

BAY COUNTY FLORIDA



Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF
BAY COUNTY, FLORIDA

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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

KATY NAIL
FINANCE OFFICER

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June 15, 2021

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

Gentlemen,

We are pleased to present to you and the citizens of Bay County the accompanying Comprehensive Annual Financial Report (CAFR) of Bay County, Florida (the "County") for the fiscal year ended September 30, 2020. This report was prepared by the Division of Board Finance within the Office of the Clerk of Court & Comptroller. Responsibility for the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Clerk as Chief Financial Officer and Comptroller of Bay County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to present fairly the financial position, results of operations and cash flows of the County as measured by the financial activity of its various funds. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

General

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

1. Management's Discussion and Analysis: a narrative report providing significant information about the County and how the County's financial position has changed from September 30, 2019 to September 30, 2020 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, whereas management cannot overspend the budget without the approval of the Board of County Commissioners. Expenditures cannot exceed the total amount budgeted for each fund. Budget control is maintained by a computerized encumbrance system, which restricts budgetary amounts upon input. Purchase orders that exceed account appropriations are not released until additional appropriations are made available. All appropriations lapse at year-end. If required, encumbrances are reestablished at the beginning of the new fiscal year if the funds are appropriated in the annual budget.

The Reporting Entity and Its Services

Bay County is a non-chartered county established under the legal authority of the Constitution and the Laws of the State of Florida. The County provides a full range of services. These include tax assessments and collections, state and county courts, public safety (law enforcement, fire and EMS), physical environment, transportation, economic environment, human services and general administrative services. In addition, the County also operates five enterprise activities. The County's Component Units consist of the Panama City Beach Convention & Visitors Bureau, Inc., the Mexico Beach Community Development Council, Inc., and the Panama City Community Development Council, Inc. 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

Going into fiscal year 2020, Bay County's primary focus remained to rebuild and restore the community from damages caused by Hurricane Michael, which hit in October 2018 and was the third strongest storm on record to impact the U.S. mainland. While progress has been made towards this rebuilding, the arrival of the COVID-19 pandemic in March 2020 slowed economic growth all over the world, including Bay County. These events together have had devastating impacts on Bay County residents' livelihoods, mental health, children's education, local economies and more. The State of Florida allocated more than \$30 million to Bay County in Coronavirus Aid, Relief and Economic Security Act (CARES) funding. With this funding, Bay County has been able to offer COVID-19 related services, as well as reimburse businesses for loss of revenue and assist individuals in paying certain living expenses.

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

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

Major Initiatives

For the Year

While in the midst of recovering from Hurricane Michael, the County joined the entire world in fighting the battle of protecting its citizens from the COVID-19 Pandemic. The knowledge of disaster response tactics gained from the County's experience after Hurricane Michael equipped them to quickly jump into motion to assist citizens. Existing relationships with national nonprofit feeding organizations were utilized to help deliver meals to those in need. Bay County was among the first of 67 counties to enter requests to the state and begin taking delivery of personal protective equipment for use by the hospitals and nursing homes. Through CARES funding, Bay County provided more than 58,000 COVID-19 tests free to the public, implemented the "Be a Hero" public information campaign aimed at slowing the spread of COVID-19 and assisted local businesses, non-profits and individuals with various needs.

Bay County continued to assist in addressing the food, mental health, housing and transportation needs through Rebuild Bay County, a non-profit entity created post-storm and compiled of local nonprofit organizations. A Private Property Debris Removal Program (administered by the federal government) was implemented and managed by Bay County. This program assisted in cleaning or demolishing 967 properties with damaged or destroyed homes and storm debris at no cost to the citizen. As of September 30, 2020, the program is 65-percent complete.

Bay County, as well as its citizens, have made significant progress in its recovery following Hurricane Michael. During fiscal year 2020, a total of 14,628 permits were issued and 25,498 inspections were completed through the Builder's Services Department. In addition, there were 430 new contractors registered to work in Bay County during the year. The Parks and Recreation Department finalized several projects during fiscal year 2020. This includes, but not limited to, McElvey Skate Park (labor donated by local construction company), a fully redesigned Disc Golf Course at Majette, new fencing, backstops, and LED athletic field lighting at both Hiland Park Recreational Complex and Harker's Park, and new floating and stationary docs at several boat ramp locations.

The County continues to improve the road system and increase neighborhood safety through pedestrian paths and sidewalks to schools, reducing neighborhood flooding and reducing traffic congestion using funds collected from the half-cent sales tax that voters passed in November 2016. There have been over 25 projects completed with the use of these funds, including resurfacing sixteen county roads, dirt road stabilization and drainage projects, bridge repair and replacement and roadway safety projects. Continuing projects include Jenks Avenue Widening, Loop Road Phase II, resurfacing Thomas Drive and East Avenue (County 390 to Baldwin, and many more.

In addition, Bay County's millage rate remained unchanged during the year and is among the lowest in the state at 4.43 mills. Retail Water/Sewer rates were reduced earlier than anticipated and the first of several reductions planned over the next few years was implemented.

For the Future

Bay County will continue to focus on restoring and rebuilding its assets to a more durable and safe condition. Working with the municipalities and school districts within the County will provide support in developing and enhancing the area's infrastructure, storm water and transportation needs.

Some significant projects that are currently in process for future completion include the Bay County Skate Park, Southport Sports Complex, Public Safety Radio System, CR 2297 Cooks Bayou Bridge and assessing a plan to re-open the East Pass (also known as the Old Pass). In addition, plans for permanently closing the Bay County Incinerator began at the end of fiscal year 2020 which will result in an approximate 35-percent tipping fee reduction to customers in fiscal year 2021.

In fiscal year 2021, Bay County is projecting the completion of the Steelfield Road Landfill Expansion. The estimated project cost is \$18,429,600 and includes the construction of approximately 34 acres of Class 1 landfill expansion at the site. It is estimated that the expansion will add ten to twenty years of life to the landfill. It will also provide additional landfill space for haulers to dump, considering the closure of the Bay County Incinerator.

During the next year, strategies will continue to be implemented in an effort to help stop the spread of COVID-19, including opening sites to offer vaccinations at no charge the public.

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

Independent Audit

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

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bay County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2019. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

A Certificate of Achievement is valid for a period of one year only. Bay County has been awarded the Certificate of Achievement for thirty-one consecutive years (fiscal years ended September 30, 1989 through 2019). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA for approval.

Acknowledgments

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

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

Respectfully submitted,



Bill Kinsaul
Clerk of Court & Comptroller

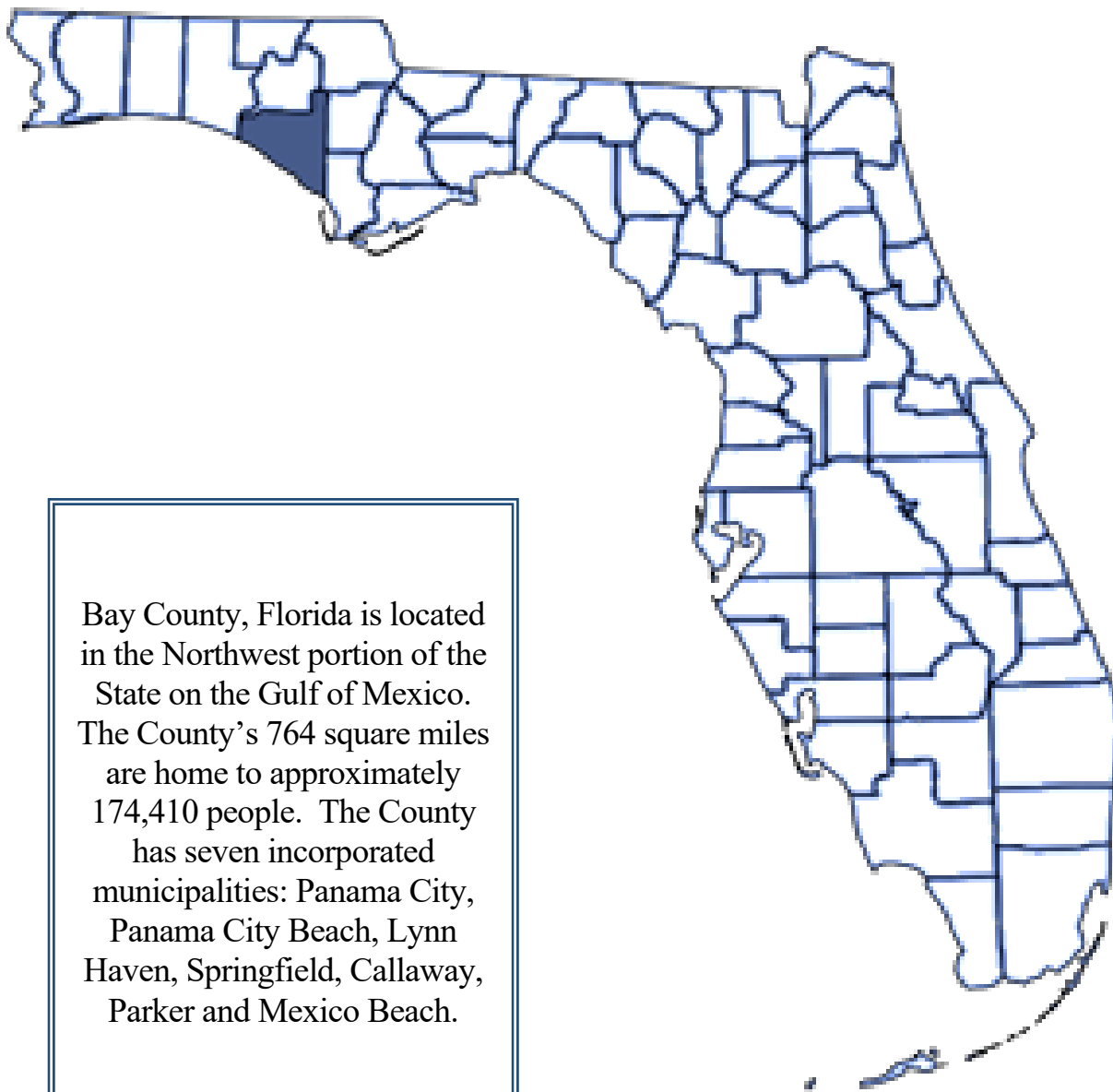


Katy Nail
Finance Officer

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BAY COUNTY *Florida*



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

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County Officials Bay County, Florida



*Tommy Hamm
Commissioner
District I*



*Robert Carroll
Commissioner
District II*



*William T. Dozier
Commissioner
District III*



*Doug Moore
Commissioner
District IV*



*Philip Griffitts
Commissioner
District V*

County Officials Bay County, Florida



*Mark Andersen
Supervisor of
Elections*



*Bill Kinsaul
Clerk of Court
& Comptroller*



*Dan Sowell
Property Appraiser*



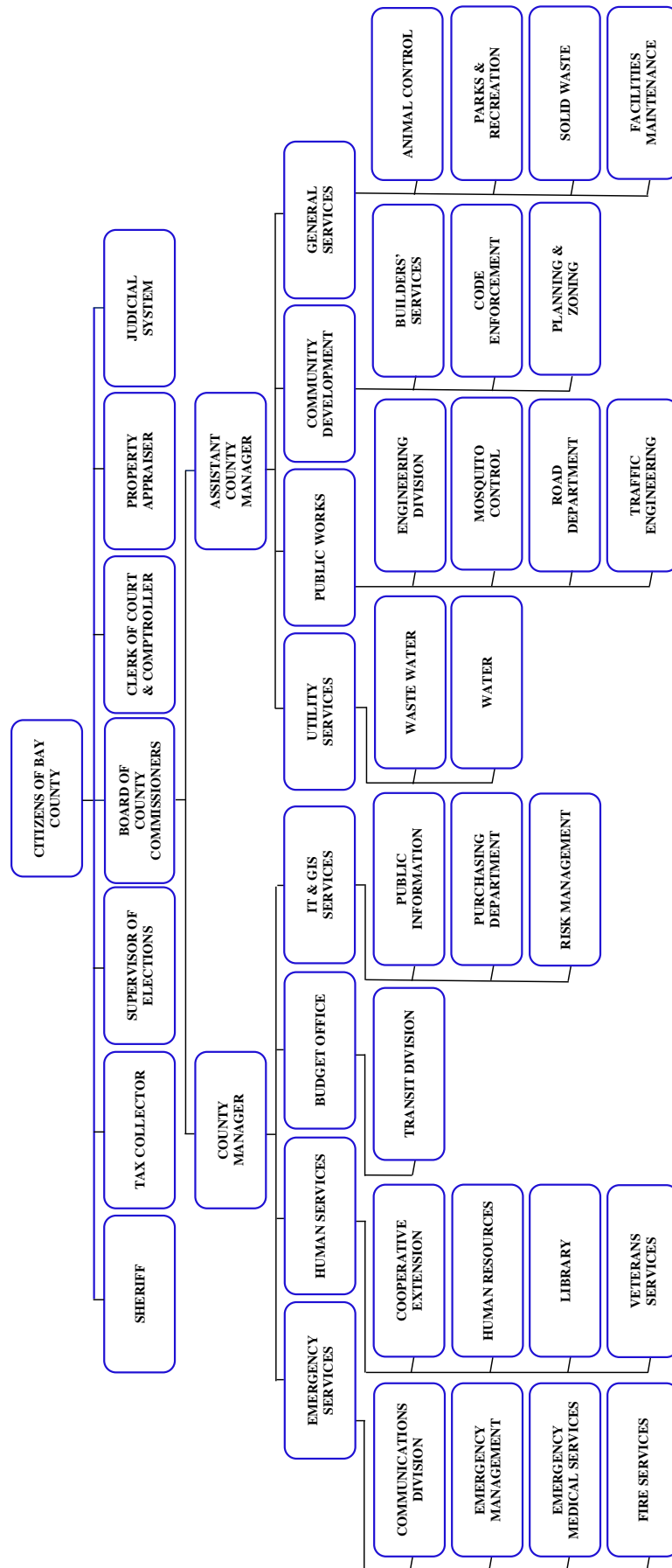
*Chuck Perdue
Tax Collector*



*Tommy Ford
Sheriff*

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BAY COUNTY ORGANIZATIONAL CHART Fiscal Year 2020



Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bay County, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2019.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Bay County
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

The Honorable County Commissioners
Bay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major discretely presented component unit, each major fund, and the aggregate remaining fund information of Bay County, Florida, as of and for the year ended September 30, 2020, and the related notes to basic financial statements, which collectively comprise Bay County, Florida's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major discretely presented component unit, each major fund, and the aggregate remaining fund information of Bay County, Florida, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general, tourist development and transportation funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B-5 through B-16, the schedule of Bay County, Florida's proportionate share of the net pension liability on page B-112, the schedule of Bay County, Florida's contributions on page B-113, the schedule of changes in Bay County's total other postemployment benefits liability and related ratios on page B-114, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bay County, Florida's basic financial statements. The introductory section, combining and individual nonmajor governmental, internal service, and fiduciary fund financial statements and budgetary schedules listed in the table of contents, and statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, State of Florida Rules of the Auditor

General, and is also not a required part of the financial statements. The schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill is presented for the purpose of additional analysis as required by Chapter 10.550, State of Florida Rules of the Auditor General, and is also not a part of the required financial statements.

The combining and individual nonmajor governmental, internal service, and fiduciary fund financial statements, the budgetary schedules, the schedule of expenditures of federal awards and state financial assistance, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor governmental, internal service, and fiduciary fund financial statements, the budgetary schedules, the schedule of expenditures of federal awards and state financial assistance, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2021, on our consideration of Bay County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bay County, Florida's internal control over financial reporting and compliance.

Car, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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Management's discussion and analysis is designed to provide an objective, reader-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 \$394,844,581 (net position). Of this amount, \$56,254,053 is a deficit in unrestricted net position for governmental activities and \$23,097,094 is unrestricted net position for business-type activities, while \$77,167,310 is restricted net position for governmental activities and \$19,762,480 is restricted net position for business-type activities.
- The County's total assets increased by \$34,600,554 or approximately 4 percent during fiscal year 2020. Of this amount, an increase of \$97,770,857 is attributable to governmental activities and a decrease of \$63,170,303 is attributable to business-type activities.
- The County's total liabilities decreased by \$45,997,203 or approximately 7 percent during fiscal year 2020. Of this amount, an increase of \$43,982,816 is attributable to governmental activities and a decrease of \$89,980,019 is attributable to business-type activities.
- Total County's total net position increased by \$78,017,367. Of this amount, an increase of \$51,988,564 is attributable to governmental activities and an increase of \$26,028,803 is attributable to business-type activities.
- As of September 30, 2020, the general fund's unassigned fund balance was \$22,681,796 or 11 percent of the general fund's total expenditures.
- Governmental activities' revenues increased to \$296,209,461 or approximately 3 percent, while governmental activities' expenses decreased 17 percent to \$240,068,862. Business-type activities revenues decreased to \$94,503,086 or approximately 52 percent, while business-type activities expenses decreased approximately 64 percent to \$72,626,318.
- The County's outstanding bonded debt decreased by \$89,889,865 or 38 percent during fiscal year 2020. The key factor contributing to the decrease in bonded debt was the payment of debt related to Hurricane Michael expenses.
- The County's total deferred outflows of resources increased by \$951,515 or approximately 2 percent. Of this amount, an increase of \$1,037,872 is attributable to governmental activities and a decrease of \$86,357 is attributable to business-type activities.
- The County's total deferred inflows of resources increased by \$3,531,905 or approximately 32 percent. Of this amount, an increase of \$2,837,349 is attributable to governmental activities and an increase of \$694,556 is attributable to business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

The ***statement of activities*** presents information on all revenues and expenses of the County and the change in net position for the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

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

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

Fund Financial Statements

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

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

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

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

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

The *fund financial statements* provide a presentation of the County's major funds, along with a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To facilitate a comparison between the *fund financial statements* and the *government-wide financial statements*, a reconciliation is provided.

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

FINANCIAL ANALYSIS OF THE COUNTY

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

Bay County, Florida Net Position

September 30,	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 290,628,043	\$ 219,677,939	\$ 135,478,951	\$ 216,921,532	\$ 426,106,994	\$ 436,599,471
Capital assets	349,601,887	322,781,134	176,262,141	157,989,863	525,864,028	480,770,997
Total assets	640,229,930	542,459,073	311,741,092	374,911,395	951,971,022	917,370,468
Deferred outflows of resources	37,940,427	36,902,555	6,371,438	6,457,795	44,311,865	43,360,350
Current and other liabilities	62,575,231	46,881,848	7,757,956	40,213,622	70,333,187	87,095,470
Long-term liabilities	346,489,419	318,199,986	170,079,470	227,603,823	516,568,889	545,803,809
Total liabilities	409,064,650	365,081,834	177,837,426	267,817,445	586,902,076	632,899,279
Deferred inflows of resources	11,544,182	8,706,833	2,992,048	2,297,492	14,536,230	11,004,325
Net investment in capital assets	236,648,268	193,766,314	94,423,482	70,196,300	331,071,750	263,962,614
Net position-restricted	77,167,310	75,496,876	19,762,480	18,132,682	96,929,790	93,629,558
Net position-unrestricted	(56,254,053)	(63,690,229)	23,097,094	22,925,271	(33,156,959)	(40,764,958)
Total net position	\$ 257,561,525	\$ 205,572,961	\$ 137,283,056	\$ 111,254,253	\$ 394,844,581	\$ 316,827,214

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 (84 percent). These capital assets are utilized to provide services to citizens; consequently, these assets are not available for future spending. It should be noted, that although the County's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The *restricted net position*, representing 25 percent of the County's net position, are subject to external restrictions, and thus are limited as to how they may be used. The deficit balance of unrestricted net position is \$33,156,959.

Governmental activities long-term liabilities increased by \$28,289,433 during 2020, while business-type activities long-term liabilities decreased by \$57,524,353. The decrease noted for business-type activities is attributable to a large pay off of notes used to fund Hurricane Michael recovery efforts. The County recognized an additional \$18,140,329 of net pension liability in governmental activities during 2020, while business-type activities assumed \$2,396,416 in

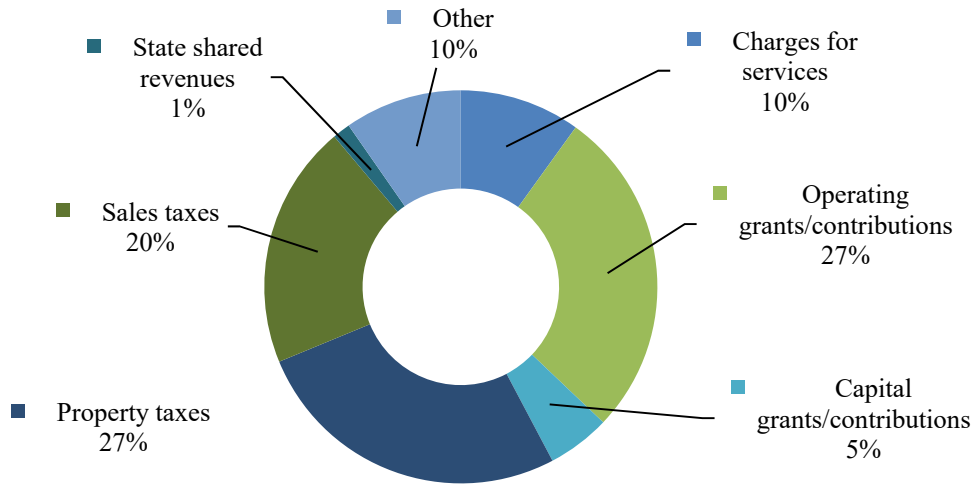
additional liability. The recognition of these liabilities is required by the Governmental Accounting Standards Board (GASB). The County's proportions of the net pension liability, as recorded, are determined by calculating the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined. Regularly scheduled debt service payments due on bonds and notes payable helped offset the increase in both the governmental and business-type activities' long-term liabilities.

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

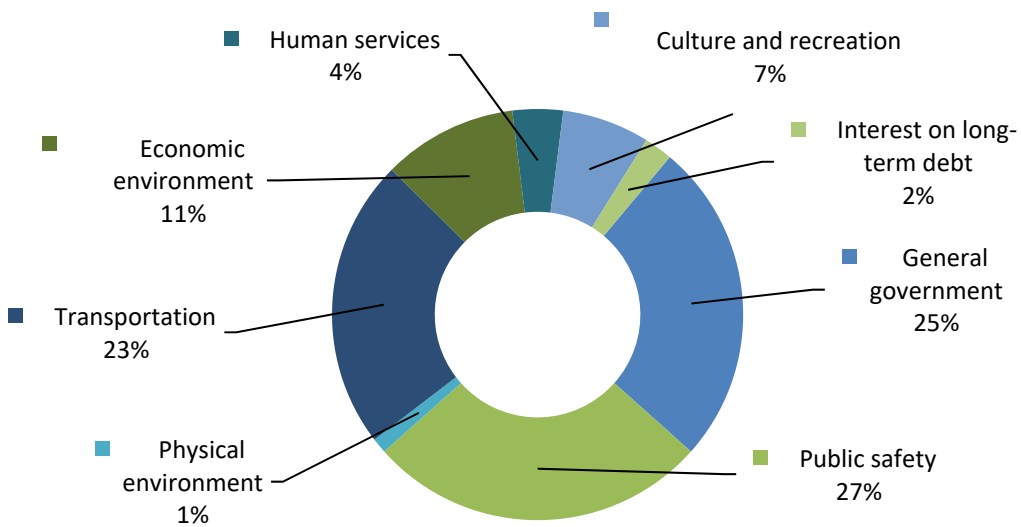
Bay County, Florida Changes in Net Position

Year ended September 30,	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues						
Charges for services	\$ 29,446,018	\$ 24,737,864	\$ 52,383,927	\$ 63,408,984	\$ 81,829,945	\$ 88,146,848
Operating grants/contributions	80,462,659	64,469,343	33,034,028	126,015,464	113,496,687	190,484,807
Capital grants/contributions	15,347,227	14,473,955	2,845,817	2,372,524	18,193,044	16,846,479
General revenues						
Property taxes	74,486,505	83,829,900	-	-	78,486,505	83,829,900
Sales taxes	59,458,898	66,131,285	1,503	1,200	59,460,401	66,132,485
State shared revenues – unrestricted	4,347,686	4,650,451	-	-	4,347,686	4,650,451
Other	28,660,468	28,090,451	6,237,811	5,253,667	34,898,279	33,344,118
Total revenues	296,209,461	286,383,249	94,503,086	197,051,839	390,712,547	483,435,088
Expenses						
General government	61,187,391	78,986,762	-	-	61,187,391	78,986,762
Public safety	64,341,274	60,835,929	-	-	64,341,274	60,835,929
Physical environment	2,866,863	55,390,912	-	-	2,866,863	55,390,912
Transportation	54,852,605	39,136,958	-	-	54,852,605	39,136,958
Economic environment	25,407,109	30,229,959	-	-	25,407,109	30,229,959
Human services	9,550,736	10,701,839	-	-	9,550,736	10,701,839
Culture and recreation	16,520,956	8,029,123	-	-	16,520,956	8,029,123
Interest on long-term debt	5,341,928	5,169,215	-	-	5,341,928	5,169,215
Wholesale water system	-	-	14,902,015	17,259,688	14,902,015	17,259,688
Retail water and wastewater	-	-	12,586,365	12,398,623	12,586,365	12,398,623
Solid waste	-	-	33,209,638	161,271,639	33,209,638	161,271,639
Building services	-	-	2,145,009	2,542,238	2,145,009	2,542,238
Emergency medical services	-	-	9,783,291	8,985,778	9,783,291	8,985,778
Total expenses	240,068,862	288,480,697	72,626,318	202,457,966	312,695,180	490,938,663
Increase (decrease) in net position before transfers	56,140,599	(2,097,448)	21,876,768	(5,406,127)	78,017,367	(7,503,575)
Transfers	(4,152,035)	(2,689,977)	4,152,035	2,689,977	-	-
Extraordinary item	-	(11,537,225)	-	(5,839,273)	-	(17,376,498)
Changes in net position	51,988,564	(16,324,650)	26,028,803	(8,555,423)	78,017,367	(24,880,073)
Net position - beginning	205,572,961	218,273,328	111,254,253	119,809,676	316,827,214	338,083,004
Prior period adjustment	-	3,624,283	-	-	-	3,624,283
Net position – beginning (as restated)	205,572,961	221,897,611	111,254,253	119,809,676	316,827,214	341,707,287
Net position – ending	\$ 257,561,525	\$ 205,572,961	\$ 137,283,056	\$ 111,254,253	\$ 394,844,581	\$ 316,827,214

Revenue - Governmental Activities Fiscal Year September 30, 2020



Expenses - Governmental Activities Fiscal Year Ended September 30, 2020



As reflected in the Statement of Activities, the County's net position increased by \$78,017,367. County wide, revenues and expenses decreased in fiscal year 2020, 19% and 36% respectively, with revenues exceeding expenses overall, allowing the County to benefit from an increased net position. Grant revenues decreased drastically in comparison to the prior year, though this was to be expected as revenues were heightened in 2019 from Federal Emergency Management Agency (FEMA) funds for Hurricane Michael recovery projects. This, combined with other factors such as decreases in sales tax and property tax revenues, played a part in the decrease in total revenues of \$92,722,541. Sales tax revenues also declined in fiscal year 2020 by approximately 10%, which scaled back the County's net position increase. Governmental activity revenues exceeded expenses by \$56,140,599, while business-type activities revenues exceeded expenses by \$21,876,768. Total expenses decreased by \$178,243,483 from fiscal year 2019.

