	3,671,828	(897,103)
Debt service				
Principal retirement	1,013,458	1,013,458	1,142,707	(129,249)
Interest and fiscal charges	-	-	70,064	(70,064)
Total expenditures	62,893,345	65,033,150	66,142,056	(1,108,906)
Excess (deficiency) of revenues over (under) expenditures	(56,907,317)	(58,002,106)	(57,776,691)	225,415
OTHER FINANCING SOURCES (USES)				
Budget appropriations from Board of County Commissioners	56,978,126	58,072,915	58,072,917	2
Debt issuance	-	-	1,857,398	1,857,398
Transfer out/return of excess fees	-	-	(2,153,624)	(2,153,624)
Net other financing sources (uses)	56,978,126	58,072,915	57,776,691	(296,224)
Net change in fund balance	$ 70,809	$ 70,809	-	$ (70,809)
Fund balance, beginning of year			-	
Fund balance, end of year			$ -	

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

September 30, 2024	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 484,470
Property and equipment, net	15,874
Total assets	$ 500,344
LIABILITIES	
Due to other governments	$ 83,710
Total liabilities	$ 83,710
NET POSITION	
Restricted	
Held for others	$ 416,634
Total net position	$ 416,634

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

For the year ended September 30, 2024		Custodial Funds
Additions		
Funds held for others	$	270,787
Seizures		187,645
Bonds, purges, and levies		77,274
Total additions		535,706
Deductions		
Funds held for others		254,913
Seizures		282,822
Bonds, purges, and levies		68,932
Total deductions		606,667
Net increase (decrease) in fiduciary net position		(70,961)
Net position, beginning of year		487,595
Net position, end of year	$	416,634

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, 2024, 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.

Excess of expenditures over appropriations

For the year ended September 30, 2024, expenditures exceeded appropriations in the General Fund by $1,108,906.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Net Position and Fund Balance (Continued)

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.

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, September 25, 2025 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

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. 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 statement applicable to the Sheriff's financial statement 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.

The Sheriff is evaluating the requirements of the above statement and the impact on reporting.

NOTE 2 – DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2024, 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, 2024, were as follows:

	Accounts Receivable	Unbilled Recievable	Allowance for Uncollectible	Net
General Fund	$ 1,702,458	$ -	$ -	$ 1,702,458
Inmate Welfare Fund	229,324	-	-	229,324
Other Governmental Funds	1,548	-	-	1,548
Total	$ 1,933,330	$ -	$ -	$ 1,933,330

The Sheriff considers all amounts collectible; therefore there is no provision for doubtful accounts at September 30, 2024.

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).

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, 2023 through June 30, 2024, were 13.57%, 34.52%, and 58.68% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2024 through September 30, 2024, were 13.63%, 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 21.13% for October 1, 2023 through June 30, 2024 and also for July 1, 2024 through September 30, 2024, 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, 2024, 2023, and 2022 were $6,540,449, $5,859,400, and $4,784,581, 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, 2024, were $656,191.

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, 2024, totaled $1,967,866.

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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September 30, 2024	Special Contribution	Crime Prevention	Special Law Enforcement Trust	Chapter 705	Law Enforcement Training	Total
ASSETS						
Cash and cash equivalents	$ 13,152	$ 208,121	$ 86,151	$ 155,338	$ 44,737	$ 507,499
Accounts receivable, net	-		-	-	1,548	1,548
Total assets	$ 13,152	$ 208,121	$ 86,151	$ 155,338	$ 46,285	$ 509,047
LIABILITIES AND FUND BALANCE						
Accounts payable	$ -	$ -	$ -	$ -	$ 1,238	$ 1,238
Total liabilities	-	-	-	-	1,238	1,238
Fund balance						
Restricted	13,152	208,121	86,151	155,338	45,047	507,809
Total liabilities and fund balance	$ 13,152	$ 208,121	$ 86,151	$ 155,338	$ 46,285	$ 509,047