Although homeowners saw an overall decrease in their property values due to damage caused by Hurricane Michael, property taxes remained a large component of the County's inflows during fiscal year 2020, representing 25% of governmental activities' revenues. Although still a major component, the decrease in valuations and unchanged millage rates lead to an overall decrease in the County's property tax collections for the year.

The County's governmental resources are utilized in a variety of ways. Expenses related to general government operations account for 25% of all governmental outflows, while public safety and transportation account for 27% and 23% respectively. Economic Environment expenses represent roughly 11% of these expenses.

The County's business-type activities are supported primarily by charges for services (55%) as well as federal and state grants (35%). During fiscal year 2020, solid waste expenses comprised over 45% of all business-type activities' expenses. This was primarily due to emergency repairs on the waste to energy (incinerator) facility combined with continued recovery and relief efforts post Hurricane Michael including debris removal.

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, 2020, total assets were \$87,625,897 and total liabilities were \$49,903,638. At the end of fiscal year 2020, unassigned fund balance of the general fund was \$22,681,796 while total fund balance equaled \$37,722,259. Total assets of the general fund increased \$26,982,696 from fiscal year 2019. The general fund transferred \$11,375,383 to transportation fund for general operations in 2020. While County wide revenues decreased, the general fund's revenues increased in fiscal year 2020 by \$30,158,532. During the year, the County continued to recoup outflows related to recovery efforts post Hurricane Michael from FEMA; over \$72 million was obligated for Bay County during the year. As a response to the economic effects of the global COVID-19 pandemic, the County received a significant amount of funding through the Federal Government's CARES Act. This stream of funding provided relief to the general fund in the amount of \$15.9 million. The funds were used to offset the qualifying expenditures of the County and surrounding municipalities as well as being used as a form of relief for the citizens of Bay County (coverage of past due utilities, rent, mortgage, food assistance, etc.). In relation to community assistance, the County's general fund also saw a large increase in housing assistance

grant funds in fiscal year 2020. Over \$28 million was received in state funding for the Hurricane Housing Recovery Program (HHRP) to reinstate homes across the County from the devastation of Hurricane Michael. The program promotes home ownership, rehabilitation, foreclosure/eviction prevention, and utility assistance for very low to moderate income households and will continue into fiscal year 2021.

Each Constitutional Officer remitted excess fees to the County in fiscal year 2020, 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 increased \$18,640,948 in fiscal year 2020, not including transfers in from the general fund. During the year, the County focused on finalizing stormwater and drainage cleanup efforts from the aftermath of Hurricane Michael. Additional FEMA funding obligations were received (over \$15 million) to offset these costs during the year. Projects completed during the year include: improvements to Cowels Road drainage, improvements to the intersection at CR389 and SR77 as well as the intersection at CR389 and US231, Veal Road stabilization, and Frankford Avenue and Merritt Brown sidewalks. At the beginning of fiscal year 2020, the City of Panama City completed the widening of Jenks Avenue between 23rd Street and Baldwin Road, for which the County contributed funds to assist with the cost of the project. The County is responsible for the portion of this project between Highway 390 and Baldwin Road, which was roughly 40% complete by the end of fiscal year 2020. Resurfacing projects remain a high priority for the County. Looking into fiscal year 2021, many local roads, such as SR388, Pine Log Road, East Callaway Drive, and Frankford Avenue will be addressed, along with other pavement preservation projects included in the approved ½ Cent Surtax project list. Currently, the County has identified over \$100 million in needed roadway improvements, all of which are projected to be addressed by fiscal year 2026. These projects were made possible by the half-cent sales tax passed by voters in 2017, which is strictly to be used on betterments to transportation in Bay County.

Tourist Development Fund

The *tourist development fund* is used to account for the local option sales and use tourism tax, also known as the Tourist Development Tax, which is utilized to promote tourism in Bay County. Four of the five cents collected are designated for tourism promotion, while one cent is designated for maintenance and protection of the local beaches. Fund balance increased 5% over the prior fiscal year. Due to the effects of COVID-19 on the tourism industry, the scope of the 2020 budget was limited in comparison to prior years. Additionally, the Panama City Beach Sports Complex, which was funded with debt proceeds secured by the Tourist Development Tax 5th cent, was substantially completed in fiscal year 2019, leading to a large decrease in annual expenditures within the fund. Combined, these elements helped offset reduced revenue collections during the year for an overall increase to fund balance. The debt acquired to construct the sports park was refinanced during the year in order to provide savings to the County with a 1.92% interest rate reduction. The timeline of repayment was unchanged, with the obligation being paid in full by April 1, 2033. 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. Although many events were

cancelled or postponed during the year due to COVID-19, the County is eager to host visitors in the coming year as travel and entertainment restrictions are lifted.

Other Governmental Funds

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 53% of its revenues in 2020. During the year, the fund received additional reimbursements from FEMA on eligible expenditures related to Hurricane Michael recovery in the amount of \$2,851,893. Due to various protective measures enacted related to the COVID-19 pandemic, the County incurred expenditures for personal protective equipment (PPE) and was also eligible for coverage of payroll from the CARES Act for those individuals whose roles were greatly impacted by the pandemic or were directly dedicated to response and mitigation efforts. As a result of these expenditures, the fund received \$3.67 million in Federal aid. This directly impacted the fund's increase of \$2,169,101 in fund balance for the year.

Proprietary Funds

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

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

	2020	2019
FUND	Unrestricted Net Position	Unrestricted Net Position
Wholesale water system	\$ 17,117,954	\$ 22,783,563
Retail water and wastewater	17,668,723	13,493,386
Solid waste fund	(13,846,021)	(11,814,948)
Building services	6,406,369	4,773,719
Emergency medical services	(4,249,933)	(6,310,449)
Total	\$ 23,097,092	\$ 22,925,271

The *wholesale water system fund* is used to account for the operations of the County's wholesale water system. Impact fees charged to and paid by new customers must be used to expand and enhance the water system which provides service to those individuals. Charges for services increased \$317,791 over fiscal year 2019, which was mainly due to higher consumption levels in fiscal year 2020. Total operating expenditures decreased from fiscal year 2019 to fiscal year 2020 in the amount of \$2,249,910. In addition to these factors, capital contributions in the form of water impact fees lead to an overall increase in net position of \$6,251,762.

The County's *solid waste fund* accounts for the operations and maintenance of the County's landfill and incinerator. In fiscal year 2020, \$13,202,037 was generated by tip fees; this represents a decrease of \$12,012,288 from the prior year. This large decrease is primarily due to heightened landfill activity during fiscal year 2019 from cleanup efforts post Hurricane Michael. As required by the Department of Environmental Protection, the County has set aside, as of the end of the current fiscal year, \$6,524,676 for closure costs of its landfill. As of September 30,

2020, the County has accrued a total liability for landfill closure and post closure care of \$10,049,778 and total net position was \$50,960,885.

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, 2020, was \$525,864,028 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in process.

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

- Construction on County Road 2297 Cooks Bayou Bridge Replacement continued, with costs of \$2,183,518 incurred during the year, bringing total costs to date to \$8,362,838. The project was 90% completed as of the end of the year.
- The Jenks Avenue Widening project, between Baldwin Road and Highway 390, was roughly 40% complete by the end of fiscal year 2020. Total costs incurred during the year were \$2,845,657, with \$7,462,533 remaining to complete the project.
- The Panama City Beach Sports Complex was completed during 2020, with a grand total of \$41,628,239 expended on the project.
- The Hathaway Bridge Subaqueous Water Main project was completed during the year, which replaced the failing water main positioned within the bridge during original construction. Final costs of the project totaled \$8,748,528.
- The County continued to progress towards the finalization of upgrades to the P-25 Public Safety Radio System. In fiscal year 2020, the project was roughly 35% complete, with remaining costs of \$8,276,848.70. The County anticipates this project will be complete by the end of fiscal year 2021 or soon after.
- Various other repairs to existing facilities were made to restore them to pre-storm condition. Depending on age and structure, some buildings were hardened to mitigate future weather threats as well as to provide additional shelter options for County citizens.

Capital Assets (net of depreciation)

September 30,	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 19,076,551	\$ 18,869,405	\$ 5,727,643	\$ 5,727,643	\$ 24,804,194	\$ 24,597,048
Construction in progress	38,043,192	68,880,804	15,500,774	2,577,955	53,543,966	71,458,759
Books	952,593	782,565	-	-	952,593	782,565
Buildings and improvements	148,985,075	96,855,066	2,713,991	1,837,100	151,699,066	98,692,166
Furniture and equipment	21,534,470	19,138,912	7,294,082	7,178,485	28,828,552	26,317,397
Infrastructure	121,010,006	118,254,382	145,025,651	140,668,680	266,035,657	258,923,062
Total	\$ 349,601,887	\$ 322,781,134	\$ 176,262,141	\$ 157,989,863	\$ 525,864,028	\$ 480,770,997

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

DEBT MANAGEMENT

At the end of the current fiscal year, the County had total bonded debt outstanding of \$145,970,133. This debt amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Outstanding Bonded Debt

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue Bonds	\$48,507,314	\$64,927,344	\$97,462,819	\$170,932,654	\$145,970,133	\$235,859,998

The County's total bonded debt outstanding decreased by \$89,889,865 during the fiscal year ended September 30, 2020. The key factor contributing to the decrease in bonded debt was the payment of two bonds related to Hurricane Michael.

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

OTHER FINANCIAL INFORMATION

Through persistent engagement with the community and round-the-clock rebuilding efforts, the County was able to complete the majority of necessary repairs caused by damage from Hurricane Michael. There are several projects that remain on the horizon, but are nominal in comparison to the overall devastation originally faced by the area. Although property in Bay County was devalued after the storm, the Property Appraiser's most recent assessment shows that values are now higher overall than the pre-storm basis. Property tax collections remain at roughly 97% of the levied amount, which has been consistent for the past 5 years. With the economic anomalies faced by the County in recent years, Half-Cent Sales Tax distributions have fluctuated greatly. In fiscal year 2019, distributions were up 9.95% while in 2020 collections were *down* 1.22%. A reasonable explanation for this type of variance is the amount of construction activity within the County during fiscal year 2019 driving up home improvement/construction sales as a result of Hurricane Michael and the COVID-19 pandemic immediately following in 2020 which all but halted travel, discretionary shopping, restaurant dining and even slowed fuel purchases. Bay County's population has also followed a similar but opposite trend, declining in fiscal year 2019 and climbing again in 2020. Many residents left the area soon after the storm, when housing was not abundant and contractors were spread thin. The County's population saw an up-tick in 2020, which could be directly linked to this redistribution of urban populations who are largely able to work remotely. Due to this and other factors, the County's unemployment rate also took a hit in 2020, increasing to 6.3% from 3.9% in 2019.

Moving into fiscal year 2021, the County looks forward to hosting visitors back to the area as well as beginning new projects, such as the East Pass Feasibility Study. The County also intends to close its Waste to Energy Facility due to the deteriorating health of the facility, declining revenues and the inability to expand capacity. This will improve the overall health of the Solid Waste fund.

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

BASIC FINANCIAL STATEMENTS

Bay County, Florida
Statement of Net Position
September 30, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 10,620,578	\$ 2,596,390	\$ 13,216,968	\$ 3,377,670
Investments	147,802,485	51,105,779	198,908,264	6,994
Accounts receivable, net	5,042,678	9,961,978	15,004,656	40,737
Special assessments receivable	194,970	-	194,970	-
Accrued interest receivable	188,533	79,924	268,457	-
Due from other governments	66,843,924	32,801,928	99,645,852	-
Due from primary government	-	-	-	1,525,566
Due from component units	350,000	-	350,000	-
Prepays	3,590,891	140,590	3,731,481	956,761
Inventory	-	810,031	810,031	12,705
Notes receivable	416,636	3,490,172	3,906,808	-
Investment in joint venture	-	6,899,762	6,899,762	-
Restricted assets				
Cash and cash equivalents	2,942,419	1,331,323	4,273,742	-
Investments	52,634,929	26,261,074	78,896,003	-
Capital assets				
Nondepreciable	57,119,743	21,228,417	78,348,160	81,447
Depreciable, net	292,482,144	155,033,724	447,515,868	145,808
Total assets	640,229,930	311,741,092	951,971,022	6,147,688
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	1,672,753	382,307	2,055,060	-
Deferred outflows related to OPEB	475,055	29,772	504,827	3,792
Deferred outflows related to pension	35,792,619	5,959,359	41,751,978	-
Total deferred outflows of resources	37,940,427	6,371,438	44,311,865	3,792
LIABILITIES				
Accounts payable and accrued expenses	17,414,376	4,775,277	22,189,653	1,011,741
Internal balances	1,423,983	(1,423,983)	-	-
Due to other governments	5,574,702	1,007,862	6,582,564	-
Due to primary government	-	-	-	350,000
Due to component units	1,525,566	-	1,525,566	-
Unearned revenues	35,713,346	1,711,154	37,424,500	935,942
Accrued interest payable	891,888	404,342	1,296,230	-
Customer deposits	31,370	1,283,304	1,314,674	-
Long-term liabilities				
Due within one year				
Estimated liability for self insured losses	827,236	-	827,236	-
Accrued compensated absences	1,259,984	282,173	1,542,157	-
Notes payable	4,820,000	1,654,414	6,474,414	-
Capital leases payable	767,219	575,636	1,342,855	-
Bonds payable	2,978,000	4,970,000	7,948,000	-
Due in more than one year				
Estimated liability for self insured losses	3,653,525	-	3,653,525	-
Accrued compensated absences	4,192,835	496,036	4,688,871	-
Other postemployment benefits	11,381,323	739,383	12,120,706	102,752
Net pension liability	116,545,695	18,255,298	134,800,993	-
Notes payable	153,967,416	39,524,635	193,492,051	-
Capital leases payable	566,872	1,039,298	1,606,170	-
Bonds payable	45,529,314	92,492,819	138,022,133	-
Landfill postclosure liability	-	10,049,778	10,049,778	-
Total liabilities	409,064,650	177,837,426	586,902,076	2,400,435

Continued

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

Primary Government				
	Governmental Activities	Business-type Activities	Total	Component Units
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	\$ -	\$ 1,055,415	\$ 1,055,415	\$ -
Deferred inflows related to pension	4,673,265	685,040	5,358,305	-
Deferred inflows related to OPEB	6,870,917	1,251,593	8,122,510	164,441
Total deferred inflows of resources	11,544,182	2,992,048	14,536,230	164,441
NET POSITION				
Net investment in capital assets	236,648,268	94,423,482	331,071,750	227,255
Restricted for				
Debt service	9,542,620	7,672,752	17,215,372	-
Impact fees	2,579,498	12,089,728	14,669,226	-
Public safety	8,988,691	-	8,988,691	-
Court function	2,087,516	-	2,087,516	-
Transportation	1,591,858	-	1,591,858	-
Recreation	846,392	-	846,392	-
Economic environment	47,902,049	-	47,902,049	-
Physical environment	3,628,686	-	3,628,686	-
Unrestricted (deficit)	(56,254,053)	23,097,094	(33,156,959)	3,359,349
Total net position	\$ 257,561,525	\$ 137,283,056	\$ 394,844,581	\$ 3,586,604

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary Government				
Governmental activities				
General government	\$ 61,187,391	\$ 17,526,143	\$ 42,929,751	\$ 4,516,572
Public safety	64,341,274	3,009,865	14,956,219	46,732
Physical environment	2,866,863	53,466	15,100	20,938
Transportation	54,852,605	6,544,563	21,079,185	10,118,560
Economic environment	25,407,109	1,344,272	812,334	139,610
Human services	9,550,736	700	511,928	-
Culture and recreation	16,520,956	967,009	158,142	504,815
Interest on long-term debt	5,341,928	-	-	-
Total governmental activities	240,068,862	29,446,018	80,462,659	15,347,227
Business-type activities				
Wholesale water system	14,902,015	16,908,666	2,204,967	1,256,296
Retail water and wastewater	12,586,365	12,958,573	1,659,134	1,446,797
Solid waste	33,209,638	14,975,174	26,205,200	-
Building services	2,145,009	3,600,931	42,725	-
Emergency medical services	9,783,291	3,940,583	2,922,002	142,724
Total business-type activities	72,626,318	52,383,927	33,034,028	2,845,817
Total primary government	\$ 312,695,180	\$ 81,829,945	\$ 113,496,687	\$ 18,193,044
Component Units	\$ 13,762,911	\$ 13,655,469	\$ 150,022	\$ -

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

 Change in net position

 Net position - beginning
 Net position - ending

Bay County, Florida
Statement of Activities
Year Ended September 30, 2020

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ 3,785,075	\$ -	\$ 3,785,075	\$ -
(46,328,458)	-	(46,328,458)	-
(2,777,359)	-	(2,777,359)	-
(17,110,297)	-	(17,110,297)	-
(23,110,893)	-	(23,110,893)	-
(9,038,108)	-	(9,038,108)	-
(14,890,990)	-	(14,890,990)	-
(5,341,928)	-	(5,341,928)	-
(114,812,958)	-	(114,812,958)	-
-	5,467,914	5,467,914	-
-	3,478,139	3,478,139	-
-	7,970,736	7,970,736	-
-	1,498,647	1,498,647	-
-	(2,777,982)	(2,777,982)	-
-	15,637,454	15,637,454	-
(114,812,958)	15,637,454	(99,175,504)	-
-	-	-	42,580
78,486,505	-	78,486,505	-
59,458,898	1,503	59,460,401	-
4,347,686	-	4,347,686	-
3,380,139	2,647,998	6,028,137	29,481
25,280,329	3,589,813	28,870,142	5,710
170,953,557	6,239,314	177,192,871	35,191
(4,152,035)	4,152,035	-	-
166,801,522	10,391,349	177,192,871	35,191
51,988,564	26,028,803	78,017,367	77,771
205,572,961	111,254,253	316,827,214	3,508,833
\$ 257,561,525	\$ 137,283,056	\$ 394,844,581	\$ 3,586,604

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

Bay County, Florida
Balance Sheet
Governmental Funds
September 30, 2020

	General	Tourist Development	Transportation	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 75,513	\$ 2,279,229	\$ 2,492,290	\$ 3,529,175	\$ 8,376,207
Accounts receivable, net	1,705,061	2,374,107	300,444	590,267	4,969,879
Special assessments receivable	179,632	-	15,338	-	194,970
Accrued interest receivable	50,029	39,541	62,682	10,882	163,134
Investments	1,483,930	48,466,080	49,161,786	4,434,042	103,545,838
Due from other funds	7,288,279	265,599	283,255	310,241	8,147,374
Due from other governments	32,220,899	92,768	26,645,681	7,778,389	66,737,737
Due from component units	-	350,000	-	-	350,000
Prepays	194,560	756,274	-	62,940	1,013,774
Notes receivable	416,636	-	-	-	416,636
Restricted assets					
Cash and cash equivalents	2,215,146	203,760	45,318	478,081	2,942,305
Investments	41,796,212	512,252	893,930	9,430,272	52,632,666
Total assets	\$ 87,625,897	\$ 55,339,610	\$ 79,900,724	\$ 26,624,289	\$ 249,490,520
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 7,960,992	\$ 1,360,745	\$ 5,756,846	\$ 1,384,260	\$ 16,462,843
Unearned revenues	35,405,731	-	291,297	16,318	35,713,346
Due to other funds	934,627	21	110,391	3,811,021	4,856,060
Advances from other funds	-	-	-	235,710	235,710
Due to other governments	5,570,918	3,784	-	-	5,574,702
Due to component units	-	1,525,566	-	-	1,525,566
Customer deposits	31,370	-	-	-	31,370
Total liabilities	49,903,638	2,890,116	6,158,534	5,447,309	64,399,597
Fund balance					
Nonspendable	194,560	1,106,274	-	62,940	1,363,774
Restricted	12,612,735	51,342,874	939,862	21,092,537	85,988,008
Assigned	2,233,168	346	72,802,328	21,503	75,057,345
Unassigned	22,681,796	-	-	-	22,681,796
Total fund balance	37,722,259	52,449,494	73,742,190	21,176,980	185,090,923
Total liabilities and fund balance	\$ 87,625,897	\$ 55,339,610	\$ 79,900,724	\$ 26,624,289	
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.					348,946,901
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.					36,346,407
Deferred outflows and deferred inflows are not financial statement resources or liabilities and therefore are not reported in the funds.					26,157,801
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when paid.					(889,513)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					(338,090,994)
Net position of governmental activities					\$ 257,561,525

Bay County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2020

	General	Tourist Development	Transportation	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 68,931,160	\$ 22,497,939	\$ 19,104,201	\$ 9,555,345	\$ 120,088,645
Licenses and permits	2,555	-	-	-	2,555
Intergovernmental	80,245,655	237,245	29,110,947	8,204,498	117,798,345
Charges for services	12,584,345	602,605	2,643,991	8,358,255	24,189,196
Fines and forfeitures	315,735	-	-	-	315,735
Special assessments	53,466	-	-	-	53,466
Investment earnings	1,217,141	636,886	1,121,124	264,073	3,239,224
Contributions and donations	747,930	251,826	28	61,081	1,060,865
Miscellaneous	6,833,294	141,016	197,565	55,023	7,226,898
Total revenues	170,931,281	24,367,517	52,177,856	26,498,275	273,974,929
EXPENDITURES					
Current					
General government	33,246,118	-	-	5,085,984	38,332,102
Public safety	68,866,507	-	-	11,672,227	80,538,734
Physical environment	402,287	-	2,222,619	-	2,624,906
Transportation	-	-	39,257,688	-	39,257,688
Economic environment	7,776,470	16,891,322	-	-	24,667,792
Human services	8,265,140	-	-	1,184,963	9,450,103
Culture and recreation	7,813,714	-	-	-	7,813,714
Capital outlay					
General government	6,819,111	-	-	-	6,819,111
Public safety	8,268,448	-	-	4,603,914	12,872,362
Transportation	-	-	12,271,906	-	12,271,906
Economic environment	26,474	1,788,144	-	-	1,814,618
Human services	40,513	-	-	288,295	328,808
Culture and recreation	5,809,412	-	-	-	5,809,412
Debt service					
Principal	11,531,219	370,862	3,063,498	4,171,810	19,137,389
Interest and fiscal charges	2,716,096	1,288,122	901,575	558,587	5,464,380
Bond issuance costs	114,653	100,235	-	-	214,888
Total expenditures	161,696,162	20,438,685	57,717,286	27,565,780	267,417,913
Excess (deficit) of revenues over (under) expenditures	9,235,119	3,928,832	(5,539,430)	(1,067,505)	6,557,016
OTHER FINANCING SOURCES (USES)					
Transfers in	2,888,373	-	11,375,383	257,539	14,521,295
Transfers out	(15,784,957)	-	-	-	(15,784,957)
Issuance of debt	50,104,072	32,120,001	24,173,868	628,942	107,026,883
Payment to refunded bond escrow agent	(38,803,671)	(33,533,489)	-	-	(72,337,160)
Proceeds from sales of capital assets	105,491	-	6,510	1,094	113,095
Total other financing sources (uses)	(1,490,692)	(1,413,488)	35,555,761	887,575	33,539,156
Net change in fund balance	7,744,427	2,515,344	30,016,331	(179,930)	40,096,172
Fund balance - beginning	29,977,832	49,934,150	43,725,859	21,356,910	144,994,751
Fund balance - ending	\$ 37,722,259	\$ 52,449,494	\$ 73,742,190	\$ 21,176,980	\$ 185,090,923

Bay County, Florida
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
Year Ended September 30, 2020

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)	\$ 40,096,172
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	22,720,947
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, impairments, and donations) is an increase net position.	4,067,480
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.	(14,470,755)
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.	15,260,066
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.	(15,685,346)
Change in net position of governmental activities (page B-21)	\$ 51,988,564

Bay County, Florida
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
REVENUES				
Taxes	\$ 67,562,143	\$ 68,684,143	\$ 68,931,160	\$ 247,017
Licenses and permits	2,800	2,800	2,555	(245)
Intergovernmental	28,255,660	40,916,742	74,362,209	33,445,467
Charges for services	13,787,374	14,674,732	11,747,975	(2,926,757)
Fines and forfeitures	165,000	165,000	278,576	113,576
Investment earnings	1,550,000	1,552,665	1,184,331	(368,334)
Contributions and donations	245,000	245,000	221,548	(23,452)
Miscellaneous	3,633,217	5,792,707	6,668,654	875,947
Total revenues	115,201,194	132,033,789	163,397,008	31,363,219
EXPENDITURES				
Current				
General government	27,579,556	37,561,338	33,246,118	4,315,220
Public safety	52,813,394	60,746,514	60,740,510	6,004
Physical environment	343,456	1,403,486	383,614	1,019,872
Economic environment	2,076,960	12,021,757	7,776,470	4,245,287
Human services	7,738,052	8,290,472	8,265,140	25,332
Culture and recreation	3,248,722	3,456,932	3,020,853	436,079
Capital outlay				
General government	344,852	3,890,737	6,819,111	(2,928,374)
Public safety	2,647,400	7,326,970	8,268,448	(941,478)
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	29,859	26,474	3,385
Human services	-	-	40,513	(40,513)
Culture and recreation	572,849	1,196,437	5,809,412	(4,612,975)
Debt service				
Principal	3,759,646	10,384,222	10,377,203	7,019
Interest and fiscal charges	2,687,341	2,785,733	2,813,486	(27,753)
Bond issuance costs	-	-	114,653	(114,653)
Total expenditures	103,812,228	149,094,457	147,702,005	1,392,452
Excess (deficit) of revenues over (under) expenditures	11,388,966	(17,060,668)	15,695,003	32,755,671
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,888,373	2,888,373	(1,000,000)
Transfers out	(17,339,019)	(21,783,508)	(17,895,135)	3,888,373
Issuance of debt	-	-	50,030,855	50,030,855
Payment to refunded bond escrow agent	(500)	-	(38,803,671)	(38,803,671)
Proceeds from sales of capital assets	-	-	105,491	105,491
Total other financing sources (uses)	(17,339,519)	(17,895,135)	(3,674,087)	14,221,048
Net change in fund balance	\$ (5,950,553)	\$ (34,955,803)	12,020,916	\$ 46,976,719
Fund balance - beginning			25,374,305	
Fund balance - ending			\$ 37,395,221	

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

Bay County, Florida
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Tourist Development Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 24,439,939	\$ 22,895,235	\$ 22,497,939	\$ (397,296)
Intergovernmental	1,121,415	943,124	237,245	(705,879)
Charges for services	-	-	602,605	602,605
Investment earnings	272,350	271,350	636,886	365,536
Contributions and donations	-	-	251,826	251,826
Miscellaneous	93,000	88,497	141,016	52,519
Total revenues	25,926,704	24,198,206	24,367,517	169,311
EXPENDITURES				
Current				
Economic environment	21,061,448	18,525,106	16,891,322	1,633,784
Capital outlay				
Economic environment	-	2,159,495	1,788,144	371,351
Debt service				
Principal	1,820,000	1,882,040	370,862	1,511,178
Interest and fiscal charges	1,364,835	1,288,144	1,288,122	22
Bond issuance costs	-	98,747	100,235	(1,488)
Total expenditures	24,246,283	23,953,532	20,438,685	3,514,847
Excess (deficit) of revenues over (under) expenditures	1,680,421	244,674	3,928,832	3,684,158
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(20)	-	20
Issuance of debt	-	-	32,120,001	32,120,001
Payment to refunded bond escrow agent	-	-	(33,533,489)	(33,533,489)
Total other financing sources	-	(20)	(1,413,488)	(1,413,468)
Net change in fund balance	\$ 1,680,421	\$ 244,654	2,515,344	\$ 2,270,690
Fund balance - beginning			49,934,150	
Fund balance - ending			\$ 52,449,494	

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

Bay County, Florida
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Transportation Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 17,669,494	\$ 17,669,494	\$ 19,104,201	\$ 1,434,707
Intergovernmental	3,508,265	15,026,382	29,110,947	14,084,565
Charges for services	2,552,500	2,552,500	2,643,991	91,491
Investment earnings	192,700	192,700	1,121,124	928,424
Contributions and donations	450,000	450,000	28	(449,972)
Miscellaneous	800	800	197,565	196,765
Total revenues	24,373,759	35,891,876	52,177,856	16,285,980
EXPENDITURES				
Current				
Physical environment	-	1,759,705	2,222,619	(462,914)
Transportation	37,619,127	30,657,222	39,257,688	(8,600,466)
Capital outlay				
Transportation	212,983	37,456,603	12,271,906	25,184,697
Debt service				
Principal	-	3,054,959	3,063,498	(8,539)
Interest and fiscal charges	233,452	901,577	901,575	2
Total expenditures	38,065,562	73,830,066	57,717,286	16,112,780
Excess (deficit) of revenues over (under) expenditures	(13,691,803)	(37,938,190)	(5,539,430)	32,398,760
OTHER FINANCING SOURCES				
Transfers in	11,201,078	11,375,383	11,375,383	-
Issuance of debt	-	-	24,173,868	24,173,868
Proceeds from sales of capital assets	-	-	6,510	6,510
Total other financing sources	11,201,078	11,375,383	35,555,761	24,180,378
Net change in fund balance	\$ (2,490,725)	\$ (26,562,807)	30,016,331	\$ 56,579,138
Fund balance - beginning			43,725,859	
Fund balance - ending			\$ 73,742,190	

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

	Wholesale Water System	Retail Water & Wastewater	Solid Waste
ASSETS			
Current assets			
Cash and cash equivalents	\$ 797,875	\$ 576,548	\$ 839,732
Accounts receivable, net	2,273,701	1,696,118	1,970,059
Accrued interest receivable	25,533	23,317	24,886
Prepaid expenses	597	868	3,724
Investments	15,738,515	11,302,762	16,534,576
Inventory	465,101	344,930	-
Due from other funds	408,486	108,843	637,012
Due from other governments	1,803,829	1,920,073	26,159,631
Total current assets	21,513,637	15,973,459	46,169,620
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	662,469	315,512	340,139
Investments	13,067,570	6,223,649	6,709,426
Notes receivable	459,901	3,030,271	-
Advances to other funds	-	-	-
Investment in joint venture	-	6,899,762	-
Capital assets			
Land	261,192	4,714,000	752,451
Construction in progress	1,502,867	603,976	13,393,931
Buildings	2,507,104	4,766	862,912
Improvements	1,609,506	391,974	133,400
Furniture and equipment	3,808,611	2,217,436	8,405,310
Infrastructure	119,055,757	32,493,354	69,408,291
Less: accumulated depreciation	(49,390,665)	(20,285,693)	(18,319,023)
Total noncurrent assets	93,544,312	36,609,007	81,686,837
Total assets	115,057,949	52,582,466	127,856,457
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	-	382,307
Deferred outflows related to OPEB	6,203	5,573	4,853
Deferred outflows related to pension	483,329	713,990	416,135
Total deferred outflows of resources	489,532	719,563	803,295

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

Bay County, Florida
Statement of Net Position
Proprietary Funds
September 30, 2020

Business-type Activities Enterprise Funds			Governmental Activities	
Building Services	Emergency Medical Services	Total	Internal Service Funds	
\$ 382,235	\$ -	\$ 2,596,390	\$ 2,244,371	
14,712	4,007,388	9,961,978	72,799	
6,188	-	79,924	25,399	
-	135,401	140,590	2,577,117	
7,529,926	-	51,105,779	44,256,647	
-	-	810,031	-	
14,115	288,986	1,457,442	686,211	
14,525	2,903,870	32,801,928	106,187	
7,961,701	7,335,645	98,954,062	49,968,731	
12,008	1,195	1,331,323	114	
236,858	23,571	26,261,074	2,263	
-	-	3,490,172	-	
235,710	-	235,710	-	
-	-	6,899,762	-	
-	-	5,727,643	-	
-	-	15,500,774	111,540	
-	-	3,374,782	516,699	
-	-	2,134,880	49,323	
601,388	3,328,851	18,361,596	860,148	
-	-	220,957,402	-	
(521,176)	(1,278,379)	(89,794,936)	(882,724)	
564,788	2,075,238	214,480,182	657,363	
8,526,489	9,410,883	313,434,244	50,626,094	
-	-	382,307	-	
3,827	9,316	29,772	7,004	
375,495	3,970,410	5,959,359	743,483	
379,322	3,979,726	6,371,438	750,487	

Continued

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

	Wholesale Water System	Retail Water & Wastewater	Solid Waste
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$ 1,219,169	\$ 753,288	\$ 2,478,122
Due to other funds	8,531	6,914	668
Due to other governments	-	232,077	-
Accrued interest payable	146,229	93,634	158,176
Estimated liability for self insured losses, current	-	-	-
Accrued compensated absences, current	40,506	71,773	41,733
Capital leases payable, current	2,363	728	3,392
Notes payable, current	956,363	444,051	-
Bonds payable, current	1,870,000	680,000	2,420,000
Total current liabilities	4,243,161	2,282,465	5,102,091
Noncurrent liabilities			
Estimated liability for self insured losses, net	-	-	-
Customer deposits	-	870,179	165,046
Unearned revenue	-	1,692,837	-
Accrued compensated absences	72,722	120,037	65,214
Other postemployment benefits	217,134	142,176	159,013
Net pension liability	1,471,306	2,291,644	1,397,771
Capital leases payable, net	4,341	1,709	7,957
Notes payable, net	15,031,897	2,877,383	20,291,433
Bonds payable, net	26,302,417	25,881,799	40,197,788
Landfill postclosure liability	-	-	10,049,778
Total noncurrent liabilities	43,099,817	33,877,764	72,334,000
Total liabilities	47,342,978	36,160,229	77,436,091
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	785,474	269,941	-
Deferred inflows related to pension	60,858	83,022	62,229
Deferred inflows related to OPEB	168,257	344,970	200,547
Total deferred inflows of resources	1,014,589	697,933	262,776
NET POSITION			
Net investment in capital assets	36,341,921	(6,871,903)	64,447,063
Restricted for			
Debt service	4,849,954	2,437,404	359,843
Impact fees	8,880,085	3,209,643	-
Unrestricted	17,117,954	17,668,723	(13,846,021)
Total net position (deficit)	\$ 67,189,914	\$ 16,443,867	\$ 50,960,885

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

Bay County, Florida
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2020

Business-type Activities Enterprise Funds			Governmental Activities	
Building Services	Emergency Medical Services	Total	Internal Service Funds	
\$ 91,058	\$ 233,640	\$ 4,775,277	\$	951,533
1,285	251,771	269,169		5,165,798
27,802	747,983	1,007,862		-
787	5,516	404,342		2,375
-	-	-		827,236
31,026	97,135	282,173		94,691
63	569,090	575,636		7,851
-	254,000	1,654,414		-
-	-	4,970,000		-
152,021	2,159,135	13,938,873		7,049,484
-	-	-		3,653,525
248,079	-	1,283,304		-
-	18,317	1,711,154		-
50,883	187,180	496,036		162,127
160,497	60,563	739,383		106,764
1,265,627	11,828,950	18,255,298		2,568,726
-	1,025,291	1,039,298		12,121
206,492	1,117,430	39,524,635		176,441
110,815	-	92,492,819		788,943
-	-	10,049,778		-
2,042,393	14,237,731	165,591,705		7,468,647
2,194,414	16,396,866	179,530,578		14,518,131
-	-	1,055,415		-
58,173	420,758	685,040		105,318
165,919	371,900	1,251,593		406,725
224,092	792,658	2,992,048		512,043
80,149	426,252	94,423,482		627,669
787	24,766	7,672,754		-
-	-	12,089,728		-
6,406,369	(4,249,933)	23,097,092		35,718,738
\$ 6,487,305	\$ (3,798,915)	\$ 137,283,056	\$	36,346,407

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

	Wholesale Water System	Retail Water & Wastewater	Solid Waste
OPERATING REVENUES			
Charges for services	\$ 16,908,666	\$ 12,958,573	\$ 14,975,174
Intergovernmental revenues-grants	2,204,967	1,670,684	26,055,200
Insurance proceeds	-	-	-
Miscellaneous	286,477	132,441	682,519
Total operating revenues	19,400,110	14,761,698	41,712,893
OPERATING EXPENSES			
Personal services	1,800,258	3,187,247	1,817,557
Contracted services	1,095,638	1,398,626	6,535,355
Repairs and maintenance	1,017,441	441,886	6,643,116
Utilities	3,228,717	389,452	805,288
Depreciation	4,375,755	1,545,856	3,786,691
Materials	-	-	-
Insurance claims	-	-	-
Other operating expenses	2,065,408	4,465,786	11,648,848
Total operating expenses	13,583,217	11,428,853	31,236,855
Operating income (loss)	5,816,893	3,332,845	10,476,038
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	497,371	1,589,800	451,638
Interest and fiscal charges	(1,313,803)	(1,157,512)	(1,971,095)
Taxes	-	-	1,503
Gain(Loss) on disposal of capital assets	(4,995)	-	(1,688)
Contributions	-	-	150,000
Insurance proceeds	-	-	1,713,147
Total nonoperating revenues (expenses)	(821,427)	432,288	343,505
Income (loss) before capital contributions and transfers	4,995,466	3,765,133	10,819,543
Capital contributions	1,256,296	1,435,247	-
Transfers in	-	-	-
Transfers out	-	-	-
Change in net position	6,251,762	5,200,380	10,819,543
Total net position (deficit) - beginning	60,938,152	11,243,487	40,141,342
Total net position (deficit) - ending	\$ 67,189,914	\$ 16,443,867	\$ 50,960,885

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

Bay County, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2020

Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds	
Building Services	Emergency Medical Services	Total		
\$ 3,600,931	\$ 3,940,583	\$ 52,383,927	\$ 11,869,841	
42,725	3,064,726	33,038,302	269,059	
-	-	-	17,846,306	
55,036	718,158	1,874,631	296,800	
3,698,692	7,723,467	87,296,860	30,282,006	
1,568,065	6,687,776	15,060,903	3,608,634	
439,551	1,179,159	10,648,329	337,572	
19,466	161,626	8,283,535	1,256,903	
-	18,293	4,441,750	376,374	
20,663	528,128	10,257,093	109,683	
-	-	-	1,304,711	
-	-	-	759,571	
89,626	1,108,267	19,377,935	4,571,393	
2,137,371	9,683,249	68,069,545	12,324,841	
1,561,321	(1,959,782)	19,227,315	17,957,165	
99,624	9,565	2,647,998	216,469	
(7,638)	(100,042)	(4,550,090)	(28,803)	
-	-	1,503	-	
-	2,035	(4,648)	3,608	
-	-	150,000	-	
-	-	1,713,147	-	
91,986	(88,442)	(42,090)	191,274	
1,653,307	(2,048,224)	19,185,225	18,148,439	
-	-	2,691,543	-	
-	4,152,035	4,152,035	-	
-	-	-	(2,888,373)	
1,653,307	2,103,811	26,028,803	15,260,066	
4,833,998	(5,902,726)	111,254,253	21,086,341	
\$ 6,487,305	\$ (3,798,915)	\$ 137,283,056	\$ 36,346,407	

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

	Wholesale Water System	Retail Water & Wastewater	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 15,294,016	\$ 12,458,303	\$ 125,749,651
Cash received from miscellaneous operating activities	2,222,589	1,803,125	682,519
Cash paid to suppliers for goods and services	(13,821,743)	(7,485,067)	(47,600,854)
Cash paid to employees for services	(1,641,138)	(2,901,842)	(1,617,657)
Net cash provided by (used in) operating activities	2,053,724	3,874,519	77,213,659
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	-
Transfers out	-	-	-
Advances to/from other funds - payments received from (made to) other funds	-	(974,910)	-
Taxes received	-	-	1,503
Contributions received	-	-	150,000
Net cash provided by (used in) noncapital financing activities	-	(974,910)	151,503
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid on long-term debt	(1,854,517)	(1,193,806)	(1,992,888)
Principal paid on long-term debt	(3,002,304)	(1,380,813)	(67,793,149)
Proceeds from long-term debt	-	-	13,701,492
Capital contributions received	1,256,296	1,435,247	-
Insurance proceeds	-	-	1,713,147
Proceeds from sale of capital assets	325,891	-	1,598,933
Purchase of capital assets	(12,132,232)	(1,731,922)	(16,534,722)
Net cash provided by (used in) capital and related financing activities	(15,406,866)	(2,871,294)	(69,307,187)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturities of investment securities	19,174,770	3,215,553	5,163,938
Purchase of investments	(13,051,473)	(6,503,811)	(15,483,557)
Return of investment	-	152,677	-
Interest and dividends on investments	560,223	366,917	450,242
Collections on loans	19,071	329,071	-
Net cash provided by (used in) investing activities	6,702,591	(2,439,593)	(9,869,377)
Net change in cash and cash equivalents	(6,650,551)	(2,411,278)	(1,811,402)
Cash and cash equivalents - beginning	8,110,895	3,303,338	2,991,273
Cash and cash equivalents - ending	\$ 1,460,344	\$ 892,060	\$ 1,179,871
Classified as			
Current assets	\$ 797,875	\$ 576,548	\$ 839,732
Restricted assets	662,469	315,512	340,139
Total	\$ 1,460,344	\$ 892,060	\$ 1,179,871

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

Bay County, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2020

Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds		
Building Services	Emergency Medical Services	Total			
\$ 3,832,432	\$ 1,301,230	\$ 158,635,632	\$ 51,176,097		
97,762	3,801,198	8,607,193	489,109		
(543,426)	(2,569,750)	(72,020,840)	(6,775,334)		
(1,421,359)	(5,326,029)	(12,908,025)	(3,168,928)		
1,965,409	(2,793,351)	82,313,960	41,720,944		
-	4,152,035	4,152,035	-		
-	-	-	(2,888,373)		
41,049	-	(933,861)	-		
-	-	1,503	-		
-	-	150,000	-		
41,049	4,152,035	3,369,677	(2,888,373)		
(8,663)	(104,746)	(5,154,620)	(30,859)		
(378,817)	(1,247,055)	(73,802,138)	(956,108)		
-	-	13,701,492	103,552		
-	-	2,691,543	-		
-	-	1,713,147	-		
1,344	2,035	1,928,203	50,208		
(43,317)	(20,025)	(30,462,218)	(188,611)		
(429,453)	(1,369,791)	(89,384,591)	(1,021,818)		
157,791	10,119	27,722,171	1,128,923		
(2,666,622)	(9,197)	(37,714,660)	(38,489,730)		
-	-	152,677	-		
105,152	6,423	1,488,957	195,496		
-	-	348,142	-		
(2,403,679)	7,345	(8,002,713)	(37,165,311)		
(826,674)	(3,762)	(11,703,667)	645,442		
1,220,917	4,957	15,631,380	1,599,043		
\$ 394,243	\$ 1,195	\$ 3,927,713	\$ 2,244,485		
\$ 382,235	\$ -	\$ 2,596,390	\$ 2,244,485		
12,008	1,195	1,331,323	-		
\$ 394,243	\$ 1,195	\$ 3,927,713	\$ 2,244,485		

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

	Wholesale Water System	Retail Water & Wastewater	Solid Waste
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 5,816,893	\$ 3,332,845	\$ 10,476,038
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	4,375,755	1,545,856	3,786,691
(Increase) decrease in assets			
Accounts receivable, net	267,794	(159,044)	4,596,082
Prepaid expenses	(597)	6,319	(3,724)
Inventory	(20,140)	45,460	-
Due from other funds	(180,090)	27,342	(189,261)
Due from other governments	(1,702,354)	(517,494)	80,370,774
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	184,355	(120,727)	(21,030,070)
Unearned revenues	-	5,905	-
Due to other funds	(6,847,012)	(522,674)	(2,567,807)
Due to other governments	-	(191,376)	-
Customer deposits	-	136,702	(58,318)
Accrued compensated absences	(993)	12,209	12,183
Other postemployment benefits	(129,009)	(313,791)	(171,294)
Net pension liability	185,197	316,928	217,325
Landfill postclosure liability	-	-	1,633,354
(Increase) decrease in deferred outflows related to pension	(3,284)	(5,619)	(3,854)
(Increase) decrease in deferred outflows related to OPEB	(268)	(652)	(356)
Increase in deferred inflows related to OPEB	128,157	311,719	170,163
Decrease in deferred inflows related to pension	(20,680)	(35,389)	(24,267)
Total adjustments	(3,763,169)	541,674	66,737,621
Net cash provided by (used in) operating activities	\$ 2,053,724	\$ 3,874,519	\$ 77,213,659

Bay County, Florida
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2020

Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds
Building Services	Emergency Medical Services	Total	
\$ 1,561,321	\$ (1,959,782)	\$ 19,227,315	\$ 17,957,165
20,663	528,128	10,257,093	109,683
(11,064)	(169,540)	4,524,228	222,076
-	(135,401)	(133,403)	(837,704)
-	-	25,320	-
-	(209,146)	(551,155)	19,633,315
83,219	(2,260,667)	75,973,478	1,527,809
(9,919)	21,498	(20,954,863)	219,570
-	18,317	24,222	-
(806)	(481,109)	(10,419,408)	2,449,324
15,943	492,604	317,171	-
159,346	-	237,730	-
(6,884)	59,343	75,858	39,587
(143,016)	(315,474)	(1,072,584)	(366,982)
177,845	1,499,121	2,396,416	463,249
-	-	1,633,354	-
(3,154)	(26,580)	(42,491)	(8,213)
(297)	(656)	(2,229)	(764)
142,071	313,391	1,065,501	364,558
(19,859)	(167,398)	(267,593)	(51,729)
404,088	(833,569)	63,086,645	23,763,779
\$ 1,965,409	\$ (2,793,351)	\$ 82,313,960	\$ 41,720,944

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

Bay County, Florida
Statement of Fiduciary Net Position
Agency Funds
September 30, 2020

ASSETS

Cash and cash equivalents	\$ 10,662,076
Accounts receivable, net	201
<hr/>	
Total assets	\$ 10,662,277
<hr/>	

LIABILITIES

Accounts payable and accrued liabilities	\$ 2,264,988
Due to others	384,183
Due to other governments	8,013,106
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Total liabilities	\$ 10,662,277
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The accompanying notes are an integral part of the basic financial statements

Bay County, Florida
Statement of Net Position - Discretely Presented Component Units
September 30, 2020

	Component Units			Total
	Panama City Beach Convention and Visitors Bureau, Inc.	Mexico Beach Community Development Council, Inc.	Panama City Community Development Council, Inc.	
ASSETS				
Cash and cash equivalents	\$ 2,613,931	\$ 290,234	\$ 473,505	\$ 3,377,670
Investments	6,994	-	-	6,994
Accounts receivable, net	40,737	-	-	40,737
Prepaid expenses	953,595	291	2,875	956,761
Inventory	12,705	-	-	12,705
Due from primary government	1,521,950	3,616	-	1,525,566
Capital assets				
Nondepreciable	12,520	-	68,927	81,447
Depreciable, net	103,764	41,645	399	145,808
Total assets	5,266,196	335,786	545,706	6,147,688
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - other postemployment benefits	3,310	482	-	3,792
Total deferred outflows of resources	3,310	482	-	3,792
LIABILITIES				
Accounts payable and accrued expenses	918,945	28,912	63,884	1,011,741
Due to primary government	250,000	-	100,000	350,000
Unearned revenues	760,557	175,385	-	935,942
Other postemployment benefits liability	96,606	6,146	-	102,752
Total liabilities	2,026,108	210,443	163,884	2,400,435
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - other postemployment benefits	151,918	12,523	-	164,441
Total deferred inflows of resources	151,918	12,523	-	164,441
NET POSITION				
Net investment in capital assets	116,284	41,645	69,326	227,255
Unrestricted	2,975,196	71,657	312,496	3,359,349
Total net position	\$ 3,091,480	\$ 113,302	\$ 381,822	\$ 3,586,604

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

		Program Revenues		
		Charges for	Operating	Capital
		Services	Grants and	Grants and
			Contributions	Contributions
Functions/Programs	Expenses			
Component Units				
Panama City Beach Convention and Visitors Bureau, Inc.	\$ 12,591,184	\$ 12,682,011	\$ 50,000	\$ -
Mexico Beach Community Development Council, Inc.	269,120	112,993	100,022	-
Panama City Community Development Council, Inc.	902,607	860,465	-	-
Total component units	\$ 13,762,911	\$ 13,655,469	\$ 150,022	\$ -
		General revenues		
		Investment earnings		
		Miscellaneous		
		Total general revenues		
		Change in net position		
		Net position - beginning		
		Net position - ending		

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

Bay County, Florida
Statement of Activities - Discretely Presented Component Units
Year Ended September 30, 2020

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.	Total
\$ 140,827	\$ -	\$ -	\$ 140,827
-	(56,105)	-	(56,105)
-	-	(42,142)	(42,142)
140,827	(56,105)	(42,142)	42,580
26,474	127	2,880	29,481
-	5,710	-	5,710
26,474	5,837	2,880	35,191
167,301	(50,268)	(39,262)	77,771
2,924,179	163,570	421,084	3,508,833
\$ 3,091,480	\$ 113,302	\$ 381,822	\$ 3,586,604

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

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

Discretely Presented Component Units

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Blended Component Units

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

Measurement Focus and Basis of Accounting

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

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

Government-wide Financial Statements

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fund Financial Statements

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

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for the agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as with accrual accounting. Franchise fees, licenses, sales & gas and various other taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Proprietary Funds

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

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

Governmental Major Funds

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

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

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

Proprietary Major Funds

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

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

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

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

Emergency Medical Services Fund – This fund is used to account for activities related to the County's emergency medical operations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Fund Types

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

Fiduciary Funds – Fiduciary funds are used to account for assets held by the County as an agent for individuals, private organizations, and other governments. The assets are held and disbursed for fines and forfeitures collected pursuant to law, collections related to property foreclosures, documentary stamps and intangible taxes remitted to the State, and other miscellaneous funds collected on behalf of individuals and organizations. Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Fiduciary funds are accounted for using the accrual basis of accounting.

Noncurrent Governmental Assets/Liabilities

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

Budgetary Information

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

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

Investments

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

Derivatives and Similar Debt and Investment Items

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

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

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

Accounts Receivable

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of September 30, 2020, the allowance for doubtful accounts for the Emergency Medical Services Fund is \$37,578,818 and total accounts receivable for the fund is \$41,586,206. As of September 30, 2020, the accounts receivable of all other funds are considered collectible; as such, no allowance for doubtful accounts is recorded.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable, showing this amount is not in spendable form.