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

Year Ended September 30, 20	Special Contribution	Crime Prevention	Special Law Enforcement Trust	Chapter 705	Law Enforcement Training	Total
REVENUES						
Intergovernmental revenue	$ 1,100	$ 154,503	$ 165,362	$ 134,614	$ 62,452	$ 518,031
Total revenues	1,100	154,503	165,362	134,614	62,452	518,031
EXPENDITURES						
Current						
Public safety	2,045	20,489	186,427	130,949	69,295	409,205
Capital outlay						
Public safety	-	-	53,407	-	-	53,407
Debt service						
Principal retirement	-	72,550	-	-	-	72,550
Interest and fiscal charges	-	350	-	-	-	350
Total expenditures	2,045	93,389	239,834	130,949	69,295	535,512
Excess (deficiency) of revenues over (under) expenditures	(945)	61,114	(74,472)	3,665	(6,843)	(17,481)
OTHER FINANCING SOURCES						
Net change in fund balance	(945)	61,114	(74,472)	3,665	(6,843)	(17,481)
Fund balance, beginning of year	14,097	147,007	160,623	151,673	51,890	525,290
Fund balance, end of year	$ 13,152	$ 208,121	$ 86,151	$ 155,338	$ 45,047	$ 507,809

CUSTODIAL FUNDS

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	Custodial Funds					
September 30, 2024	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene	Total
ASSETS						
Cash and cash equivalents	$ 8,342	$242,993	$ 70,298	$ 13,412	$149,425	$484,470
Property and equipment, net	-	-	-	15,874	-	15,874
Total assets	$ 8,342	$242,993	$ 70,298	$ 29,286	$149,425	$500,344
LIABILITIES						
Due to other governments	$ -	$ -	$ 70,298	$ 13,412	$ -	$ 83,710
Total liabilities	$ -	$ -	$ 70,298	$ 13,412	$ -	$ 83,710
NET POSITION						
Restricted for						
Held for others	$ 8,342	$242,993	$ -	$ 15,874	$149,425	$416,634
Total net position	$ 8,342	$242,993	$ -	$ 15,874	$149,425	$416,634

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

	Custodial Funds					
September 30, 2024	Other Suspense	Forfeiture	Sheriff's Fees	Search & Rescue	Crime Scene	Total
Additions						
Funds held for others	$ -	$ -	$ 237,913	$ 32,874	$ -	$ 270,787
Seizures	-	187,447	-	-	198	187,645
Bonds, purges, and levies	77,274	-	-	-	-	77,274
Total additions	77,274	187,447	237,913	32,874	198	535,706
Deductions						
Funds held for others	-	-	237,913	17,000	-	254,913
Seizures	-	198,717	-	-	84,105	282,822
Bonds, purges, and levies	68,932	-	-	-	-	68,932
Total deductions	68,932	198,717	237,913	17,000	84,105	606,667
Net increase (decrease) in fiducairy net position	8,342	(11,270)	-	15,874	(83,907)	(70,961)
Net position, beginning of year	-	254,263	-	-	233,332	487,595
Net position, end of year	$ 8,342	$ 242,993	$ -	$ 15,874	$ 149,425	$ 416,634

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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, 2024, and have issued our report thereon dated September 25, 2025.

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 September 25, 2025, 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.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to special-purpose financial statements. The Bay County Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Bay County Sheriff has no component units.

The Honorable Tommy Ford
Bay County Sheriff
Page Two

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we 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 fraud, waste or abuse, that has occurred, or is likely to have occurred, that has 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 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.

Panama City Beach, Florida
September 25, 2025

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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, 2024. 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, 2024.

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.

Panama City Beach, Florida
September 25, 2025

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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, 2024, 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 September 25, 2025, 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.

Report on 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. Given these limitations, during out 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.

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Panama City Beach, Florida
September 25, 2025

BAY COUNTY FLORIDA