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

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

Inventory

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, beach renourishment, water and sewer distribution systems and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County as assets with an individual cost of \$1,000 or more and an estimated useful life in excess of one year. For infrastructure assets the same estimated minimum useful life is used (in excess of one year), but only those infrastructure projects that cost more than \$100,000 are reported as capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Miscellaneous Revenue

Miscellaneous revenue consist of various revenues including rental income, fees charged for nonrecurring services, donations, gifts and insurance proceeds. The General Fund's miscellaneous revenue as of September 30, 2020 of \$6,833,294 consisted primarily of reimbursements from the Gulf Coast Children's Advocacy Center of \$2,560,184 for grant expenses that the County funded prior to grant reimbursement, \$2,059,206 of various insurance proceeds, and \$783,077 of settlements. The EMS Fund's miscellaneous revenue of \$718,158 consisted primarily of payments from Medicaid Managed Care's Public Emergency Medical Transportation program in the amount of \$710,510.

Long-term Obligations

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

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

Capitalization of Interest

Interest costs related to bond issues are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments in business-type activities. The County does not capitalize interest in governmental activities. For the year ended September 30, 2020, the County did not capitalize any interest cost.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Landfill Closure Costs

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

Unearned Revenues

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

Capital Contributions

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

Compensated Absences

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Deferred Outflows, Deferred Inflows, and Net Position

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

Net Position

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

Fund Balance

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

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

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

Nonspendable – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The nonspendable fund balance as of September 30, 2020, is \$1,363,774.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 provisions or enabling legislation. The restricted fund balance as of September 30, 2020, is \$85,988,008.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Board is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There are no committed funds as of September 30, 2020.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance department to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The assigned fund balance as of September 30, 2020, is \$75,057,345.

Unassigned – Unassigned fund balance is the residual classification for the County's fund balance. The unassigned fund balance as of September 30, 2020, is \$22,681,796. The general fund is the only fund that can report a positive unassigned balance. It would be inappropriate for other funds to report a positive unassigned balance. However, if expenditures are incurred for a specific purpose that exceed the amounts that are restricted, committed or assigned, they may report a negative unassigned balance.

Use of Estimates

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits Liability

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 15, 2021. See Note 24 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

In fiscal year 2020, the County implemented GASB Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this statement is to provide for the measurement and accounting of legally enforceable liabilities associated with the retirement of tangible capital assets. The implementation of this statement did not result in any change in the County's financial statements.

In fiscal year 2020, the County implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The implementation of this statement did not result in any change in the County's financial statements. GASB Statement No. 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to the financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt. Additional information can be found in Notes 12 and 13.

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

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 will be effective for the fiscal years beginning after December 15, 2019.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

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

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

In June 2020, GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

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

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

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

The governmental funds balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(338,090,994) difference are as follows:

Bonds payable	\$ (47,718,371)
Notes payable	(158,610,975)
Capital leases payable	(1,314,119)
Other postemployment benefits	(11,274,559)
Net pension liability	(113,976,969)
Compensated absences	(5,196,001)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ (338,090,994)

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 \$26,157,801 difference are as follows:

Deferred outflows related to pension	\$ 35,049,136
Deferred inflows related to pension	(4,567,947)
Deferred outflows related to OPEB	468,051
Deferred inflows related to OPEB	(6,464,192)
Deferred outflows related to loss on refunding	1,672,753
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ 26,157,801

Another element of that reconciliation states, "Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds." The details of this \$348,946,901 difference are as follows:

Cost of capital assets	\$ 608,006,389
Less: accumulated depreciation	(259,059,488)
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ 348,946,901

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

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 expense." The details of this \$22,720,947 difference are as follows:

Capital outlay	\$ 39,916,217
Depreciation expense	(17,195,270)
<hr/>	
Net adjustment to increase <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ 22,720,947

Another element of that reconciliation states, "The net effect of various transactions involving capital assets (i.e., sales, trade-ins, impairments, and donations) is a decrease net position." The details of this \$4,067,480 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	\$ (321,251)
Donations of capital assets, assets acquired via trade-ins or insurance proceeds, and transfers of capital assets from internal service funds increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	4,388,371
<hr/>	
Net adjustments to decrease <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ 4,067,480

NOTE 2 – 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 \$(15,685,346) difference are as follows:

Debt issued or incurred:	
Capital lease financing	\$ (1,181,213)
Note proceeds	(105,845,673)
Principal repayments:	
Bonds	15,475,350
Notes	74,907,000
Capital leases	950,041
Change in deferred charge on refunding	9,149
<hr/>	
Net adjustment to decrease <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ (15,685,346)

Another element of that reconciliation states, "Some income (expenses) reported in the statement of activities do not require the use of current financial resources and therefore are not reported as income (expenditures) in governmental funds." The details of this \$(14,470,755) difference are as follows:

OPEB expense	\$ (702,272)
Pension expenses	(13,635,332)
Compensated absences	(478,811)
Accrued interest	345,660
<hr/>	
Net adjustment to decrease <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ (14,470,755)

NOTE 3 – BUDGETS

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

Special Revenue Funds

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

- Crime Prevention Fund
- Law Enforcement Training Fund
- Special Law Enforcement Trust Fund
- Special Contribution Fund
- Federal Seizure Account Fund
- Seizure Trust Fund
- Inmate Welfare Fund

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

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

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

Year ended September 30, 2020	General Fund Budgetary Basis	GAAP to Budget Differences Over (Under)	General Fund Actual Amounts GAAP Basis
Revenues			
Taxes	\$ 68,931,160	\$ -	\$ 68,931,160
Licenses and permits	2,555	-	2,555
Intergovernmental	74,362,209	5,883,446	80,245,655
Charges for services	11,747,975	836,370	12,584,345
Fines and forfeitures	278,576	37,159	315,735
Special assessments	-	53,466	53,466
Investment earnings	1,184,331	32,810	1,217,141
Contributions and donations	221,548	526,382	747,930
Miscellaneous	6,668,654	164,640	6,833,294
Total revenues	163,397,008	7,534,273	170,931,281

NOTE 3 – BUDGETS (Continued)

Expenditures			
Current			
General government	33,246,118	-	33,246,118
Public safety	60,855,163	8,011,344	68,866,507
Physical environment	383,614	18,673	402,287
Economic environment	7,776,470	-	7,776,470
Human services	8,265,140	-	8,265,140
Culture and recreation	3,020,853	4,792,861	7,813,714
Capital outlay			
General government	6,819,111	-	6,819,111
Public safety	8,268,448	-	8,268,448
Economic environment	26,474	-	26,474
Human services	40,513	-	40,513
Culture and recreation	5,809,412	-	5,809,412
Debt service			
Principal	10,377,203	1,154,016	11,531,219
Interest and fiscal charges	2,698,833	17,263	2,716,096
Bond issuance costs	114,653	-	114,653
Total expenditures	147,702,005	13,994,157	161,696,162
Excess (deficit) of revenues over			
(under) expenditures	15,695,003	(6,459,884)	9,235,119
Other financing sources (uses)			
Transfer In	2,888,373	-	2,888,373
Transfers out	(17,895,135)	2,110,178	(15,784,957)
Issuance of debt	50,030,855	73,217	50,104,072
Payment to refunded bond escrow agent	(38,803,671)	-	(38,803,671)
Proceeds from sales of capital assets	105,491	-	105,491
Total other financing sources (uses)	(3,674,087)	2,183,395	(1,490,692)
Net change in fund balance	\$ 12,020,916	\$ (4,276,489)	\$ 7,744,427

NOTE 4 – RESTRICTED ASSETS

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

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 2,942,419	\$ 1,331,323	\$ 4,273,742
Investments	52,634,929	26,261,074	78,896,003
Total	\$ 55,577,348	\$ 27,592,397	\$ 83,169,745

NOTE 4 – RESTRICTED ASSETS (Continued)

The following amounts are payable from restricted assets:

	Governmental Activities	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Services	Emergency Medical Services	Total
Customer deposits	\$ 31,370	\$ -	\$ 870,179	\$ 165,046	\$ 248,079	\$ -	\$ 1,314,674
Accrued interest payable	863,894	146,231	85,596	158,177	788	3,767	1,258,453
Current maturities of bonds/notes	1,791,500	234,583	56,667	201,667	-	105,833	2,390,250
Total payable from restricted assets	\$ 2,686,764	\$ 380,814	\$ 1,012,442	\$ 524,890	\$ 248,867	\$ 109,600	\$ 4,963,377

NOTE 5 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

Direct obligations of the United States Treasury.

NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)

Federal agencies and instrumentalities.

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

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

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

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

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

Overnight repurchase agreements.

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

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

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

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

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

Foreign Currency Risk – The County had no investments exposed to any foreign currency risk during the period October 1, 2019 through September 30, 2020.

NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)

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

As of September 30, 2020, the County had the following investments as rated by Standard and Poors, Moody's and/or Fitch Investor Services:

Investment Type		Weighted Average Maturity (months)	Credit Rating (if applicable)
Investments measured at fair value			
U.S. Government Securities	\$ 3,046,530	7.57	TSY/TSY
Commercial Paper	10,496,206	3.15	P-1/A-1+
Commercial Paper	13,497,093	4.06	P-1/A-1
Corporate Bonds	516,210	20.60	Aaa/AA+
Corporate Bonds	2,106,780	29.87	Aa2/AA
Corporate Bonds	2,442,919	23.70	Aa2/A+
Corporate Bonds	3,532,725	7.40	A3/A-
Corporate Bonds	9,521,735	26.22	A2/A
Corporate Bonds	2,559,200	7.97	A3/A
Corporate Bonds	2,624,292	4.22	A2/A-1
Municipal Bonds	2,486,829	19.08	Aa3/AA
Municipal Bonds	337,444	24.37	Aa2/AAA
Municipal Bonds	2,584,225	16.30	AA1/AAA
Municipal Bonds	1,503,780	13.23	Aa1/AA+
Municipal Bonds	982,423	14.35	Aa1/N/A
Municipal Bonds	1,014,330	33.47	Aa3/A+
Municipal Bonds	3,439,480	45.44	N/A/AA
Municipal Bonds	1,010,480	48.73	Aa2/AA-
Municipal Bonds	1,702,444	29.38	Aa3/N/A
Asset Back Securities	10,564,316	31.75	AGYAA+
Asset Back Securities	2,500,250	44.97	AGY/AGY
FL Class	50,447,692	1.70	Aaa/AAAm
Total investments measured at fair value	128,917,383		
Investments measured at amortized cost			
Florida Prime (SBA)	\$ 148,548,238	1.60	Aaa/AAAm
Goldman Sachs	\$ 338,646	1.60	Aaa-mf/AAAm
Total investments measured at amortized cost	148,886,884		
Total investments	\$ 277,804,267		

NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)

The County categorized their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The County has the following recurring fair value measurements as of September 30, 2020:

	Fair Value	Level 1	Level 2	Net Asset Value
Investments, at fair value				
Asset-Backed Securities	\$ 13,064,566	\$ 5,062,350	\$ 8,002,216	\$ -
U.S. Treasury	3,046,530	3,046,530	-	-
Corporate Bonds	23,303,861	22,287,106	1,016,755	-
Municipal Bonds	15,061,435	507,675	14,553,760	-
Commercial Paper	23,993,299	-	23,993,299	-
FLCLASS	50,447,692	-	-	50,447,692
Total Investments, at fair value	\$ 128,917,383	\$ 30,903,661	\$ 47,566,030	\$50,447,692

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

Level 2 Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. The Level 2 investments of \$47,566,030 were valued using either quoted prices based on documented trade history in identical securities, the present value of expected future cash flow model, or the option-adjusted discounted cash flow model.

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

As of September 30, 2020, the County had two investments stated at amortized cost in accordance with GASB 79 in the amount of \$148,548,238 and \$338,646 with Florida Prime and Goldman Sachs, respectively.

NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)

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

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

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

As of September 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value for either the Florida Prime investments or Goldman Sachs investments.

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool created under the laws of Florida to provide eligible units of local government the option to invest in a fund with an investment portfolio structured to maintain safety of principal and liquidity over return. The trust is administered by Public Trust Advisors, LLC and an appointed Board of Trustees. This investment pool is measured at the Stable Net Asset Value and is rated AAAM by Standard & Poors. The Net Asset Value is \$50,447,692 and the weighted average maturity for the portfolio is 1.70 months as of September 30, 2020.

NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk – The County limits investments in commercial paper to 30% of the total investment portfolio and 5% of the total investment portfolio per issuer. The County's investments in commercial paper did not exceed 30% and no single issuer exceeded 5% of the County's total investments for the year ended September 30, 2020.

NOTE 6 – PROPERTY TAXES

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

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

NOTE 7 – NOTES RECEIVABLE

Notes receivable recorded by the County at September 30, 2020, are as follows:

Governmental Funds

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

Enterprise Funds

Note receivable from the joint venture (Military Point Advanced Wastewater Treatment Facility). Principal and interest based upon the 2014 Wastewater System Revenue Refunding Bonds and State Revolving Fund Note. Reduction of the principal balance mirrors the principal reduction of the bonds payable and note payable. Interest varies from 1.23% to 3.31%.	\$ 3,030,271
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Note receivable from Stone Container Corporation. Principal and interest based upon the 1997 Water System Revenue Bonds. Reduction of the principal balance of the note receivable is equivalent to 0% of the principal balance and reductions for the bonds payable.	413,114
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NOTE 7 – NOTES RECEIVABLE (Continued)

Note receivable from Arizona Chemical Company. Principal and interest based upon the 1997 Water System Revenue Bonds. Reduction of the principal balance of the note receivable is equivalent to 1.07% of the principal balance and reductions for the bonds payable.

	46,787
Total notes receivable – enterprise funds	\$ 3,490,172

NOTE 8 – CAPITAL ASSETS

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

	September 30, 2019	Increases	Decreases	September 30, 2020
Capital assets, not being depreciated				
Land	\$ 18,869,405	\$ 207,146	\$ -	\$ 19,076,551
Construction in progress	68,880,804	21,274,461	(52,112,073)	38,043,192
Total capital assets, not being depreciated	87,750,209	21,481,607	(52,112,073)	57,119,743
Capital assets, being depreciated				
Books	1,956,313	443,255	(522,787)	1,876,781
Buildings and improvements	114,942,807	56,213,522	(2,197,955)	168,958,374
Furniture and equipment	66,407,433	8,342,553	(3,217,152)	71,532,834
Infrastructure	300,558,527	10,459,852	(962,012)	310,056,367
Total capital assets, being depreciated	483,865,080	75,459,182	(6,899,906)	552,424,356
Less accumulated depreciation				
Books	(1,173,748)	(273,227)	522,787	(924,188)
Buildings and improvements	(18,087,741)	(3,846,199)	1,960,641	(19,973,299)
Furniture and equipment	(47,268,521)	(5,520,455)	2,790,612	(49,998,364)
Infrastructure	(182,304,145)	(7,665,071)	922,855	(189,046,361)
Total accumulated depreciation	(248,834,155)	(17,304,952)	6,196,895	(259,942,212)
Total capital assets, being depreciated, net	235,030,925	58,154,230	(703,011)	292,482,144
Total governmental-type activities' capital assets, net	\$ 322,781,134	\$ 79,635,837	\$ (52,815,084)	\$ 349,601,887

NOTE 8 – CAPITAL ASSETS (Continued)

The following schedules summarize the capital assets of the County's business-type activities at September 30, 2020:

	Wholesale Water System	Retail Water & Wastewater	Solid Waste	Building Services	Emergency Medical Services	Total
Capital assets, not being depreciated						
Land	\$ 261,192	\$ 4,714,000	\$ 752,451	\$ -	\$ -	\$ 5,727,643
Construction in progress	1,502,867	603,976	13,393,931	-	-	15,500,774
Total capital assets, not being depreciated	1,764,059	5,317,976	14,146,382	-	-	21,228,417
Capital assets, being depreciated						
Buildings	2,507,104	4,766	862,912	-	-	3,374,782
Improvements	1,609,506	391,974	133,400	-	-	2,134,880
Furniture and equipment	3,808,611	2,217,436	8,405,310	601,388	3,328,851	18,361,596
Infrastructure	119,055,757	32,493,354	69,408,291	-	-	220,957,402
Total capital assets, being depreciated	\$ 126,980,978	\$ 35,107,530	\$ 78,809,913	\$ 601,388	\$ 3,328,851	\$ 244,828,660
Less accumulated depreciation						
Buildings	\$ (2,000,397)	\$ (3,656)	\$ (585,652)	\$ -	\$ -	\$ (2,589,705)
Improvements	(148,831)	(10,613)	(46,522)	-	-	(205,966)
Furniture and equipment	(2,640,662)	(1,427,961)	(5,199,336)	(521,176)	(1,278,379)	(11,067,514)
Infrastructure	(44,600,775)	(18,843,463)	(12,487,513)	-	-	(75,931,751)
Total accumulated depreciation	(49,390,665)	(20,285,693)	(18,319,023)	(521,176)	(1,278,379)	(89,794,936)
Total capital assets, being depreciated, net	77,590,313	14,821,837	60,490,890	80,212	2,050,472	155,033,724
Total business- type activities' capital assets, net	\$ 79,354,372	\$ 20,139,813	\$ 74,637,272	\$ 80,212	\$ 2,050,472	\$ 176,262,141

NOTE 8 – CAPITAL ASSETS (Continued)

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

	September 30, 2019	Increases	Decreases	September 30, 2020
Capital assets, not being depreciated				
Land	\$ 5,727,643	\$ -	\$ -	\$ 5,727,643
Construction in progress	2,577,955	14,533,576	(1,610,757)	15,500,774
Total capital assets, not being depreciated	8,305,598	14,533,576	(1,610,757)	21,228,417
Capital assets, being depreciated				
Buildings	3,370,908	19,374	(15,500)	3,374,782
Improvements	1,116,061	1,320,710	(301,891)	2,134,880
Furniture and equipment	17,901,574	1,892,580	(1,432,558)	18,361,596
Infrastructure	208,270,620	12,695,979	(9,197)	220,957,402
Total capital assets, being depreciated	230,659,163	15,928,643	(1,759,146)	244,828,660
Less accumulated depreciation				
Buildings	(2,534,698)	(58,333)	3,326	(2,589,705)
Improvements	(115,171)	(90,795)	-	(205,966)
Furniture and equipment	(10,723,089)	(1,768,956)	1,424,531	(11,067,514)
Infrastructure	(67,601,940)	(8,339,009)	9,198	(75,931,751)
Total accumulated depreciation	(80,974,898)	(10,257,093)	1,437,055	(89,794,936)
Total capital assets, being depreciated, net	149,684,265	5,671,550	(322,091)	155,033,724
Total business-type activities' capital assets, net	\$ 157,989,863	\$ 20,205,126	\$ (1,932,848)	\$ 176,262,141

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

Governmental activities	
General government	\$ 2,895,506
Public safety	4,076,828
Physical environment	534,361
Transportation	7,149,422
Economic environment	1,098,790
Human services	74,741
Culture and recreation	1,365,621
Internal service funds	109,683
Total depreciation expense - governmental activities	\$ 17,304,952
Business-type activities	
Wholesale water system	\$ 4,375,755
Retail water & wastewater	1,545,856
Solid waste	3,786,691
Building services	20,663
Emergency medical services	528,128
Total depreciation expense - business-type activities	\$ 10,257,093

NOTE 9 – CAPITAL LEASES

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

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

Vehicles	\$ 5,043,725
Equipment	2,122,548
Total	7,166,273
Less: accumulated depreciation	(3,157,665)
Net	\$ 4,008,608

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

Year Ending September 30,	
2021	\$ 1,404,806
2022	1,129,097
2023	287,442
2024	233,277
Total minimum lease payments	3,054,622
Less amount representing interest	(105,597)
Present value of minimum lease payments	\$ 2,949,025

NOTE 10 – RETIREMENT PLANS

Defined Benefit Plans

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

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

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

NOTE 10 – RETIREMENT PLANS (Continued)

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

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

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The City's contribution rates as of September 30, 2020, were as follows:

	October 1, 2019 through June 30, 2020		July 1, 2020 through September 30, 2020	
	FRS	HIS	FRS	HIS
Regular class	6.81%	1.66%	8.34%	1.66%
Senior management	25.63%	1.66%	23.75%	1.66%
Special risk employee class	22.79%	1.66%	23.82%	1.66%
Elected officials	47.52%	1.66%	47.16%	1.66%
DROP plan participants	15.32%	1.66%	12.94%	1.66%

The County's contributions for the year ended September 30, 2020, were \$8,816,675 to FRS and \$1,084,563 to HIS.

NOTE 10 – RETIREMENT PLANS (Continued)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2020, 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, 2020.

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	\$ 112,156,832	\$ 22,644,161
Proportion at:		
Current measurement date	0.258772467%	0.185446055%
Prior measurement date	0.268966017%	0.193369384%
Pension expense (benefit)	21,258,517	1,820,020

At September 30, 2020, the County reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net pension liability	\$ 116,545,695	\$ 18,255,298	\$ 134,800,993
Deferred outflows of resources related to pensions	\$ 35,792,619	\$ 5,959,359	\$ 41,751,978
Deferred inflows of resources related to pension	\$ 4,673,265	\$ 685,040	\$ 5,358,305
Pension expense	\$ 19,939,434	\$ 3,139,103	\$ 23,078,537

NOTE 10 – RETIREMENT PLANS (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, 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	\$ 4,292,431	\$ -
Changes of assumptions	20,303,769	-
Net difference between projected and actual earnings on pension plan investments	6,677,864	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,248,402	3,002,178
Employer contributions subsequent to the measurement date	2,365,250	-
Total	\$ 36,887,716	\$ 3,002,178

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 926,222	\$ 17,467
Changes of assumptions	2,434,731	1,316,583
Net difference between projected and actual earnings on pension plan investments	18,078	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,199,898	1,022,077
Employer contributions subsequent to the measurement date	285,333	-
Total	\$ 4,864,262	\$ 2,356,127

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2020. 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
2021	\$ 6,763,864	\$ 683,804
2022	10,150,351	488,038
2023	8,565,824	160,681
2024	5,109,308	309,816
2025	930,941	380,372
Thereafter	-	200,091
Total	\$ 31,520,288	\$ 2,222,802

NOTE 10 – RETIREMENT PLANS (Continued)

Actuarial Assumptions

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

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.21%
Bond Buyer General Obligation 20-Bond Municipal Bond	N/A	2.21%

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

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

The following changes in key actuarial assumptions occurred in 2020:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.90% to 6.80%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.50% to 2.21%.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
	<u>100.0%</u>			

NOTE 10 – RETIREMENT PLANS (Continued)

Discount Rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS		
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County's proportionate share of the net pension liability	\$ 142,250,355	\$ 112,156,832	\$ 24,533,054
	HIS		
	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
County's proportionate share of the net pension liability	\$ 22,354,935	\$ 22,644,161	\$ 17,354,609

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, 2020, totaled \$1,862,076.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

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

Funding Policy

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

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

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

Coverage	Retirees blended premium
Retiree	\$ 600
Retiree and Spouse	948

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

Coverage	Plan 3160/3161 HAS/HDHP
Retiree- health plan only	\$ 586
Retiree and Spouse – health plan only	1,424
Retiree - dental plan	14
Retiree and Spouse – dental plan only	27

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

Plan Membership

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

Actuarial Assumptions and Other Inputs

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

County

Inflation rate	2.20%
Salary increases	3.25%
Discount rate	2.66%
Health care cost trend rates	3.80%
Retirees' share of benefit-related costs	100% of projected health insurance premium

Sheriff's Office

Inflation rate	2.50%
Salary increases	4.00%
Discount rate	2.14%
Health care cost trend rates	4.00%
Retirees' share of benefit-related costs	100% of projected health insurance premium

The discount rate was selected based on a 20-year tax-exempt high-quality general obligation municipal bond yield of index. The Bond Buyer 20-Bond General Obligation Index is the average rating of 20 bonds that are grade 'Aa2' (Moody's) or grade 'AA' (S&P 500). The Bond Buyer 20-Bond General Obligation Index at September 30, 2019 and September 30, 2020 was 2.66% and 2.14% respectively.

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

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

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

The County's total OPEB liability of \$12,120,706 consists of \$4,005,797 for the County and \$8,114,909 for the Sheriff's Office. The information has been provided as of the September 30, 2020 reporting date.

Description	Total
Total OPEB liability	\$ 12,120,706
OPEB plan fiduciary net position	-
County's net OPEB liability	\$ 12,120,706

OPEB plan fiduciary net position as a percentage
of total OPEB liability 0%

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

Total OPEB liability	
Service cost	\$ 1,075,210
Interest	753,846
Difference between expected and actual experience	(1,918,450)
Change in assumptions	(5,882,790)
Benefit payments	(311,632)
Net change in total OPEB liability	(6,283,816)
Total OPEB liability, beginning	18,404,522
Total OPEB liability, ending	\$ 12,120,706

Sensitivity of OPEB liability to healthcare cost trend rate

The following presents the total OPEB liability of the County, calculated using the discount rate of 2.66%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.66%) or 1 percentage point higher (3.66%) than the current rate.

	1% Decrease 1.66%	Discount Rate 2.66%	1% Increase 3.66%
Total OPEB liability	\$ 4,269,852	\$ 4,005,797	\$ 3,745,197

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

The following presents the total OPEB liability of the County, calculated using the health care cost trend rate of 3.80% as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rate that are 1 percentage point lower (2.80%) or 1 percentage point higher (4.80%) than the current rate:

	1% Decrease 2.80%	Ultimate Trend Rate 3.80%	1% Increase 4.80%
Total OPEB liability	\$ 3,535,401	\$ 4,005,797	\$ 4,566,900

The following presents the total OPEB liability of the Sheriff Office, calculated using the discount rate of 2.14%, as well as what the Sheriff Office's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.14%) or 1 percentage point higher (3.14%) than the current rate.

	1% Decrease 1.14%	Discount Rate 2.14%	1% Increase 3.14%
Total OPEB liability	\$ 7,378,465	\$ 8,114,909	\$ 8,982,116

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

	1% Decrease 3.00%	Ultimate Trend Rate 4.00%	1% Increase 5.00%
Total OPEB liability	\$ 7,378,465	\$ 8,114,909	\$ 8,982,116

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

For the year ended September 30, 2020, the County recognized OPEB expense of \$689,776. At September 30, 2020, the County had deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 359,648	\$ 6,401,480
Differences between expected and actual differences	78,910	1,721,030
Employer contributions subsequent to the measurement date	66,269	-
Total	\$ 504,827	\$ 8,122,510

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

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ended September 30:		
2020	\$	(806,283)
2021		(806,283)
2022		(806,283)
2023		(806,283)
2024		(806,283)
Thereafter		(3,652,537)
Total	\$	(7,683,952)

NOTE 12 – LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES

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

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020	Due Within One Year
Bonds from direct placements	\$ 64,927,344	\$ -	\$ (16,420,030)	\$ 48,507,314	\$ 2,978,000
Notes from direct borrowings	127,745,191	105,949,225	(74,907,000)	158,787,416	4,820,000
Capital leases payable	1,114,348	1,181,212	(961,469)	1,334,091	767,219
OPEB liability	16,592,555	-	(5,211,232)	11,381,323	-
Accrued compensated absences	4,934,421	1,640,027	(1,121,629)	5,452,819	1,259,984
Estimated liability for self-insured losses	4,480,761	629,968	(629,968)	4,480,761	827,236
Net pension liability	98,405,366	18,140,329	-	116,545,695	-
Governmental activities long-term liabilities	\$ 318,199,986	\$ 127,540,761	\$ (99,251,328)	\$ 346,489,419	\$ 10,652,439

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

Notes payable in the governmental activities at September 30, 2020, are summarized below:

Taxable Series 2014A Revenue Note

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

The interest rate is 3.25%, principal and interest are payable semi-annually, March 1 and September 1, commencing on March 1, 2015. Average remaining annual debt service is \$41,913.

The note is secured by non-ad valorem revenue in accordance with Resolution No. 3243. This pledge remains in effect until extinguishment or maturity of the debt in 2024, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$167,651. Principal and interest payments paid on the note required 0.03% of non-ad valorem revenue. Principal and interest payments paid for the current year and non-ad valorem revenue were \$41,948 and \$121,913,070, respectively.

\$ 156,000

Non-Ad Valorem Revenue Note Series 2018

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

The interest rate is 3.02%, principal and interest are payable semi-annually, March 1 and September 1, with interest commencing on March 1, 2019 and principal commencing on March 1, 2020. Average remaining annual debt service is \$2,412,505.

The note is secured by non-ad valorem revenue in accordance with Resolution No. 3538. This pledge remains in effect until extinguishment or maturity of the debt in 2025, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$12,062,524. Principal and interest payments paid on the note required 1.98% of non-ad valorem revenue. Principal and interest payments paid for the current year and non-ad valorem revenue were \$2,412,788 and \$121,913,070, respectively.

11,119,000

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

Revenue Note, Series 2019C

On April 2, 2019, the County issued \$50,117,500 Revenue Note, Series 2019C, to provide funds for Hurricane Michael response, recovery, and mitigation. The note is a non-revolving line of credit under which the County may draw funds as needed, up to an aggregate of \$100,000,000. On October 9, 2019, the County drew the remaining \$49,882,500. Of the \$100,000,000 total, \$77,267,416 was allocated to Governmental Activities and \$22,732,584 was allocated to Business-Type Activities. The information detailed here includes only the portion of this note that is allocated to Governmental Activities. The note contains a provision that, in the event of a default, the lender may sue to protect and enforce the agreement and shall be entitled to reasonable costs and expenses incurred in enforcing the agreement and the note shall bear interest at the base rate plus 300 basis points (3.00%) until all amounts then due are paid in full.

The note bears interest at a variable rate of interest equal to 79% of the one month LIBOR rate, plus 0.57%, adjusted on and as of the first business day of each month and the effective date of any change in the LIBOR Reserve Percentage. Principal is payable annually, commencing on March 1, 2023. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2019. Average remaining annual debt service is \$6,901,934.

The note is secured by non-ad valorem revenue in accordance with Resolution No. 3592. This pledge remains in effect until extinguishment or maturity of the debt in 2034, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$96,627,076. No principal payments were paid in the current year. Interest payments paid on the note required 0.89% of non-ad valorem revenue. Interest payments paid for the current year and non-ad valorem revenue were \$1,082,324 and \$121,913,070, respectively.

77,267,416

Sales Tax Revenue Refunding Note Series 2020

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

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

applied to the payment of reasonable and proper charges, expenses and liabilities of the trustee or receiver, to the payment of interest and principal, then to the payment of all fees due any insurer, credit bank, provider of a reserve account insurance policy, or provider of a reserve account letter of credit.

The refunding note interest rate is 2.06%, principal payable annually on September 1, commencing September 1, 2020. Interest is payable semi-annually, September 1 and March 1. Average remaining annual debt service is \$3,724,665.

This pledge remains in effect until extinguishment or maturity of the debt in 2032, whichever occurs first. The remaining principal and interest payments on this note as of September 30, 2020, totaled \$44,695,985. Principal and interest payments paid on the bond required 5.04% of local government half-cent sales tax. Principal and interest payments paid for the current year and pledged half-cent sales tax revenue were \$728,735 and \$14,459,113, respectively.

38,465,000

Tourist Development Tax Revenue Refunding Note Series 2020

On February 20, 2020, the County issued \$32,120,000 Tourist Development Tax Revenue Refunding Note - Series 2020. The proceeds of the note were used to refund the outstanding Tourist Development Tax Revenue Note – Series 2018 (refunded \$33,435,000) and to pay the cost of issuing the note. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$98,469. This difference is reported as a deferred amount on the refunding. The County completed the refunding to reduce its debt service payments over fourteen years by \$4,612,399 and obtain an economic gain of \$3,994,712. The note is secured by up to four cents of the Tourist Development Tax received by the County within the Panama City Beach Tourist Development Tax Sub-District in accordance with Resolution No. 3420. The note contains a provision that, in the event of a default, all pledged funds shall be applied to the payment of reasonable and proper charges, expenses and liabilities of the trustee or receiver, to the payment of interest and principal, then to the payment of all fees due any insurer, credit bank, provider of a reserve account insurance policy, or provider of a reserve account letter of credit.

The refunding note interest rate is 2.06%, principal payable annually on April 1, commencing April 1, 2020. Interest is payable semi-annually, April 1 and October 1. Average remaining annual debt service is \$2,830,001.

This pledge remains in effect until extinguishment or maturity of the debt in 2033, whichever occurs first. The remaining principal and interest payments on this note as of September 30, 2020, totaled \$36,790,012. Principal and interest payments paid on the bond required 2.49% of Tourist Development Tax revenue. Principal and interest payments paid for the current year and pledged Tourist Development Tax revenue were \$419,015 and \$16,804,364, respectively.

31,780,000

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

Total notes payable – governmental activities	158,787,416
Less: current portion	(4,820,000)
Long-term portion of notes payable – governmental activities	\$ 153,967,416

Year Ending September 30,	Principal	Interest	Total
2021	\$ 4,820,000	\$ 4,121,611	\$ 8,941,611
2022	4,939,000	3,999,161	8,938,161
2023	10,510,489	3,791,896	14,302,385
2024	13,995,751	3,497,263	17,493,014
2025	14,319,739	3,128,735	17,448,474
2026-2030	64,496,920	10,629,595	75,126,515
2031-2034	45,705,517	2,387,571	48,093,088
Total	\$ 158,787,416	\$ 31,555,832	\$ 190,343,248

Governmental activities' revenue bonds consist of the following at September 30, 2020:

Capital Improvement Revenue Refunding Bonds, Series 2011

On September 21, 2011, the County issued \$26,144,000 Capital Improvement Revenue Refunding Bonds – Series 2011. The proceeds of the bonds were used to refund the outstanding Capital Improvement Revenue Bonds – Series 2007 (refunded \$26,025,136) and to pay the cost of issuing the bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$34,150. This difference is reported as a deferred amount on the refunding. The County completed the refunding to reduce its debt service payments over sixteen years by \$3,894,433 and obtain an economic gain of \$3,288,038. The bonds are special obligation bonds of the County payable solely from and secured by non-ad valorem revenues in accordance with Resolution No. 3069. The bonds contain a provision that, in the event of a default, the lender may declare all payments of principal and interest on the bond to be immediately due and payable and the bond shall bear interest at a rate equal to the Base Rate, plus 4% per annum, not to exceed the maximum rate permitted by law. The Base Rate shall be equal to (i) the Prime Rate or (ii) the Adjusted One Month LIBOR Rate.

The refunding bonds interest rate is 3.21%, principal payable annually on September 1, commencing September 1, 2012. Interest is payable semi-annually, March 1 and September 1. Average remaining annual debt service is \$2,063,230.

This pledge remains in effect until extinguishment or maturity of the debt in 2027, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$14,442,608. Annual principal and interest payments paid on the bond required 1.72% of non-ad valorem revenue. Principal and interest payments paid for the current year and non-ad valorem revenue were \$2,102,105 and \$121,913,070, respectively.

\$ 12,762,000

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

Capital Improvement Revenue Bonds, Series 2011

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

The interest rate is 3.96%, principal payable annually on September 1, commencing September 1, 2012. Interest is payable semi-annually, March 1 and September 1. Average remaining annual debt service is \$204,091.

The bonds are special obligation bonds of the County payable solely from and secured by non-ad valorem revenues in accordance with Resolution No. 3051. This pledge remains in effect until extinguishment or maturity of the debt in 2026, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$1,224,543. Principal and interest payments paid on the bond required 0.17% of non-ad valorem revenue. Principal and interest payments paid for the current year and non-ad valorem revenue were \$208,814 and \$121,913,070, respectively.

1,072,000

Capital Improvement Revenue Bonds, Series 2012

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

The interest rate is 2.99%, principal payable annually on October 1, commencing October 1, 2013. Interest is payable semi-annually, April 1 and October 1. Average remaining annual debt service is \$784,359.

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

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

This pledge remains in effect until extinguishment or maturity of the debt in 2037, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$14,118,469. Principal and interest payments paid on the bond required 36.23% of pledged revenues. Principal and interest payments paid for the current year and pledged revenues were \$787,665 and \$2,173,843, respectively.

10,883,000

Sales Tax Revenue Refunding Bond, Series 2018A&B

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

The refunding bonds interest rate is 2.90%, principal payable annually on September 1, commencing on September 1, 2018. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2018. Average remaining annual debt service is \$942,776.

This pledge remains in effect until extinguishment or maturity of the debt in 2032, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$11,313,313. Principal and interest payments paid on the bond required 6.51% of pledged revenues. Principal and interest payments paid for the current year and pledged revenues were \$941,581 and \$14,459,113, respectively.

9,440,000

Revenue Bonds, Series 2019 B

On February 20, 2019, the County issued \$50,000,000 Revenue Bonds, Series 2019B, to provide funds for Hurricane Michael response, recovery, and mitigation. Of the \$50,000,000 total, \$14,350,314 was allocated to Governmental Activities and \$35,649,686 was allocated to Business-Type Activities. The information detailed here includes only the portion of this bond that is allocated to Governmental Activities. The bonds contain a provision that, in the event of a default, the lender may sue to protect and enforce the agreement and shall be

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

entitled to reasonable costs and expenses incurred in enforcing the agreement. In the event of a default, the bond shall bear interest at the lesser of the sum of the Prime Rate plus 5% per annum and the maximum lawful rate until all amounts then due are paid in full.

The interest rate is 2.94%, principal payable annually on March 1, commencing on March 1, 2023. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2019. Average remaining annual debt service is \$1,276,498.

These bonds are secured by non-ad valorem revenue in accordance with Resolution No. 3586. This pledge remains in effect until extinguishment or maturity of the debt in 2034, whichever comes first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$17,870,978. No principal payments were paid in the current year. Interest payments paid on the bond required 0.35% of pledged revenues. Interest payments paid for the current year and pledged revenues were \$421,899 and \$121,913,070, respectively.	14,350,314
Total bonds payable – governmental activities	48,507,314
Less: current portion	(2,978,000)
Long-term portion governmental activities bonds payable	\$ 45,529,314

The annual debt service requirements to maturity for the governmental activities' revenue bonds payable at September 30, 2020, are as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$ 2,978,000	\$ 1,470,539	\$ 4,448,539
2022	3,064,000	1,376,392	4,440,392
2023	4,164,567	1,264,643	5,429,210
2024	4,280,703	1,135,547	5,416,250
2025	4,402,839	1,001,370	5,404,209
2026-2030	16,899,843	3,113,483	20,013,326
2031-2035	10,474,362	997,075	11,471,437
2036-2038	2,243,000	103,549	2,346,549
Total	\$ 48,507,314	\$ 10,462,598	\$ 58,969,912

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the County to rebate excess arbitrage earnings from bond proceeds to the federal government. As of September 30, 2020, there was no arbitrage liability for governmental activities.

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

Notes payable in the enterprise funds at September 30, 2020, are summarized below:

State Revolving Fund Program

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

\$ 219,271

State Revolving Fund Program

State Revolving Fund Program (Funding Number DW 030200) consists of approved loans in the original amount of \$1,000,000, with a principal forgiveness of \$750,000, payable to the State of Florida Department of Environmental Protection State Revolving Fund Program. The interest rate is 1.25% per annum. The semi-annual loan payment is \$7,267 and the loan matures on July 15, 2040. The loan is collateralized by the gross revenues derived yearly from operation of the water system after payment of the operation and maintenance expense and the satisfaction of all yearly payment obligations on the Bay County, Florida Water System Revenue Note, Series 2014 and the Bay County, Florida Water System Revenue Refunding Bonds, Series 2016. The note contains a provision that, in the event of a default, the State of Florida Department of Environmental Protection may intercept the delinquent amount, plus a penalty of 6 percent per annum on the amount due, from any unobligated funds due to the County under any revenue or tax sharing fund established by the State, sue for payment of all amounts due with interest on overdue payments, accelerate the repayment schedule, or increase the interest rate on the unpaid principal to as much as 1.667 times the financing rate.

\$ 133,194

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

Taxable Series 2015 Revenue Note

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

Principal and interest is payable semiannually on March 1 and September 1. The note is collateralized by non-ad valorem revenue in accordance with Resolution No. 3308. Interest rate is 3.3%. Average remaining annual debt service is \$295,736.

The remaining principal and interest payments on this debt as of September 30, 2020 totaled \$1,478,681. Annual principal and interest payments on the bond required 0.24% of the total of non-ad valorem revenues. Principal and interest payments paid for the current year and the total of non-ad valorem revenues were \$294,705 and \$121,913,070, respectively. \$ 1,353,000

Wastewater Revenue Refunding Note - Series 2014

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

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

2,811,000

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

Water System Revenue Note - Series 2014

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

The interest rate is 3.70%, principal payable annually on September 1, commencing September 1, 2015. Interest is payable semi-annually, March 1 and September 1. Average remaining annual debt service is \$1,458,468.

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

The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$17,501,610. Annual principal and interest payments paid on the note required 15.40% of the total impact fee revenue and wholesale water system net revenue. Principal and interest payments paid for the current year and impact fee revenue and wholesale water system net revenue were \$1,459,080 and \$9,472,493, respectively.

13,930,000

Revenue Note, Series 2019C

On April 2, 2019, the County issued \$50,117,500 Revenue Note, Series 2019C, to provide funds for Hurricane Michael response, recovery, and mitigation. The note is a non-revolving line of credit under which the County may draw funds as needed, up to an aggregate of \$100,000,000. On October 9, 2019, the County drew the remaining \$49,882,500. Of the \$100,000,000 total, \$77,267,416 was allocated to Governmental Activities and \$22,732,584 was allocated to Business-Type Activities. The information detailed here includes only the portion of this note that is allocated to Business-Type Activities. The note contains a provision that, in the event of a default, the lender may sue to protect and enforce the agreement and shall be entitled to reasonable costs and expenses incurred in enforcing the agreement and the note shall bear interest at the base rate plus 300 basis points (3.00%) until all amounts then due are paid in full.

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

The note bears interest at a variable rate of interest equal to 79% of the one month LIBOR rate, plus 0.57%, adjusted on and as of the first business day of each month and the effective date of any change in the LIBOR Reserve Percentage. Principal is payable annually, commencing on March 1, 2023. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2019. Average remaining annual debt service is \$2,030,595.

The note is secured by non-ad valorem revenue in accordance with Resolution No. 3592. This pledge remains in effect until extinguishment or maturity of the debt in 2034, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$28,428,324. No principal payments were paid in the current year. Interest payments paid on the note required 0.26% of non-ad valorem revenue. Interest payments paid for the current year and non-ad valorem revenue were \$318,427 and \$121,913,070, respectively.

	22,732,584
Total notes payable – enterprise funds	41,179,049
Less: current portion	(1,654,414)
Long-term portion of enterprise funds' notes payable	\$ 39,524,635

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

Year Ending September 30,	Principal	Interest	Total
2021	\$ 1,654,414	\$ 1,339,476	\$ 2,993,890
2022	1,702,829	1,279,410	2,982,239
2023	3,362,536	1,195,489	4,558,025
2024	3,471,473	1,084,771	4,556,244
2025	3,584,187	970,415	4,554,602
2026-2030	15,974,817	3,221,197	19,196,014
2031-2035	11,340,144	681,725	12,021,869
2036-2040	88,649	1,410	90,059
Total	\$ 41,179,049	\$ 9,773,893	\$ 50,952,942

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

Bonds payable in the enterprise funds at September 30, 2020, are summarized below:

Solid Waste Capital Improvement Revenue Refunding Bonds – Series 2010

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

The refunding bonds interest rate is 3.43%, principal payable annually on September 1, commencing September 1, 2011. Interest is payable semi-annually, March 1 and September 1. Average remaining annual debt service is \$2,662,283.

This pledge remains in effect until extinguishment or maturity of the debt in 2023, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$7,986,850. Annual principal and interest payments on the bond required 2.21% of the total of non-ad valorem revenues. Principal and interest payments paid for the current year and the total of non-ad valorem revenues were \$2,696,912 and \$121,913,070 respectively. \$ 7,470,000

Water and Sewer System Revenue Refunding Bonds – Series 2015

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

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

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

The refunding bonds interest rate varies from 2.0%-5.0%, principal payable annually on September 1, commencing September 1, 2017. Interest is payable semi-annually, March 1 and September 1, commencing March 1, 2016. Average remaining annual debt service is \$1,695,379.

This pledge remains in effect until extinguishment or maturity of the debt in 2045, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$42,384,481. Principal and interest payments on the bond required 27.22% of the total of the net revenues derived from the water system, connection fees, and allowable deposits. Principal and interest payments paid for the current year and the total net revenues derived from the water system, connection fees, and allowable deposits were \$1,696,269 and \$6,232,000 respectively.

\$ 26,250,000

Water System Revenue Refunding Bonds – Series 2016

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

The bonds are special obligation bonds of the County payable solely from and secured by, a) the net revenues of the wholesale water system, b) impact fees charged by the wholesale water system, c) all cash and investments held in accordance with Ordinance No. 00-04, Resolution No. 2219 and Resolution No. 2625. The bond contains a provision that, in the event of a default, all pledged funds

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

shall be applied to the payment of reasonable and proper charges, expenses and liabilities of the trustee or receiver, to the payment of the amounts required for operating expenses and for the reasonable renewals, repairs, and replacements of the system necessary to prevent loss of gross revenues, then to the payment of the interest and principal due on the bonds.

The bonds are issued on parity with the County's outstanding Water System Revenue Bonds – Series 2014. Interest varies from 4.0% to 5.0%, principal payable annually on September 1, commencing September 1, 2017, interest payable semi-annually on March 1 and September 1, commencing on March 1, 2017. Average remaining annual debt service is \$3,042,850.

This pledge remains in effect until extinguishment or maturity of the debt in 2030, whichever occurs first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$30,428,500. Annual principal and interest payments on the bond required 32.13% of the total of impact fee revenue and wholesale water system net revenue. Principal and interest payments paid for the current year and the total of impact fee revenue and wholesale water system net revenue were \$3,043,750 and \$9,472,493, respectively.

\$ 23,495,000

Revenue Bonds, Series 2019 B

On February 20, 2019, the County issued \$50,000,000 Revenue Bonds, Series 2019B, to provide funds for Hurricane Michael response, recovery, and mitigation. Of the \$50,000,000 total, \$14,350,314 was allocated to Governmental Activities and \$35,649,686 was allocated to Business-Type Activities. The information detailed here includes only the portion of this bond that is allocated to Business-Type Activities. The bond contains a provision that, in the event of a default, the lender may sue to protect and enforce the agreement and shall be entitled to reasonable costs and expenses incurred in enforcing the agreement. In the event of a default, the bond shall bear interest at the lessor of the sum of the Prime Rate plus 5% per annum and the maximum lawful rate until all amounts then due are paid in full.

The interest rate is 2.94%, principal payable annually on March 1, commencing on March 1, 2023. Interest is payable semi-annually, March 1 and September 1, commencing on September 1, 2019. Average remaining annual debt service is \$3,171,134.

These bonds are secured by non-ad valorem revenue in accordance with Resolution No. 3586. This pledge remains in effect until extinguishment or maturity of the debt in 2034, whichever comes first. The remaining principal and interest payments on this debt as of September 30, 2020, totaled \$44,395,878. No principal payments were paid in the current year. Interest payments paid on the bond required 0.86% of pledged revenues. Interest payments paid for the current year and pledged revenues were \$1,048,101 and \$121,913,070, respectively.

35,649,685

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

Total bonds payable – business-type activities	92,864,685
Less: current portion	(4,970,000)
Long-term portion of business-type activities' bonds payable	\$ 87,894,685

The annual debt service requirements to maturity for bonds payable at September 30, 2020, are as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$ 4,970,000	\$ 3,492,645	\$ 8,462,645
2022	5,145,000	3,302,603	8,447,603
2023	7,845,433	3,066,572	10,912,005
2024	5,485,297	2,783,130	8,268,427
2025	5,690,161	2,578,566	8,268,727
2026-2030	31,872,157	9,453,759	41,325,916
2031-2035	18,246,637	4,313,948	22,560,585
2036-2040	6,065,000	2,411,000	8,476,000
2041-2045	7,545,000	928,800	8,473,800
Total	\$ 92,864,685	\$ 32,331,023	\$ 125,195,708

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020	Due Within One Year
Revenue bonds	\$ 52,175,000	\$ -	\$(2,430,000)	\$ 49,745,000	\$2,550,000
Adjusted for deferred amounts on					
Issuance discounts/premiums	5,054,885	-	(456,751)	4,598,134	-
Total revenue bonds	57,229,885	-	(2,886,751)	54,343,134	2,550,000
Bonds from direct placements	113,702,769	-	(70,583,084)	43,119,685	2,420,000
Notes from direct borrowings	27,705,653	15,152,326	(1,678,930)	41,179,049	1,654,414
Capital leases payable	2,175,892	-	(560,959)	1,614,933	575,636
Other postemployment benefits	1,811,967	-	(1,072,584)	739,383	-
Accrued compensated absences	702,351	329,861	(254,003)	778,209	282,173
Landfill closure and postclosure liability	8,416,424	1,633,354	-	10,049,778	-
Net pension liability	15,858,882	2,396,416	-	18,255,298	-
Business-type activity long-term liabilities	\$227,603,823	\$ 19,511,957	\$(77,036,311)	\$170,079,469	\$7,482,223

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the County to rebate excess arbitrage earnings from bond proceeds to the Federal Government. As of September 30, 2020, there was no arbitrage liability for business-type activities.

NOTE 14 – COMPENSATED ABSENCES

The County's compensated absences at September 30, 2020, are as follows:

	Governmental Activities	Business-type Activities	Total
Current	\$ 1,259,984	\$ 282,173	\$ 1,542,157
Long-term	4,192,835	496,036	4,688,871
Total	\$ 5,452,819	\$ 778,209	\$ 6,231,028

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

The County's routine transfers include transfers, (a) to match for special revenue grant requirements, (b) to other funds based on budgetary requirements, and (c) for revenues from a fund that by statute or budgetary authority must collect them for funds that are required by statute or budgetary authority to expend them. Interfund transfers during the year ended September 30, 2020, were as follows:

Transfer Out	Transfer In	
General Fund	Transportation fund	\$ 11,375,383
	Other nonmajor governmental funds	257,539
	Emergency medical services fund	<u>4,152,035</u>
		<u>\$ 15,784,957</u>
Internal service funds	General fund	<u>\$ 2,888,373</u>
		<u>\$ 2,888,373</u>

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, 2020, interfund receivables and payables are as follows:

Receivable Fund	Payable Fund	
General fund	Internal service funds	\$ 3,274,183
	Other nonmajor governmental funds	3,767,955
	Emergency medical services fund	<u>246,141</u>
		<u>\$ 7,288,279</u>
Tourist development fund	General fund	<u>\$ 265,599</u>
		\$ 265,599
Wholesale water system fund	General	\$ 138
	Internal service funds	405,936
	Retail water fund	<u>2,412</u>
		<u>\$ 408,486</u>

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

Receivable Fund	Payable Fund		
Transportation fund	General fund	\$ 19,598	
	Internal service funds	260,641	
	Wholesale water fund	<u>3,016</u>	
			<u>\$ 283,255</u>
Retail water & wastewater fund	General fund	\$ 23,171	
	Internal service funds	85,192	
	Wholesale water fund	<u>480</u>	
			\$ 108,843
Solid waste fund	General funds	\$ 26,233	
	Internal service fund	<u>610,779</u>	
			\$ 637,012
Building services fund	General funds	<u>\$ 14,115</u>	
			\$ 14,115
Emergency medical services fund	General funds	\$ 8,629	
	Internal service funds	<u>280,357</u>	
			<u>\$ 288,986</u>
Other nonmajor governmental funds	General funds	\$ 28,534	
	Other nonmajor governmental funds	39,877	
	Internal service funds	<u>241,830</u>	
			<u>\$ 310,241</u>
Internal service funds	General fund	\$ 548,610	
	Tourist fund	21	
	Wholesale water fund	5,034	
	Solid waste fund	668	
	Retail water & wastewater fund	4,502	
	Transportation fund	110,391	
	Other nonmajor governmental funds	3,189	
	Internal service funds	6,881	
	Emergency medical services fund	5,630	
	Building service fund	<u>1,285</u>	
			<u>\$ 686,211</u>

An interfund advance was made to the MSTU fire protection fund from the building services fund in 2012 and 2014 to provide funds for operations. This advance is expected to be repaid within four years of September 30, 2020. The balance of this advance as of September 30, 2020, was \$235,710.

NOTE 16 – FUND BALANCE

The detail related to fund balance classifications for governmental funds as of September 30, 2020, consists of the following:

	General	Tourist Development	Transportation	Nonmajor Governmental	Total
Nonspendable					
Not in spendable form for advances to other funds	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000
Not in spendable form for prepaid items	194,560	756,274	-	62,940	1,013,774
Total nonspendable	194,560	1,106,274	-	62,940	1,363,774
Restricted					
Enabling legislation	2,857,966	47,119,844	799,306	11,184,193	61,961,309
Debt service	4,932,031	4,223,030	140,556	247,003	9,542,620
Impact fees	1,738,855	-	-	840,643	2,579,498
Contractual	3,083,883	-	-	-	3,083,883
Unspent bond proceeds	-	-	-	8,820,698	8,820,698
Total restricted	12,612,735	51,342,874	939,862	21,092,537	85,988,008
Assigned					
For disaster cleanup	1,000,000	-	-	-	1,000,000
For neighborhood infrastructure and improvement	66,125	-	-	-	66,125
For future insurance costs	879,982	346	41,784	21,503	943,615
For animal control	93,042	-	-	-	93,042
For following year expenditures	194,019	-	-	-	194,019
For purpose of special revenue fund	-	-	72,760,544	-	72,760,544
Total assigned	2,233,168	346	72,802,328	21,503	75,057,345
Unassigned	22,681,796	-	-	-	22,681,796
Total fund balances	\$ 37,722,259	\$ 52,449,494	\$ 73,742,190	\$ 21,176,980	\$ 185,090,923

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Landfill Costs and Liabilities

The County has two landfills. The Majette Landfill closed in September 1987. The Steelfield Road Landfill is currently estimated to have sufficient capacity at current waste generation disposal rates to accept waste through 2037. State and federal laws and regulations require that the County place a final cover on its landfills when closed and to perform certain maintenance and monitoring functions at the landfill sites for 20 to 30 years after closure, depending on closure date. As of September 30, 2020, 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 \$6,717,673 and the postclosure costs to maintain and monitor the Steelfield Landfill will be approximately \$122,847 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, 2020, in the amount of \$10,049,778, which represents the cumulative amount reported to date, based on 96% of the estimated capacity of the landfill. See note 13 for disclosure of the changes in this estimated liability.

These amounts are based on what it is estimated to cost to perform all closure and postclosure care in 2020. 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, 2020, \$6,524,676 was held for these purposes in a separate general ledger account on deposit in the County's pooled cash and investments. These are reported as restricted cash and investment assets on the solid waste fund balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined to be necessary, these costs may need to be covered by charges to future landfill users or from future tax revenue.

Legal Contingencies

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

NOTE 17 – COMMITMENTS AND CONTINGENCIES (Continued)

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, 2020, the County was contingently liable for the following amounts:

Wastewater System Revenue Refunding Bonds Series 2004 (see note 13)	2,811,000
Related interest expense	334,359
Total contingent liability – joint venture	\$ 3,145,359

Construction Commitments

At September 30, 2020 the County had open construction contract commitments as follows:

Fund	Contract Amount	Expended to Date	Remaining Commitment
General Fund	\$ 22,819,192	\$ 18,664,726	\$ 4,154,466
Transportation Fund	22,821,554	12,927,591	9,893,963
Other nonmajor governmental funds	12,823,652	4,497,160	8,326,492
Wholesale Water Fund	2,284,069	1,287,294	996,775
Solid Waste Fund	19,478,204	13,393,635	6,084,569
Internal service funds	81,136	7,810	73,326
Total contract commitments	\$ 80,307,807	\$ 50,778,216	\$ 29,529,591

NOTE 18 – CONDUIT DEBT OBLIGATIONS

During the course of normal operations, the County has entered into various conduit debt obligations. Conduit debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. The County has no responsibility for the payment of these debt issues except for the payments received on the underlying lease or loan agreement. The County's conduit debt obligations at September 30, 2020, are summarized as follows:

Issue	Date of Issue	Amount Outstanding September 30, 2020
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy) Series 2010 A & B	September 14, 2010	\$ 9,635,000

NOTE 18 – CONDUIT DEBT OBLIGATIONS (Continued)

Issue	Date of Issue	Amount Outstanding September 30, 2020
Bay County, Florida Industrial Development Revenue Refunding Bonds (Goodwill Industries - Big Bend, Inc.) Series 2017	April 1, 2017	\$ 9,410,252
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy Project) Series 2013 A & B	April 17, 2013	\$ 19,915,000
Bay County, Florida Educational Facilities Revenue Bonds (Bay Haven Charter Academy Project) Series 2016	October 1, 2016	\$ 4,665,000
Bay County, Florida Industrial Developmental Revenue Bonds (Gulf Power Company Project) Series 2020	June 1, 2020	\$ 50,000,000

NOTE 19 – WORKERS' COMPENSATION – SELF INSURANCE

During fiscal year 1990, the County established a workers' compensation fund (internal service fund) to account for and finance its uninsured risks of loss relating to workers' compensation claims. Under this program, the workers' compensation fund provides coverage for up to a maximum of \$350,000 for each workers' compensation claim through September 30, 2020. The County purchases commercial insurance for claims in excess of coverage provided by the workers' compensation fund. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds, except those which include certain volunteer fire department personnel of the County, participate in the program and make payments to the workers' compensation fund based on estimates of the amounts needed to pay prior and current year claims. The claims liability of \$4,480,761 reported in the workers' compensation fund at September 30, 2020, 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 2019 and 2020 were as follows:

Year Ending September 30,	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2019	\$ 4,480,761	\$ 1,341,312	\$ (1,341,312)	\$ 4,480,761
2020	\$ 4,480,761	\$ 629,968	\$ (629,968)	\$ 4,480,761

NOTE 20 – INSURANCE

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

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

Changes in the self insurers' fund's claims liability amount in fiscal years 2019 and 2020 were as follows:

Year Ending September 30,	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2019	\$ 250,000	\$ 2,631,409	\$ (2,631,409)	\$ 250,000
2020	\$ 250,000	\$ 3,976,723	\$ (3,976,723)	\$ 250,000

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

NOTE 21 – JOINT VENTURE

The County entered into an interlocal agreement with the cities of Callaway, Parker, Springfield and the former Town of Cedar Grove on September 27, 1996, to supply existing and expanded wastewater treatment and disposal services. The mission of this joint venture is to provide these services in an economical, efficient and environmentally appropriate manner to their respective citizenry. This joint venture, known as the Military Point Advanced Wastewater Treatment Facility (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, 2020, the County's investment in the joint venture was \$6,899,762. Complete financial statements for the joint venture may be obtained from the Operator at P.O. Box 2269, Panama City, Florida 32402.

NOTE 21 – JOINT VENTURE (Continued)

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

Statement of Net Position September 30, 2020	
Assets	\$ 28,948,343
Deferred outflows	492,837
Liabilities	9,055,800
Net position	
Net investment in capital assets	14,682,026
Restricted for owners' rate reserve	1,733,015
Unrestricted	3,970,339
Total net position	\$ 20,385,380

Statement of Activities Year Ended September 30, 2020	
Operating revenues	\$ 4,707,294
Operating expenses	(4,731,875)
Operating income	(24,581)
Nonoperating revenues (expenses), net	2,682,184
Income before distributions	2,657,603
Distributions to owners	(713,231)
Change in net position	1,944,372
Net position, beginning of year,	18,441,008
Net position, end of year	\$ 20,385,380

As of September 30, 2020, the County's portion of contributions and net position in the joint venture is as follows:

County investment, at September 30, 2019	\$ 5,807,469
Add: 2020 County share of net income	1,244,970
Less: 2020 distributions payable	(152,677)
County investment in joint venture at September 30, 2020	\$ 6,899,762

NOTE 22 – RELATED PARTY TRANSACTIONS

During the year ended September 30, 2020, the MPAWTF provided services to the County's retail water & wastewater fund. For the year ended September 30, 2020, the billings for these services totaled \$1,775,787.

As described in note 21, the County is an owner of the Military Point Advanced Wastewater Treatment Facility. The County incurs operational expenses on behalf of the joint venture. Reimbursement for these expenses amounted to \$2,407,829 for the year ended September 30, 2020.

Receivables/payables arising from all non-billing transactions with MPAWTF are recorded as "due from or "due to" amounts. MPAWTF has recorded \$4,001,214 in "due from" the County and \$1,002,236 in "due to" the County.

In addition, during the current year the County recognized \$107,240 in interest income from the joint venture, which was subsequently used to satisfy interest expense of \$107,240, related to the State Revolving Fund Loan Program as discussed in note 13.

NOTE 23 – COUNTY TAX ABATEMENTS

County property tax revenues were reduced by \$69,478 under an agreement entered into by the County through the Economic Development Program allowable under Florida Statute 196.012, for the purposes of increasing business activity and employment in the state. The County, through ordinance, provides abatements to new businesses or expansions of existing businesses that commit to creating jobs. These abatements temporarily reduce the assessed value of the real or personal property involved. The County program specifies a percentage reduction in property taxes for the recipients, up to 100 percent. As of September 30, 2020, ten County abatement agreements were with County businesses, of which two were entered into during the fiscal year.

NOTE 24 – SUBSEQUENT EVENTS

On October 1, 2020, the County transferred the activity of the Emergency Medical Services Fund into the General Fund.

On October 6, 2020, the County approved Resolution 3755 B. That resolution authorized the County to issue the \$50,000,000 Revenue Bond, Series 2020 to cover Hurricane Michael response, recovery, and mitigation costs in anticipation of FEMA and State reimbursements. The interest rate on the Revenue Bond, Series 2020, is 1.06%

NOTE 25 – UNCERTAINTY

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

NOTE 26 – HURRICANE MICHAEL

The total amount of damages related to Hurricane Michael has not yet been determined as of the date of this report. Thus, the actual costs for hurricane repairs could be higher than estimated at this time. This is due, in part, to the expansive timeline required to make full recovery and the changing cost scenarios faced by the County. The County continues to work closely with the Federal Emergency Management Agency (FEMA) to help offset the costs associated with Hurricane Michael that were not covered by insurance. At the date of issuance, the County has approximately 112 projects in various stages of completion and FEMA review and approval. Though the full impact of this event has not yet been determined, as of the date of this report, the County has documented costs in excess of \$390 million in recovery efforts, of which roughly 69% has been obligated to be paid by FEMA. In addition, the County continues to work with its insurance carriers to provide support for further recoveries.

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REQUIRED SUPPLEMENTARY INFORMATION

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

Florida Retirement System	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.2587725%	0.2689660%	0.2556707%	0.2529244%	0.2550759%	0.2425663%
County's proportionate share of the net pension liability (asset)	\$ 112,156,832	\$92,628,150	\$77,009,353	\$74,839,008	\$64,406,863	\$ 31,330,693
County's covered payroll (2)	\$ 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	174.19%	143.14%	127.77%	128.81%	114.36%	57.02%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.1854461%	0.1933694%	0.1844422%	0.1821278%	0.1822235%	0.1808524%
County's proportionate share of the net pension liability (asset)	\$ 22,644,161	\$21,636,098	\$19,521,574	\$19,473,943	\$21,237,389	\$ 18,444,101
County's covered payroll (2)	\$ 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	35.17%	33.43%	32.39%	33.52%	37.71%	33.57%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Notes to schedules:

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

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

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

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

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

Notes to schedules:

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

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

Bay County, Florida
Schedule of Changes in the County's Total Other Postemployment Benefits Liability and related ratios
Year Ended September 30, 2020

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

Notes to Schedule:

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

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

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

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

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

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

Family Mediation – to account for funds to be utilized to defray the costs of family mediation services. Funding is provided by Florida Statute 44.108 and Ordinance 99-09.

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

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

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

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

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

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

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

Federal Seizure Account – to account for law enforcement related projects, funded by the proceeds from federal confiscated property forfeitures.

Seizure Trust – to account for law enforcement related projects, funded by the proceeds from nonfederal confiscated property forfeitures.

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

	Public Safety	Intergovernmental Radio Communications	District Mosquito Control
ASSETS			
Cash and cash equivalents	\$ 184,327	\$ -	\$ 40,460
Accounts receivable, net	-	174	-
Accrued interest receivable	3,027	7,019	836
Investments	3,635,947	-	798,095
Prepays	698	-	-
Due from other funds	-	-	39,877
Due from other governments	202,995	614,190	493,411
Restricted assets			
Cash and cash equivalents	8	435,393	97
Investments	-	8,588,387	1,896
Total assets	\$ 4,027,002	\$ 9,645,163	\$ 1,374,672
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 14,167	\$ 227,760	\$ 29,078
Unearned revenues	-	-	9
Due to other funds	-	1,621,800	1,913
Advance from other funds	-	-	-
Total liabilities	14,167	1,849,560	31,000
Fund balance			
Nonspendable	698	-	-
Restricted	4,011,371	7,795,603	1,339,348
Assigned	766	-	4,324
Total fund balance	4,012,835	7,795,603	1,343,672
Total liabilities and fund balance	\$ 4,027,002	\$ 9,645,163	\$ 1,374,672

Bay County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

Special Revenue					
MSTU Fire Protection	Court	Family Mediation	Records Modernization - Records	Records Modernization - Court	
\$ -	\$ 531,203	\$ 19,604	\$ 452,912	\$ 995,440	
2,498	447,995	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	16,308	-	10,208	35,726	
270,364	-	-	-	-	
6,467,793	-	-	-	-	
42,583	-	-	-	-	
839,989	-	-	-	-	
<u>\$ 7,623,227</u>	<u>\$ 995,506</u>	<u>\$ 19,604</u>	<u>\$ 463,120</u>	<u>\$ 1,031,166</u>	
\$ 285,766	\$ 576,137	\$ 2,550	\$ -	\$ 235,330	
-	16,309	-	-	-	
2,187,308	-	-	-	-	
235,710	-	-	-	-	
<u>2,708,784</u>	<u>592,446</u>	<u>2,550</u>	<u>-</u>	<u>235,330</u>	
-	16,308	-	10,208	35,726	
4,898,030	386,752	17,054	452,912	760,110	
16,413	-	-	-	-	
<u>4,914,443</u>	<u>403,060</u>	<u>17,054</u>	<u>463,120</u>	<u>795,836</u>	
<u>\$ 7,623,227</u>	<u>\$ 995,506</u>	<u>\$ 19,604</u>	<u>\$ 463,120</u>	<u>\$ 1,031,166</u>	

Continued

	Law Enforcement Training	Special Law Enforcement Trust	Special Contribution	Crime Prevention
ASSETS				
Cash and cash equivalents	\$ 86,485	\$ 49,862	\$ 11,149	\$ 161,466
Accounts receivable, net	-	-	-	-
Accrued interest receivable	-	-	-	-
Investments	-	-	-	-
Prepays	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Total assets	\$ 86,485	\$ 49,862	\$ 11,149	\$ 161,466
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	-
Total liabilities	-	-	-	-
Fund balance				
Nonspendable	-	-	-	-
Restricted	86,485	49,862	11,149	161,466
Assigned	-	-	-	-
Total fund balance	86,485	49,862	11,149	161,466
Total liabilities and fund balance	\$ 86,485	\$ 49,862	\$ 11,149	\$ 161,466

Bay County, Florida
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
September 30, 2020

Special Revenue				
Federal Seizure Account	Seizure Trust	Inmate Welfare	Total Nonmajor Governmental Funds	
\$ 5,216	\$ 111,236	\$ 879,815	\$ 3,529,175	
-	-	139,600	590,267	
-	-	-	10,882	
-	-	-	4,434,042	
-	-	-	62,940	
-	-	-	310,241	
-	-	-	7,778,389	
-	-	-	478,081	
-	-	-	9,430,272	
<u>\$ 5,216</u>	<u>\$ 111,236</u>	<u>\$ 1,019,415</u>	<u>\$ 26,624,289</u>	
\$ -	\$ -	\$ 13,472	\$ 1,384,260	
-	-	-	16,318	
-	-	-	3,811,021	
-	-	-	235,710	
-	-	13,472	5,447,309	
-	-	-	62,940	
5,216	111,236	1,005,943	21,092,537	
-	-	-	21,503	
<u>5,216</u>	<u>111,236</u>	<u>1,005,943</u>	<u>21,176,980</u>	
<u>\$ 5,216</u>	<u>\$ 111,236</u>	<u>\$ 1,019,415</u>	<u>\$ 26,624,289</u>	

	Public Safety	Intergovernmental Radio Communications	District Mosquito Control
REVENUES			
Taxes	\$ -	\$ -	\$ 1,094,459
Intergovernmental	43,593	604,499	516,354
Charges for services	849,218	455,669	-
Investment earnings	47,385	157,902	15,093
Contributions and donations	-	51,963	-
Miscellaneous	-	-	2,514
Total revenues	940,196	1,270,033	1,628,420
EXPENDITURES			
Current			
General government	-	-	-
Public safety	731,801	913,016	-
Human services	-	-	1,184,963
Capital outlay			
General government	-	-	-
Public safety	8,699	911,072	-
Human services	-	-	288,295
Debt service			
Principal	36,506	2,653,190	364,563
Interest	231	388,664	15,776
Total expenditures	777,237	4,865,942	1,853,597
Excess (deficit) of revenues over (under) expenditures	162,959	(3,595,909)	(225,177)
OTHER FINANCING SOURCES			
Transfers in	-	80,421	38,665
Issuance of debt	3,004	176,905	335,965
Proceeds from sale of capital assets	1,094	-	-
Total other financing sources	4,098	257,326	374,630
Net change in fund balance	167,057	(3,338,583)	149,453
Fund balance - beginning	3,845,778	11,134,186	1,194,219
Fund balance - ending	\$ 4,012,835	\$ 7,795,603	\$ 1,343,672

Bay County, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2020

Special Revenue				
MSTU Fire Protection	Court	Family Mediation	Records Modernization - Records	Records Modernization - Court
\$ 8,460,886	\$ -	\$ -	\$ -	\$ -
6,601,906	196,796	-	-	-
741,561	4,391,464	23,000	166,026	500,315
43,280	-	-	-	-
9,118	-	-	-	-
5,696	-	-	-	-
15,862,447	4,588,260	23,000	166,026	500,315
-	4,680,636	25,600	55,749	323,999
9,037,257	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,636,143	-	-	-	-
-	-	-	-	-
1,117,551	-	-	-	-
153,916	-	-	-	-
13,944,867	4,680,636	25,600	55,749	323,999
1,917,580	(92,376)	(2,600)	110,277	176,316
138,453	-	-	-	-
113,068	-	-	-	-
-	-	-	-	-
251,521	-	-	-	-
2,169,101	(92,376)	(2,600)	110,277	176,316
2,745,342	495,436	19,654	352,843	619,520
\$ 4,914,443	\$ 403,060	\$ 17,054	\$ 463,120	\$ 795,836

Continued

	Law Enforcement Training	Special Law Enforcement Trust	Special Contribution	Crime Prevention
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	92,967	22,394	2,082	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	411
Contributions and donations	-	-	-	-
Miscellaneous	-	46,813	-	-
Total revenues	92,967	69,207	2,082	411
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	54,057	19,353	2,955	38,141
Human services	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	48,000	-	-
Human services	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	54,057	67,353	2,955	38,141
Excess (deficit) of revenues over (under) expenditures	38,910	1,854	(873)	(37,730)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	38,910	1,854	(873)	(37,730)
Fund balance - beginning	47,575	48,008	12,022	199,196
Fund balance - ending	\$ 86,485	\$ 49,862	\$ 11,149	\$ 161,466

Bay County, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance (Continued)
Nonmajor Governmental Funds
Year Ended September 30, 2020

Special Revenue			
Federal Seizure Account	Seizure Trust	Inmate Welfare	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 9,555,345
10,687	113,220	-	8,204,498
-	-	1,231,002	8,358,255
2	-	-	264,073
-	-	-	61,081
-	-	-	55,023
10,689	113,220	1,231,002	26,498,275
-	-	-	5,085,984
6,199	83,086	786,362	11,672,227
-	-	-	1,184,963
-	-	-	-
-	-	-	4,603,914
-	-	-	288,295
-	-	-	4,171,810
-	-	-	558,587
6,199	83,086	786,362	27,565,780
4,490	30,134	444,640	(1,067,505)
-	-	-	257,539
-	-	-	628,942
-	-	-	1,094
-	-	-	887,575
4,490	30,134	444,640	(179,930)
726	81,102	561,303	21,356,910
\$ 5,216	\$ 111,236	\$ 1,005,943	\$ 21,176,980

Bay County, Florida
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Public Safety
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 43,593	\$ 43,593
Charges for services	815,569	815,569	849,218	33,649
Investment earnings	25,000	25,000	47,385	22,385
Total revenues	840,569	840,569	940,196	99,627
EXPENDITURES				
Current				
Public safety	1,494,752	1,599,060	731,801	867,259
Capital outlay				
Public safety	125,000	174,235	8,699	165,536
Debt service				
Principal	-	35,483	36,506	(1,023)
Interest	1,115	231	231	-
Total expenditures	1,620,867	1,809,009	777,237	1,031,772
Excess (deficit) of revenues over (under) expenditures	(780,298)	(968,440)	162,959	1,131,399
OTHER FINANCING SOURCES				
Issuance of debt	-	-	3,004	3,004
Proceeds from sale of capital assets	-	-	1,094	1,094
Total other financing sources	-	-	4,098	4,098
Net change in fund balance	\$ (780,298)	\$ (968,440)	167,057	\$ 1,135,497
Fund balance - beginning			3,845,778	
Fund balance - ending			\$ 4,012,835	

Bay County, Florida
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Intergovernmental Radio Communications
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 604,499	\$ 604,499
Charges for services	374,092	455,092	455,669	577
Investment earnings	25,000	158,000	157,902	(98)
Contributions and donations	-	51,900	51,963	63
Total revenues	399,092	664,992	1,270,033	605,041
EXPENDITURES				
Current				
Public safety	795,570	919,573	913,016	6,557
Capital outlay				
Public safety	108,000	8,523,000	911,072	7,611,928
Debt service				
Principal	-	621,859	2,653,190	(2,031,331)
Interest	20,493	21,493	388,664	(367,171)
Total expenditures	924,063	10,085,925	4,865,942	5,219,983
Excess (deficit) of revenues over (under) expenditures	(524,971)	(9,420,933)	(3,595,909)	5,825,024
OTHER FINANCING SOURCES				
Transfers in	80,421	80,421	80,421	-
Issuance of debt	-	-	176,905	176,905
Total other financing sources	80,421	80,421	257,326	176,905
Net change in fund balance	\$ (444,550)	\$ (9,340,512)	(3,338,583)	\$ 6,001,929
Fund balance - beginning			11,134,186	
Fund balance - ending			\$ 7,795,603	

Bay County, Florida
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
District Mosquito Control
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 1,089,348	\$ 1,089,348	\$ 1,094,459	\$ 5,111
Intergovernmental	204,092	201,665	516,354	314,689
Investment earnings	10,000	10,000	15,093	5,093
Miscellaneous	-	-	2,514	2,514
Total revenues	1,303,440	1,301,013	1,628,420	327,407
EXPENDITURES				
Current				
Human services	1,329,017	1,690,139	1,184,963	505,176
Capital outlay				
Human services	29,350	30,534	288,295	(257,761)
Debt service				
Principal	-	363,101	364,563	(1,462)
Interest	8,478	15,777	15,776	1
Total expenditures	1,366,845	2,099,551	1,853,597	245,954
Excess (deficit) of revenues over (under) expenditures	(63,405)	(798,538)	(225,177)	573,361
OTHER FINANCING SOURCES				
Transfers in	38,665	38,665	38,665	-
Issuance of debt	-	-	335,965	335,965
Total other financing sources	38,665	38,665	374,630	335,965
Net change in fund balance	\$ (24,740)	\$ (759,873)	\$ 149,453	\$ 909,326
Fund balance - beginning			1,194,219	
Fund balance - ending			\$ 1,343,672	

Bay County, Florida
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
MSTU Fire Protection
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 8,328,594	\$ 8,499,994	\$ 8,460,886	\$ (39,108)
Intergovernmental	248,597	410,295	6,601,906	6,191,611
Charges for services	590,000	599,100	741,561	142,461
Investment earnings	60,000	60,000	43,280	(16,720)
Contributions and donations	-	17,120	9,118	(8,002)
Miscellaneous	-	15,000	5,696	(9,304)
Total revenues	9,227,191	9,601,509	15,862,447	6,260,938
EXPENDITURES				
Current				
Public safety	8,487,135	12,765,805	9,037,257	3,728,548
Capital outlay				
Public safety	246,900	327,610	3,636,143	(3,308,533)
Debt service				
Principal	416,354	1,169,819	1,117,551	52,268
Interest	162,580	162,580	153,916	8,664
Bond issuance costs	-	-	-	-
Total expenditures	9,312,969	14,425,814	13,944,867	480,947
Excess (deficit) of revenues over (under) expenditures	(85,778)	(4,824,305)	1,917,580	6,741,885
OTHER FINANCING SOURCES				
Transfers in	-	138,453	138,453	-
Issuance of debt	-	-	113,068	113,068
Total other financing sources	-	138,453	251,521	113,068
Net change in fund balance	\$ (85,778)	\$ (4,685,852)	2,169,101	\$ 6,854,953
Fund balance - beginning			2,745,342	
Fund balance - ending			\$ 4,914,443	

Bay County, Florida
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Court
Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ -	\$ 200,000	\$ 196,796	\$ (3,204)
Charges for services	4,051,652	4,391,490	4,391,464	(26)
Total revenues	4,051,652	4,591,490	4,588,260	(3,230)
EXPENDITURES				
Current				
General government	4,051,652	4,591,490	4,680,636	(89,146)
Total expenditures	4,051,652	4,591,490	4,680,636	(89,146)
Excess (deficit) of revenues over (under) expenditures	\$ -	\$ -	(92,376)	\$ (92,376)
Fund balance - beginning			495,436	
Fund balance - ending			\$ 403,060	

Notes to schedule:

Pursuant to Section 28.37, Florida Statutes, all fines, fees, service charges, and costs collected by the clerks of the court for the previous month which is in excess of one-twelfth of the clerks' total budget for the performance of court-related functions shall be remitted to the Department of Revenue for deposit into the Clerks of the Court Trust Fund. The excess of \$89,146, between final budget and actual expenditures, represents the excess of the budgeted amount in collections remitted to the Department of Revenue.

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

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

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

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

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

Bay County, Florida
Combining Statement of Net Position
Internal Service Funds
September 30, 2020

	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 51,909	\$ 334,276	\$ 1,813,217	\$ 44,969	\$ 2,244,371
Accounts receivable, net	65,162	-	-	7,637	72,799
Accrued interest	787	5,504	18,436	672	25,399
Prepaid expenses	2,967	50,316	2,521,883	1,951	2,577,117
Investments	1,009,141	6,593,777	35,766,698	887,031	44,256,647
Due from other governments	62,544	-	60	43,583	106,187
Due from other funds	663,363	3,266	-	19,582	686,211
Total current assets	1,855,873	6,987,139	40,120,294	1,005,425	49,968,731
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	109	3	1	1	114
Investments	2,153	47	35	28	2,263
Capital assets					
Construction in progress	103,730	-	-	7,810	111,540
Buildings	181,542	-	-	335,157	516,699
Improvements	49,323	-	-	-	49,323
Furniture and equipment	341,601	13,928	52,032	452,587	860,148
Less: accumulated depreciation	(464,672)	(7,999)	(52,032)	(358,021)	(882,724)
Total noncurrent assets	213,786	5,979	36	437,562	657,363
Total assets	2,069,659	6,993,118	40,120,330	1,442,987	50,626,094
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to OPEB	3,940	509	73	2,482	7,004
Deferred outflows related to pension	347,679	50,560	43,817	301,427	743,483
Total deferred outflows of resources	351,619	51,069	43,890	303,909	750,487
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	220,171	28,505	634,150	68,707	951,533
Accrued interest payable	2,261	50	36	28	2,375
Accrued compensated absences	42,458	7,652	6,498	38,083	94,691
Due to other funds	308,548	583,219	4,238,295	35,736	5,165,798
Capital leases payable	3,592	158	105	3,996	7,851
Estimated liability for self insured losses, current	-	827,236	-	-	827,236
Total current liabilities	577,030	1,446,820	4,879,084	146,550	7,049,484
Noncurrent liabilities					
Capital leases payable	5,989	-	-	6,132	12,121
Estimated liability for self insured losses	-	3,653,525	-	-	3,653,525
Accrued compensated absences	76,939	15,304	8,802	61,082	162,127
Other postemployment benefits	80,440	1,484	1,322	23,518	106,764
Net pension liability	1,183,503	199,997	167,113	1,018,113	2,568,726
Note payable	140,800	13,162	11,917	10,562	176,441
Bonds payable	778,857	6,938	2,564	584	788,943
Total noncurrent liabilities	2,266,528	3,890,410	191,718	1,119,991	7,468,647
Total liabilities	2,843,558	5,337,230	5,070,802	1,266,541	14,518,131
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	44,947	8,846	8,590	42,935	105,318
Deferred inflows related to OPEB	225,075	24,508	9,757	147,385	406,725
Total deferred inflows of resources	270,022	33,354	18,347	190,320	512,043
NET POSITION					
Net investment in capital assets	194,744	5,771	(105)	427,259	627,669
Unrestricted	(887,046)	1,667,832	35,075,176	(137,224)	35,718,738
Total net position	\$ (692,302)	\$ 1,673,603	\$ 35,075,071	\$ 290,035	\$ 36,346,407

Bay County, Florida
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
Year Ended September 30, 2020

	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
OPERATING REVENUES					
Charges for services	\$ 4,456,049	\$ 1,235,402	\$ 4,186,536	\$ 1,991,854	\$ 11,869,841
Intergovernmental revenues-grants	192,249	-	60	76,750	269,059
Insurance proceeds	-	-	17,846,306	-	17,846,306
Miscellaneous	-	292,525	-	4,275	296,800
Total operating revenues	4,648,298	1,527,927	22,032,902	2,072,879	30,282,006
OPERATING EXPENSES					
Personal services	1,574,258	400,736	195,393	1,438,247	3,608,634
Contracted services	57,431	40,336	11,128	228,677	337,572
Repairs and maintenance	1,232,899	213	3,688	20,103	1,256,903
Utilities	345,649	-	-	30,725	376,374
Depreciation	49,415	2,105	465	57,698	109,683
Materials	1,304,711	-	-	-	1,304,711
Insurance claims	-	759,571	-	-	759,571
Other operating expenses	238,941	43,765	3,980,110	308,577	4,571,393
Total operating expenses	4,803,304	1,246,726	4,190,784	2,084,027	12,324,841
Operating income (loss)	(155,006)	281,201	17,842,118	(11,148)	17,957,165
NONOPERATING REVENUES (EXPENSES)					
Interest income					
Interest and fiscal charges	(27,406)	(563)	-	(834)	(28,803)
Gain (loss) on disposal of capital assets	3,608	-	-	-	3,608
Investment earnings (loss)	2,036	74,491	130,445	9,497	216,469
Total nonoperation revenues (expenses)	(21,762)	73,928	130,445	8,663	191,274
Net income (loss)	(176,768)	355,129	17,972,563	(2,485)	18,148,439
TRANSFERS					
Transfers out	-	-	(2,888,373)	-	(2,888,373)
Change in net position	(176,768)	355,129	15,084,190	(2,485)	15,260,066
Total net position (deficit) - beginning	(515,534)	1,318,474	19,990,881	292,520	21,086,341
Total net position (deficit) - ending	\$ (692,302)	\$ 1,673,603	\$ 35,075,071	\$ 290,035	\$ 36,346,407

Bay County, Florida
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2020

	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and others	\$ 5,500,849	\$ 1,486,816	\$ 42,072,400	\$ 2,116,032	\$ 51,176,097
Cash received from miscellaneous operating activities	192,249	292,525	60	4,275	489,109
Cash paid to suppliers for goods and services	(3,737,255)	(247,917)	(2,083,675)	(706,487)	(6,775,334)
Cash paid to employees for services	(1,376,895)	(361,569)	(164,764)	(1,265,700)	(3,168,928)
Net cash provided by (used in) operating activities	578,948	1,169,855	39,824,021	148,120	41,720,944
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out	-	-	(2,888,373)	-	(2,888,373)
Net cash provided by (used in) noncapital financing activities	-	-	(2,888,373)	-	(2,888,373)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	10,314	-	-	39,894	50,208
Principal paid on long-term debt	(810,056)	(40,672)	(26,965)	(78,415)	(956,108)
Interest paid on long-term debt	(29,462)	(563)	-	(834)	(30,859)
Purchase of capital assets	(133,579)	(3,130)	-	(51,902)	(188,611)
Proceeds from debt issuance	80,867	6,250	6,250	10,185	103,552
Net cash provided by (used in) capital and related financing activities	(881,916)	(38,115)	(20,715)	(81,072)	(1,021,818)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale and maturities of investment securities	656,291	342,568	-	130,064	1,128,923
Purchase of investments	(563,618)	(2,299,725)	(35,302,758)	(323,629)	(38,489,730)
Interest and dividends on investments	4,970	82,958	97,134	10,434	195,496
Net cash provided by (used in) investing activities	97,643	(1,874,199)	(35,205,624)	(183,131)	(37,165,311)
Net increase (decrease) in cash and cash equivalents	(205,325)	(742,459)	1,709,309	(116,083)	645,442
Cash and cash equivalents - beginning	257,343	1,076,738	103,909	161,053	1,599,043
Cash and cash equivalents - ending	\$ 52,018	\$ 334,279	\$ 1,813,218	\$ 44,970	\$ 2,244,485

Continued

Bay County, Florida
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2020

	Other Internal Services	Workers' Compensation	Insurance	Utilities Administration	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income	\$ (155,006)	\$ 281,201	\$ 17,842,118	\$ (11,148)	\$ 17,957,165
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	49,415	2,105	465	57,698	109,683
(Increase) decrease in assets					
Accounts receivable, net	79,815	5,193	30,617	106,451	222,076
Prepaid expenses	(2,967)	(316)	(832,470)	(1,951)	(837,704)
Due from other funds	(597,467)	246,221	20,000,001	(15,440)	19,633,315
Due from other governments	1,562,452	-	8,940	(43,583)	1,527,809
Increase (decrease) in liabilities					
Accounts payable and accrued liabilities	(109,447)	13,065	354,168	(38,216)	219,570
Accrued compensated absences	15,219	608	967	22,793	39,587
Due to other funds	(445,210)	583,219	2,389,553	(78,238)	2,449,324
Other postemployment benefits	(202,637)	(21,514)	(9,464)	(133,367)	(366,982)
Net pension liability	211,237	44,505	34,165	173,342	463,249
Decrease (increase) in deferred outflows:					
related to net pension	(3,745)	(789)	(605)	(3,074)	(8,213)
related to OPEB	(422)	(45)	(20)	(277)	(764)
Decrease (increase) in deferred inflows					
related to OPEB	201,299	21,372	9,401	132,486	364,558
related to net pension	(23,588)	(4,970)	(3,815)	(19,356)	(51,729)
Total adjustments	733,954	888,654	21,981,903	159,268	23,763,779
Net cash provided by (used in) operating activities	\$ 578,948	\$ 1,169,855	\$ 39,824,021	\$ 148,120	\$ 41,720,944

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

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

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

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

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

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

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

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

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

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

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

Individual Depositors – to account for fees billed on Child Support Title IV-D which are received by the Bay County Sheriff's Office.

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.

Bay County, Florida
Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2020

	Fines, Forfeitures and Other Fees	Jury and Witness	Tax Deed Assets	Support
ASSETS				
Cash and cash equivalents	\$ 2,816,797	\$ 40,581	\$ 1,100,214	\$ 13,246
Accounts receivable, net	-	-	-	-
Total assets	\$ 2,816,797	\$ 40,581	\$ 1,100,214	\$ 13,246
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,100,214	\$ 13,246
Due to others	-	-	-	-
Due to other governments	2,816,797	40,581	-	-
Total liabilities	\$ 2,816,797	\$ 40,581	\$ 1,100,214	\$ 13,246

Continued

Bay County, Florida
Combining Statement of Fiduciary Net Position (Continued)
Agency Funds
September 30, 2020

	Court Registry	Cash Bond	Restitution	Property Tax
ASSETS				
Cash and cash equivalents	\$ 1,037,827	\$ 1,779,850	\$ 66,372	\$ 2,455,130
Accounts receivable, net	-	-	-	-
Total assets	\$ 1,037,827	\$ 1,779,850	\$ 66,372	\$ 2,455,130
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,037,827	\$ -	\$ 66,372	\$ -
Due to others	-	-	-	-
Due to other governments	-	1,779,850	-	\$ 2,455,130
Total liabilities	\$ 1,037,827	\$ 1,779,850	\$ 66,372	\$ 2,455,130

Continued

Bay County, Florida
Combining Statement of Fiduciary Net Position (Continued)
Agency Funds
September 30, 2020

	Tag	Other Suspense	Sheriff's Fees	Individual Depositors
ASSETS				
Cash and cash equivalents	\$ 856,526	\$ 9,780	\$ 54,241	\$ 47,329
Accounts receivable, net	201	-	-	-
Total assets	\$ 856,727	\$ 9,780	\$ 54,241	\$ 47,329
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 47,329
Due to others	-	-	-	-
Due to other governments	\$ 856,727	\$ 9,780	54,241	-
Total liabilities	\$ 856,727	\$ 9,780	\$ 54,241	\$ 47,329

Continued

Bay County, Florida
Combining Statement of Fiduciary Net Position (Continued)
Agency Funds
September 30, 2020

	Forfeitures	Search & Rescue	Crime Scene	Total
ASSETS				
Cash and cash equivalents	\$ 226,709	\$ 20,379	\$ 137,095	\$ 10,662,076
Accounts receivable, net	-	-	-	201
Total assets	\$ 226,709	\$ 20,379	\$ 137,095	\$ 10,662,277
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 2,264,988
Due to others	226,709	20,379	137,095	384,183
Due to other governments	-	-	-	8,013,106
Total liabilities	\$ 226,709	\$ 20,379	\$ 137,095	\$ 10,662,277

Bay County, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
FINES, FORFEITURES, AND OTHER FEES				
ASSETS				
Cash and cash equivalents	\$ 2,740,883	\$ 43,244,999	\$ 43,169,085	\$ 2,816,797
Total assets	\$ 2,740,883	\$ 43,244,999	\$ 43,169,085	\$ 2,816,797
LIABILITIES				
Due to other governments	\$ 2,740,883	\$ 43,244,999	\$ 43,169,085	\$ 2,816,797
Total liabilities	\$ 2,740,883	\$ 43,244,999	\$ 43,169,085	\$ 2,816,797
JURY AND WITNESS				
ASSETS				
Cash and cash equivalents	\$ 53,416	\$ 21,198	\$ 34,033	\$ 40,581
Total assets	\$ 53,416	\$ 21,198	\$ 34,033	\$ 40,581
LIABILITIES				
Due to other governments	\$ 53,416	\$ 21,198	\$ 34,033	\$ 40,581
Total liabilities	\$ 53,416	\$ 21,198	\$ 34,033	\$ 40,581
TAX DEED ASSETS				
ASSETS				
Cash and cash equivalents	\$ 385,468	\$ 1,581,830	\$ 867,084	\$ 1,100,214
Total assets	\$ 385,468	\$ 1,581,830	\$ 867,084	\$ 1,100,214
LIABILITIES				
Accounts payable and accrued liabilities	\$ 385,468	\$ 1,581,830	\$ 867,084	\$ 1,100,214
Total liabilities	\$ 385,468	\$ 1,581,830	\$ 867,084	\$ 1,100,214
SUPPORT				
ASSETS				
Cash and cash equivalents	\$ 27,313	\$ 879,254	\$ 893,321	\$ 13,246
Total assets	\$ 27,313	\$ 879,254	\$ 893,321	\$ 13,246
LIABILITIES				
Accounts payable and accrued liabilities	\$ 27,313	\$ 879,254	\$ 893,321	\$ 13,246
Total liabilities	\$ 27,313	\$ 879,254	\$ 893,321	\$ 13,246

Continued

Bay County, Florida
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
COURT REGISTRY				
ASSETS				
Cash and cash equivalents	\$ 1,137,103	\$ 20,286,898	\$ 20,386,174	\$ 1,037,827
Total assets	\$ 1,137,103	\$ 20,286,898	\$ 20,386,174	\$ 1,037,827
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,137,103	\$ 20,286,898	\$ 20,386,174	\$ 1,037,827
Total liabilities	\$ 1,137,103	\$ 20,286,898	\$ 20,386,174	\$ 1,037,827
CASH BOND				
ASSETS				
Cash and cash equivalents	\$ 869,283	\$ 1,794,381	\$ 883,814	\$ 1,779,850
Total assets	\$ 869,283	\$ 1,794,381	\$ 883,814	\$ 1,779,850
LIABILITIES				
Due to other governments	\$ 869,283	\$ 1,794,381	\$ 883,814	\$ 1,779,850
Total liabilities	\$ 869,283	\$ 1,794,381	\$ 883,814	\$ 1,779,850
RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 59,558	\$ 409,853	\$ 403,039	\$ 66,372
Total assets	\$ 59,558	\$ 409,853	\$ 403,039	\$ 66,372
LIABILITIES				
Accounts payable and accrued liabilities	\$ 59,558	\$ 409,853	\$ 403,039	\$ 66,372
Total liabilities	\$ 59,558	\$ 409,853	\$ 403,039	\$ 66,372
PROPERTY TAX				
ASSETS				
Cash and cash equivalents	\$ 2,430,529	\$ 230,176,763	\$ 230,152,162	\$ 2,455,130
Total assets	\$ 2,430,529	\$ 230,176,763	\$ 230,152,162	\$ 2,455,130
LIABILITIES				
Due to other governments	\$ 2,430,529	\$ 230,176,763	\$ 230,152,162	\$ 2,455,130
Total liabilities	\$ 2,430,529	\$ 230,176,763	\$ 230,152,162	\$ 2,455,130

Continued

Bay County, Florida
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
TAG				
ASSETS				
Cash and cash equivalents	\$ 570,588	\$ 23,888,092	\$ 23,602,154	\$ 856,526
Accounts receivable, net	60	201	60	201
Total assets	\$ 570,648	\$ 23,888,293	\$ 23,602,214	\$ 856,727
LIABILITIES				
Due to other governments	\$ 570,648	\$ 23,888,293	\$ 23,602,214	\$ 856,727
Total liabilities	\$ 570,648	\$ 23,888,293	\$ 23,602,214	\$ 856,727
OTHER SUSPENSE				
ASSETS				
Cash and cash equivalents	\$ 14,039	\$ 77,512	\$ 81,771	\$ 9,780
Total assets	\$ 14,039	\$ 77,512	\$ 81,771	\$ 9,780
LIABILITIES				
Due to other governments	\$ 14,039	\$ 77,512	\$ 81,771	\$ 9,780
Total liabilities	\$ 14,039	\$ 77,512	\$ 81,771	\$ 9,780
INDIVIDUAL DEPOSITORS				
ASSETS				
Cash and cash equivalents	\$ 63,714	\$ 31,212	\$ 47,597	\$ 47,329
Total assets	\$ 63,714	\$ 31,212	\$ 47,597	\$ 47,329
LIABILITIES				
Accounts payable and accrued liabilities	\$ 63,714	\$ 31,212	\$ 47,597	\$ 47,329
Total liabilities	\$ 63,714	\$ 31,212	\$ 47,597	\$ 47,329
FORFEITURES				
ASSETS				
Cash and cash equivalents	\$ 178,811	\$ 239,554	\$ 191,656	\$ 226,709
Total assets	\$ 178,811	\$ 239,554	\$ 191,656	\$ 226,709
LIABILITIES				
Due to others	\$ 178,811	\$ 239,554	\$ 191,656	\$ 226,709
Total liabilities	\$ 178,811	\$ 239,554	\$ 191,656	\$ 226,709

Continued

Bay County, Florida
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
SHERIFF'S FEES				
ASSETS				
Cash and cash equivalents	\$ 51,610	\$ 154,283	\$ 151,652	\$ 54,241
Total assets	\$ 51,610	\$ 154,283	\$ 151,652	\$ 54,241
LIABILITIES				
Due to other governments	\$ 51,610	\$ 154,283	\$ 151,652	\$ 54,241
Total liabilities	\$ 51,610	\$ 154,283	\$ 151,652	\$ 54,241
SEARCH & RESCUE				
ASSETS				
Cash and cash equivalents	\$ 11,741	\$ 19,024	\$ 10,386	\$ 20,379
Total assets	\$ 11,741	\$ 19,024	\$ 10,386	\$ 20,379
LIABILITIES				
Due to others	\$ 11,741	\$ 19,024	\$ 10,386	\$ 20,379
Total liabilities	\$ 11,741	\$ 19,024	\$ 10,386	\$ 20,379
CRIME SCENE				
ASSETS				
Cash and cash equivalents	\$ -	\$ 162,607	\$ 25,512	\$ 137,095
Total assets	\$ -	\$ 162,607	\$ 25,512	\$ 137,095
LIABILITIES				
Due to others	\$ -	\$ 162,607	\$ 25,512	\$ 137,095
Total liabilities	\$ -	\$ 162,607	\$ 25,512	\$ 137,095
COMBINED TOTALS				
ASSETS				
Cash and cash equivalents	\$ 8,594,056	\$ 322,967,460	\$ 320,899,440	\$ 10,662,076
Accounts receivable, net	60	201	60	201
Total assets	\$ 8,594,116	\$ 322,967,661	\$ 320,899,500	\$ 10,662,277
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,673,156	\$ 23,189,047	\$ 22,597,215	\$ 2,264,988
Due to others	190,552	421,185	227,554	384,183
Due to other governments	6,730,408	299,357,429	298,074,731	8,013,106
Total liabilities	\$ 8,594,116	\$ 322,967,661	\$ 320,899,500	\$ 10,662,277

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This part of Bay County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

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

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

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Net investment in capital assets	\$ 175,784,958	\$ 176,901,127	\$ 159,938,052	\$ 171,575,742
Restricted	43,752,095	49,440,926	65,276,675	68,225,355
Unrestricted	<u>18,817,801</u>	<u>7,666,565</u>	<u>10,127,270</u>	<u>(11,964,402)</u>
Total governmental activities net position	<u>\$ 238,354,854</u>	<u>\$ 234,008,618</u>	<u>\$ 235,341,997</u>	<u>\$ 227,836,695</u>
Business-type activities				
Net investment in capital assets	\$ 76,176,290	\$ 76,152,474	\$ 69,321,153	\$ 77,905,570
Restricted	12,291,303	11,142,041	11,160,273	12,794,516
Unrestricted	<u>23,529,091</u>	<u>21,719,503</u>	<u>34,693,980</u>	<u>35,598,707</u>
Total business-type activities net position	<u>\$ 111,996,684</u>	<u>\$ 109,014,018</u>	<u>\$ 115,175,406</u>	<u>\$ 126,298,793</u>
Primary Government				
Net investment in capital assets	\$ 251,961,248	\$ 253,053,601	\$ 229,259,205	\$ 249,481,312
Restricted	56,043,398	60,647,493	76,436,948	81,019,871
Unrestricted	<u>42,346,892</u>	<u>29,321,542</u>	<u>44,821,250</u>	<u>23,634,305</u>
Total primary government net position	<u>\$ 350,351,538</u>	<u>\$ 343,022,636</u>	<u>\$ 350,517,403</u>	<u>\$ 354,135,488</u>

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

Schedule 1

Fiscal Year					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 170,031,683	\$ 174,625,157	\$ 185,942,825	\$ 197,386,933	\$ 193,766,314	\$ 236,648,268
64,930,455	62,482,780	52,028,548	89,936,688	75,496,876	77,167,310
<u>(48,500,836)</u>	<u>(39,893,820)</u>	<u>(37,426,236)</u>	<u>(69,050,293)</u>	<u>(63,690,229)</u>	<u>(56,254,053)</u>
<u>\$ 186,461,302</u>	<u>\$ 197,214,117</u>	<u>\$ 200,545,137</u>	<u>\$ 218,273,328</u>	<u>\$ 205,572,961</u>	<u>\$ 257,561,525</u>
\$ 85,630,990	\$ 77,098,606	\$ 76,389,185	\$ 76,550,659	\$ 70,196,300	\$ 94,423,482
14,775,326	16,126,502	14,690,995	16,031,428	18,132,682	19,762,480
<u>25,641,282</u>	<u>28,101,073</u>	<u>30,278,469</u>	<u>27,227,589</u>	<u>22,925,271</u>	<u>23,097,094</u>
<u>\$ 126,047,598</u>	<u>\$ 121,326,181</u>	<u>\$ 121,358,649</u>	<u>\$ 119,809,676</u>	<u>\$ 111,254,253</u>	<u>\$ 137,283,056</u>
\$ 255,662,673	\$ 251,723,763	\$ 262,332,010	\$ 273,937,592	\$ 263,962,614	\$ 331,071,750
79,705,781	78,609,282	66,719,543	105,968,116	93,629,558	96,929,790
<u>(22,859,554)</u>	<u>(11,792,747)</u>	<u>(7,147,767)</u>	<u>(41,822,704)</u>	<u>(40,764,958)</u>	<u>(33,156,959)</u>
<u>\$ 312,508,900</u>	<u>\$ 318,540,298</u>	<u>\$ 321,903,786</u>	<u>\$ 338,083,004</u>	<u>\$ 316,827,214</u>	<u>\$ 394,844,581</u>

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 39,434,666	\$ 37,957,601	\$ 40,761,101	\$ 39,201,075
Public safety	36,413,991	36,745,373	36,924,438	38,289,031
Physical environment	4,968,431	1,304,081	337,498	1,659,241
Transportation	19,604,133	19,844,229	21,028,210	24,938,922
Economic environment	19,839,456	20,951,183	26,608,771	22,137,297
Human services	5,443,839	5,321,884	5,045,532	5,272,176
Culture/recreation	5,806,043	5,856,186	5,523,037	5,608,860
Interest on long-term debt	3,909,979	3,292,291	3,593,361	3,593,220
Total governmental activities expenses	135,420,538	131,272,828	139,821,948	140,699,822
Business-type activities:				
Wholesale water system	12,237,921	11,271,371	11,412,183	11,942,948
Retail water and wastewater	11,009,770	11,164,990	11,013,285	11,153,219
Industrial wastewater	3,951,644	3,602,863	1,611,176	-
Solid waste fund	15,274,326	17,622,969	15,225,489	16,283,995
Building services	1,598,831	1,215,319	1,118,630	1,283,093
Emergency medical services	-	-	116,886	6,936,224
Total business-type activities expenses	44,072,492	44,877,512	40,497,649	47,599,479
Total primary government expenses	\$ 179,493,030	\$ 176,150,340	\$ 180,319,597	\$ 188,299,301
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 13,769,684	\$ 14,100,604	\$ 14,846,161	\$ 15,126,991
Public safety	1,308,519	1,377,953	1,153,326	1,121,128
Physical environment	1,805,016	44,533	36,980	44,827
Transportation	320,562	2,094,221	2,037,167	2,346,351
Economic Environment	-	-	-	-
Human services	-	-	-	500
Culture and recreation	556,136	618,455	669,447	682,133
Operating grants and contributions	13,486,584	6,756,304	6,094,392	6,337,973
Capital grants and contributions	4,790,164	5,073,251	3,067,383	9,439,100
Total governmental activities program revenue	36,036,665	30,065,321	27,904,856	35,099,003
Business-type activities:				
Charges for services:				
Water system revenue	16,293,620	15,652,776	16,038,992	15,816,100
Retail water and wastewater	6,681,917	6,665,219	7,187,654	8,620,964
Industrial wastewater	3,855,587	3,535,687	959,148	-
Solid waste fund	14,197,632	10,181,513	11,816,503	13,203,200
Building services	800,789	968,947	909,443	1,231,381
Emergency medical services	-	-	-	6,822,477
Operating grants and contributions	315,000	315,000	-	1,759,674
Capital grants and contributions	235,134	706,041	988,605	738,232
Total business-type activities program revenue	42,379,679	38,025,183	37,900,345	48,192,028
Total primary government program revenues	\$ 78,416,344	\$ 68,090,504	\$ 65,805,201	\$ 83,291,031

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

Schedule 2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 39,149,936	\$ 47,032,293	\$ 52,467,733	\$ 48,503,172	\$ 78,986,762	\$ 61,187,391
40,034,847	41,041,309	43,679,953	48,589,600	60,835,929	64,341,274
859,398	734,092	894,857	1,321,473	55,390,912	2,866,863
28,918,058	25,079,518	34,898,777	37,826,331	39,136,958	54,852,605
31,517,039	25,070,779	22,692,937	25,346,097	30,229,959	25,407,109
5,774,723	6,280,176	6,506,744	6,795,314	10,701,839	9,550,736
5,944,644	6,428,430	8,242,201	7,721,631	8,029,123	16,520,956
3,315,923	3,096,600	3,001,553	3,883,725	5,169,215	5,341,928
<u>155,514,568</u>	<u>154,763,197</u>	<u>172,384,755</u>	<u>179,987,343</u>	<u>288,480,697</u>	<u>240,068,862</u>
12,258,486	18,861,132	15,169,886	17,679,973	17,259,688	14,902,015
10,572,655	11,834,678	11,965,300	12,362,477	12,398,623	12,586,365
-	-	-	-	-	-
21,281,558	18,820,367	17,118,847	18,611,836	161,271,639	33,209,638
1,388,854	1,418,602	1,729,303	1,721,266	2,542,238	2,145,009
6,605,406	7,534,405	8,341,115	7,503,778	8,985,778	9,783,291
<u>52,106,959</u>	<u>58,469,184</u>	<u>54,324,451</u>	<u>57,879,330</u>	<u>202,457,966</u>	<u>72,626,318</u>
<u>\$ 207,621,527</u>	<u>\$ 213,232,381</u>	<u>\$ 226,709,206</u>	<u>\$ 237,866,673</u>	<u>\$ 490,938,663</u>	<u>\$ 312,695,180</u>
\$ 14,937,260	\$ 15,185,508	\$ 15,874,222	\$ 16,862,500	\$ 17,658,780	\$ 17,526,143
1,118,265	1,105,411	1,131,986	1,111,888	2,385,314	3,009,865
204,132	52,747	54,853	53,480	51,765	53,466
2,769,342	3,961,322	3,838,239	4,416,377	3,718,393	6,544,563
-	-	-	-	174,509	1,344,272
670	740	34,055	885	780	700
644,267	681,635	732,517	790,868	748,323	967,009
7,955,071	7,067,621	8,241,334	6,549,827	64,469,343	80,462,659
<u>10,653,053</u>	<u>12,615,670</u>	<u>6,904,530</u>	<u>18,508,077</u>	<u>14,473,955</u>	<u>15,347,227</u>
<u>38,282,060</u>	<u>40,670,654</u>	<u>36,811,736</u>	<u>48,293,902</u>	<u>103,681,162</u>	<u>125,255,904</u>
16,456,994	16,541,878	16,175,074	16,368,156	16,590,875	16,908,666
10,521,926	11,439,766	12,516,809	12,325,470	11,851,146	12,958,573
-	-	-	-	-	-
11,127,783	12,329,777	13,305,785	13,748,203	26,744,257	14,975,174
1,009,679	996,913	1,122,403	1,577,734	3,392,383	3,600,931
6,869,420	6,545,020	6,585,072	6,391,539	4,830,323	3,940,583
4,052,543	476,979	150,000	203,482	126,015,464	33,034,028
1,004,435	1,204,633	2,351,683	1,761,121	2,372,524	2,845,817
<u>51,042,780</u>	<u>49,534,966</u>	<u>52,206,826</u>	<u>52,375,705</u>	<u>191,796,972</u>	<u>88,263,772</u>
<u>\$ 89,324,840</u>	<u>\$ 90,205,620</u>	<u>\$ 89,018,562</u>	<u>\$ 100,669,607</u>	<u>\$ 295,478,134</u>	<u>\$ 213,519,676</u>

Continued

	Fiscal Year			
	2011	2012	2013	2014
Net (Expense) Revenue				
Governmental activities	(99,383,873)	(101,207,507)	\$ (111,917,092)	\$ (105,600,819)
Business-type activities	(1,692,813)	(6,852,329)	(2,597,304)	592,549
Total primary government net expenses	(101,076,686)	(108,059,836)	(114,514,396)	(105,008,270)
General Revenue and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	59,025,047	56,937,944	54,779,271	55,438,164
Sales taxes	31,551,527	33,318,347	35,163,910	37,248,717
State shared revenues	3,080,852	3,211,349	3,413,917	3,607,298
Investment earnings	430,320	454,346	501,906	142,401
Miscellaneous	3,934,362	2,989,285	17,279,394	2,816,892
Transfers	243,099	(50,000)	2,112,073	-
Total governmental activities	98,265,207	96,861,271	113,250,471	99,253,472
Business-type activities:				
Sales tax	2,000	1,400	2,100	3,000
State shared revenues	-	-	-	-
Investment earnings	1,238,259	1,320,560	1,673,405	1,613,968
Miscellaneous	948,660	2,497,703	9,195,260	9,920,373
Transfers	(243,099)	50,000	(2,112,073)	-
Total business-type activities	1,945,820	3,869,663	8,758,692	11,537,341
Total primary government	\$ 100,211,027	\$ 100,730,934	\$ 122,009,163	\$ 110,790,813
Change in Net Position, before extraordinary item				
Governmental activities	(1,118,666)	(4,346,236)	\$ 1,333,379	\$ (6,347,347)
Business-type activities	253,007	(2,982,666)	6,161,388	12,129,890
Total primary government, before extraordinary item	\$ (865,659)	\$ (7,328,902)	\$ 7,494,767	\$ 5,782,543
Extraordinary item				
Governmental activities	-	-	\$ -	\$ -
Business-type activities	-	-	-	-
Total extraordinary item	\$ -	\$ -	\$ -	\$ -
Change in Net Position, after extraordinary item				
Governmental activities	(1,118,666)	(4,346,236)	1,333,379	(6,347,347)
Business-type activities	253,007	(2,982,666)	6,161,388	12,129,890
Total primary government, after extraordinary item	\$ (865,659)	\$ (7,328,902)	\$ 7,494,767	\$ 5,782,543

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

Schedule 2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ (117,232,508)	\$ (114,092,543)	\$ (135,573,019)	\$ (131,693,441)	\$ (184,799,535)	\$ (114,812,958)
(1,064,179)	(8,934,218)	(2,117,625)	(5,503,625)	(10,660,994)	15,637,454
(118,296,687)	(123,026,761)	(137,690,644)	(137,197,066)	(195,460,529)	(99,175,504)
72,337,961	74,587,688	77,143,203	76,315,124	83,829,900	78,486,505
41,461,764	42,572,741	54,634,864	60,723,275	66,131,285	59,458,898
3,916,783	4,034,294	4,234,003	4,446,400	4,650,451	4,347,686
843,450	716,243	907,602	1,708,726	3,894,275	3,380,139
2,157,506	2,934,392	1,984,367	2,185,037	24,196,176	25,280,329
27,680	-	-	(2,143,650)	(2,689,977)	(4,152,035)
120,745,144	124,845,358	138,904,039	143,234,912	180,012,110	166,801,522
2,500	2,000	1,700	1,700	1,200	1,503
-	-	-	-	-	-
1,556,455	1,416,516	-	1,668,127	4,299,425	2,647,998
5,415,800	3,327,188	1,687,573	697,981	954,242	3,589,813
(27,680)	-	460,820	2,143,650	2,689,977	4,152,035
6,947,075	4,745,704	2,150,093	4,511,458	7,944,844	10,391,349
\$ 127,692,219	\$ 129,591,062	\$ 141,054,132	\$ 147,746,370	\$ 187,956,954	\$ 177,192,871
\$ 3,512,636	\$ 10,752,815	\$ 3,331,020	\$ 11,541,471	\$ (4,787,425)	\$ 51,988,564
5,882,896	(4,188,514)	32,468	(992,167)	(2,716,150)	26,028,803
\$ 9,395,532	\$ 6,564,301	\$ 3,363,488	\$ 10,549,304	\$ (7,503,575)	\$ 78,017,367
\$ -	\$ -	\$ -	\$ -	\$ (11,537,225)	\$ -
-	-	-	-	(5,839,273)	-
\$ -	\$ -	\$ -	\$ -	\$ (17,376,498)	\$ -
3,512,636	10,752,815	3,331,020	11,541,471	(16,324,650)	51,988,564
5,882,896	(4,188,514)	32,468	(992,167)	(8,555,423)	26,028,803
\$ 9,395,532	\$ 6,564,301	\$ 3,363,488	\$ 10,549,304	\$ (24,880,073)	\$ 78,017,367

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	136,529	265,846	334,272	202,696
Restricted	9,997,588	12,074,604	26,443,120	25,007,377
Assigned	14,201,000	7,782,034	8,064,058	2,333,790
Unassigned	<u>3,572,736</u>	<u>2,715,250</u>	<u>9,241,995</u>	<u>10,653,467</u>
Total general fund	<u>\$ 27,907,853</u>	<u>\$ 22,837,734</u>	<u>\$ 44,083,445</u>	<u>\$ 38,197,330</u>
 All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved:				
Special revenue funds	-	-	-	-
Nonspendable	584,816	599,664	672,881	125,156
Restricted	33,754,507	37,366,322	39,364,522	42,671,978
Assigned	10,178,764	8,476,899	6,589,298	5,448,333
Unassigned	<u>(27,514)</u>	<u>(13,772)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 44,490,573</u>	<u>\$ 46,429,113</u>	<u>\$ 46,626,701</u>	<u>\$ 48,245,467</u>

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

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

Schedule 3

Fiscal Year					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
225,262	1,611,560	1,451,579	1,311,571	1,249,322	194,560
21,698,079	11,788,083	11,861,948	11,414,198	15,003,479	12,612,735
3,890,036	3,586,221	3,383,981	2,030,176	5,472,669	2,233,168
10,538,830	13,084,012	13,969,729	11,823,770	8,252,362	22,681,796
<u>\$ 36,352,207</u>	<u>\$ 30,069,876</u>	<u>\$ 30,667,237</u>	<u>\$ 26,579,715</u>	<u>\$ 29,977,832</u>	<u>\$ 37,722,259</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
112,387	712,143	860,173	616,207	722,876	1,169,214
43,259,246	50,694,697	40,166,602	78,522,490	70,033,326	73,375,273
6,893,278	8,435,005	17,303,832	20,029,225	44,260,717	72,824,177
(20,587)	(581,660)	-	-	-	-
<u>\$ 50,244,324</u>	<u>\$ 59,260,185</u>	<u>\$ 58,330,607</u>	<u>\$ 99,167,922</u>	<u>\$ 115,016,919</u>	<u>\$ 147,368,664</u>

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues				
Taxes	\$ 77,593,739	\$ 77,083,648	\$ 76,104,051	\$ 77,988,344
Licenses and permits	3,215	3,565	1,875	1,190
Intergovernmental revenue	35,584,199	29,076,699	26,324,579	34,376,446
Charges for services	17,389,066	17,597,517	18,561,382	19,031,979
Fines and forfeitures	79,356	179,329	67,026	223,463
Special assessments	108,702	44,481	75,164	57,233
Investment earnings	488,067	640,684	508,724	160,594
Contributions and donations	244,501	252,085	544,633	214,295
Miscellaneous	2,581,324	1,394,864	16,369,418	1,477,872
Total revenues	<u>134,072,169</u>	<u>126,272,872</u>	<u>138,556,852</u>	<u>133,531,416</u>
Expenditures				
General government	18,970,994	18,423,773	19,409,615	18,945,602
Public safety	49,007,090	49,133,878	49,291,837	56,483,530
Physical environment	4,421,240	703,832	767,718	1,338,866
Transportation	14,424,369	14,414,376	13,875,623	14,272,182
Economic environment	19,041,168	20,158,270	25,780,421	21,333,649
Human services	5,329,318	5,202,919	4,911,590	5,138,392
Culture and recreation	4,438,777	4,232,151	4,179,973	4,294,971
Capital Outlay	22,179,959	11,492,329	9,977,603	10,796,658
Debt service				
Principal retirement	3,689,461	3,057,073	2,437,123	2,596,381
Interest and fiscal charges	3,873,904	3,269,241	3,571,506	3,574,117
Bond issuance costs	118,864	-	83,306	-
Payment to refunded bond escrow agent	350	612	458	-
Total expenditures	<u>145,495,494</u>	<u>130,088,454</u>	<u>134,286,773</u>	<u>138,774,348</u>
Excess of revenues over (under) expenditures	<u>(11,423,325)</u>	<u>(3,815,582)</u>	<u>4,270,079</u>	<u>(5,242,932)</u>
Other Financing Sources (Uses)				
Operating transfers in	7,102,725	3,752,030	3,706,362	2,712,974
Operating transfers out	(5,921,456)	(3,815,602)	(1,644,186)	(2,712,974)
Debt issuance	28,487,973	-	13,753,519	832,077
Premium on bonds issued	(25,960,948)	-	-	-
Reversion to State of Florida	-	-	-	-
Proceeds from sale of capital assets	455,882	747,575	1,357,525	143,506
Total other financing sources (uses)	<u>4,164,176</u>	<u>684,003</u>	<u>17,173,220</u>	<u>975,583</u>
Net change in fund balance	<u>\$ (7,259,149)</u>	<u>\$ (3,131,579)</u>	<u>\$ 21,443,299</u>	<u>\$ (4,267,349)</u>
Debt service as a percentage of noncapital expenditures	6.13%	5.33%	4.83%	4.82%

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

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

Schedule 4

Fiscal Year					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 98,305,773	\$ 100,785,637	\$ 115,035,942	\$ 120,024,081	\$ 130,750,695	\$ 120,088,645
2,130	460	1,095	2,815	2,770	2,555
38,527,525	37,529,977	36,791,038	46,171,944	87,368,951	117,798,345
19,219,347	19,562,691	20,742,328	21,586,101	22,551,494	24,189,196
170,018	331,800	225,728	313,645	279,904	315,735
281,876	52,747	54,853	55,182	51,765	53,466
830,159	747,971	926,264	1,670,988	3,739,452	3,239,224
443,476	1,407,714	567,619	1,687,661	11,548,389	1,060,865
900,547	1,364,082	607,936	909,244	5,791,674	7,226,898
<u>158,680,851</u>	<u>161,783,079</u>	<u>174,952,803</u>	<u>192,421,661</u>	<u>262,085,094</u>	<u>273,974,929</u>
20,932,005	21,162,373	22,295,589	23,258,808	46,193,805	38,332,102
59,748,975	61,838,320	63,049,920	65,883,500	78,295,705	80,538,734
466,235	375,620	523,899	813,413	54,532,108	2,624,906
14,006,805	12,949,706	24,007,106	25,649,626	26,832,825	39,257,688
33,353,190	24,411,239	22,020,464	24,377,905	29,224,121	24,667,792
5,639,354	6,151,154	6,427,087	6,728,281	10,605,163	9,450,103
4,532,509	4,957,231	5,740,804	5,897,373	6,049,738	7,813,714
15,395,555	21,074,039	27,821,652	33,364,368	55,975,171	39,916,217
2,762,184	4,178,784	3,504,228	3,745,186	9,812,355	19,137,389
2,967,116	3,190,413	2,706,371	2,847,826	4,916,810	5,464,380
-	-	-	193,200	127,288	214,888
<u>40,125,166</u>	<u>-</u>	<u>-</u>	<u>12,416,559</u>	<u>-</u>	<u>72,337,160</u>
<u>199,929,094</u>	<u>160,288,879</u>	<u>178,097,120</u>	<u>205,176,045</u>	<u>322,565,089</u>	<u>339,755,073</u>
<u>(41,248,243)</u>	<u>1,494,200</u>	<u>(3,144,317)</u>	<u>(12,754,384)</u>	<u>(60,479,995)</u>	<u>(65,780,144)</u>
3,770,224	3,253,337	13,927,938	9,653,749	11,243,950	14,521,295
(3,742,544)	(3,253,337)	(13,961,758)	(11,797,399)	(13,016,907)	(15,784,957)
41,254,325	791,395	969,986	51,840,840	81,601,475	107,026,883
-	-	-	-	-	-
-	-	-	-	-	-
<u>119,972</u>	<u>447,935</u>	<u>1,875,934</u>	<u>4,097</u>	<u>108,407</u>	<u>113,095</u>
<u>41,401,977</u>	<u>1,239,330</u>	<u>2,812,100</u>	<u>49,701,287</u>	<u>79,936,925</u>	<u>105,876,316</u>
<u>\$ 153,734</u>	<u>\$ 2,733,530</u>	<u>\$ (332,217)</u>	<u>\$ 36,946,903</u>	<u>\$ 19,456,930</u>	<u>\$ 40,096,172</u>
3.10%	5.29%	4.13%	3.84%	5.53%	8.20%

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

Schedule 5

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>	<u>Industrial Property</u>	<u>Agricultural Property</u>	<u>Centrally Assessed Property</u>	<u>Other Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
2011	\$ 13,126,565	\$ 2,631,955	\$ 1,988,678	\$ 299,898	\$ 68,006	\$ 29,322	\$ 2,436,427	\$ (6,307,312)	\$ 14,273,539	4.8025	\$ 21,684,375	65.82%
2012	12,528,433	2,600,654	2,001,351	289,885	71,788	29,237	2,369,385	(6,097,275)	13,793,458	4.8025	20,560,360	67.09%
2013	12,335,675	2,223,664	2,042,849	290,308	63,468	29,326	2,545,867	(5,575,692)	13,955,465	4.8025	20,224,100	69.00%
2014	12,437,406	2,218,058	2,093,359	292,298	64,039	33,954	2,538,382	(5,472,317)	14,205,179	6.2300	20,432,796	69.52%
2015	12,735,501	2,234,753	2,145,365	285,470	70,806	32,318	2,504,227	(5,370,461)	14,637,979	6.2300	20,764,763	70.49%
2016	13,164,847	2,261,411	2,133,814	300,358	73,613	35,981	2,510,448	(5,350,906)	15,129,566	6.0162	21,100,218	71.70%
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	15,525,382	2,496,901	2,174,233	354,031	73,879	30,366	2,429,334	(5,556,981)	17,527,145	6.0162	24,024,734	72.95%

Source: Bay County Property Appraiser

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

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

Schedule 6

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
County Direct Rates:										
General	3.6500	3.6500	3.6500	4.6500	4.6500	4.6500	4.4362	4.4362	4.4362	4.4362
Mosquito Control	0.1525	0.1525	0.1525	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
MSTU	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.3800</u>	<u>1.3800</u>	<u>1.3800</u>	<u>1.3800</u>	<u>1.3800</u>	<u>1.3800</u>	<u>1.3800</u>
Total Direct Rate	4.8025	4.8025	4.8025	6.2300	6.2300	6.2300	6.0162	6.0162	6.0162	6.0162
Municipalities:										
City of Panama City	3.8152	3.8723	3.8723	3.8570	3.9740	3.9740	3.9740	4.3500	5.5469	4.9999
Panama City Downtown Improvement Board	2.7180	2.7578	2.8918	2.8918	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
City of Lynn Haven	3.0887	3.0887	3.0887	3.9000	3.9000	3.9000	3.9000	3.9000	3.9000	4.3000
City of Mexico Beach	4.6160	5.0290	5.0290	5.0290	4.9270	5.1840	5.3510	5.3270	8.0000	8.0000
City of Callaway	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	1.9900	2.7500	2.7500
City of Springfield	--	--	--	3.3950	3.4650	3.4650	3.4650	3.4650	3.4650	3.4650
School Districts	7.1180	6.8580	6.7610	6.8890	6.9070	6.4750	6.3410	6.1220	5.9476	5.9680
Northwest Florida Water Management District	0.0400	0.0400	0.0400	0.0390	0.0378	0.0366	0.0353	0.0338	0.0327	0.0311
Special District:										
Beach Mosquito Control	0.1438	0.1438	0.2270	0.2230	0.2230	0.2955	0.4100	0.5450	0.5240	0.3500

Source: Bay County Property Appraiser

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

Schedule 7

	Fiscal Year 2020			Fiscal Year 2011		
	Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Gulf Power Company	\$ 534,743,662	1	3.05%	\$ 238,035,628	1	1.67%
St. Joe Land & Development	124,626,407	2	0.71%	162,234,916	2	1.14%
Westrock-Stone Container	100,130,372	3	0.57%	-	-	-
Hilton Companies	69,471,275	4	0.40%	34,340,792	10	0.24%
Pier Park LLC	69,371,390	5	0.40%	52,466,704	6	0.37%
Hospital Corp of America	67,068,022	6	0.38%	-	-	-
Cardone Ashley Member LLC	54,759,519	7	0.31%	-	-	-
Wyndham Vacation	54,678,695	8	0.31%	-	-	-
Wal-Mart Stores	50,616,846	9	0.29%	-	-	-
Gulf Coast Electric Co-op	41,873,268	10	0.24%	36,797,064	9	0.26%
Laketown Wharf Marketing Corp	-	-	-	81,960,415	3	0.57%
Shores of Panama Collateral	-	-	-	66,862,120	4	0.47%
RockTenn (Smurfit-Stone Container)	-	-	-	55,821,723	5	0.39%
Marriott Ownership Resorts	-	-	-	43,251,080	7	0.30%
Arizona Chemical Company	-	-	-	41,034,491	8	0.29%
Total	\$ 1,167,339,456		6.66%	\$ 812,804,933		5.69%

Total Taxable Assessed Value 2020	17,527,146,292
Total Taxable Assessed Value 2011	14,273,539,112

Source: Bay County Property Appraiser

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

Schedule 8

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2011	60,654,870	140,131	60,795,001	58,455,794	96%	149,057	58,604,851	97%
2012	58,802,491	211,920	59,014,411	56,727,927	96%	175,572	56,903,499	97%
2013	56,856,057	93,429	56,949,486	54,644,204	96%	200,510	54,844,714	96%
2014	57,338,492	89,124	57,427,616	55,272,110	96%	280,550	55,552,660	97%
2015	73,675,856	109,040	73,784,896	72,179,783	98%	159,289	72,339,072	98%
2016	77,098,474	99,925	77,198,399	74,313,038	96%	274,648	74,587,686	97%
2017	79,638,490	105,969	79,744,459	76,887,098	97%	224,673	77,111,771	97%
2018	78,894,148	110,651	79,004,799	76,161,529	97%	123,930	76,285,459	97%
2019	83,051,734	121,991	83,173,725	80,192,782	97%	120,932	80,313,714	97%
2020	81,115,929	133,439	81,249,368	78,283,599	97%	146,094	78,429,693	97%

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

State of Florida and Bay County
Total Historical Half-Cent Sales Tax Distributions
For Ten Year Period 2011-2020
(Unaudited)

Schedule 9

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

Fiscal Year Ending	Total Distributions To Cities and Counties	Percentage Change	Total Distributions Bay County	Percentage Change
2011	\$ 1,473,480,308	4.23%	\$ 9,335,451	3.02%
2012	\$ 1,533,688,015	4.09%	\$ 9,751,593	4.46%
2013	\$ 1,572,856,674	2.55%	\$ 10,165,160	4.24%
2014	\$ 1,678,701,571	6.73%	\$ 10,963,389	7.85%
2015	\$ 1,790,139,397	6.64%	\$ 11,670,772	6.45%
2016	\$ 1,894,340,933	5.82%	\$ 12,302,015	5.41%
2017	\$ 1,961,298,703	3.53%	\$ 13,102,752	6.51%
2018	\$ 2,062,325,900	5.15%	\$ 13,274,001	1.31%
2019	\$ 2,149,374,051	4.22%	\$ 14,594,506	9.95%
2020	\$ 2,081,445,805	-3.16%	\$ 14,416,103	-1.22%

Source: Florida Department of Revenue

Distribution of Half-Cent
Sales Tax in Bay County, Florida
For Ten Year Period 2011-2020
(Unaudited)

Schedule 10

Fiscal Year 2011 - 2020 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
2011	\$ 9,335,451	58%	\$ 6,651,078	42%
2012	\$ 9,751,593	59%	\$ 6,887,764	41%
2013	\$ 10,165,160	59%	\$ 7,094,845	41%
2014	\$ 10,963,389	59%	\$ 7,614,034	41%
2015	\$ 11,670,772	59%	\$ 8,112,631	41%
2016	\$ 12,302,015	59%	\$ 8,568,946	41%
2017	\$ 13,102,752	59%	\$ 9,088,369	41%
2018	\$ 13,274,001	59%	\$ 9,327,080	41%
2019	\$ 14,594,506	59%	\$ 10,303,125	41%
2020	\$ 14,416,103	59%	\$ 10,151,298	41%

Source: Florida Department of Revenue

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities				
Revenue bonds	\$ 83,029,898	\$ 80,010,219	\$ 91,312,541	\$ 89,194,188
Capital leases	134,544	87,472	91,869	232,427
Notes payable	-	-	-	635,000
Total Governmental Activities	<u>83,164,442</u>	<u>80,097,691</u>	<u>91,404,410</u>	<u>90,061,615</u>
Business-type Activities				
Revenue bonds	\$ 107,394,775	\$ 103,722,170	\$ 99,934,584	\$ 90,552,459
Capital leases	-	-	-	27,564
Notes payable	7,943,518	7,011,219	8,051,989	31,115,546
Total Business-type Activities	<u>115,338,293</u>	<u>110,733,389</u>	<u>107,986,573</u>	<u>121,695,569</u>
Total Primary Government	<u>\$ 198,502,735</u>	<u>\$ 190,831,080</u>	<u>\$ 199,390,983</u>	<u>\$ 211,757,184</u>
Debt as a Percentage of Personal Income	3.1%	3.0%	3.1%	3.1%
Amount of Debt per Capita	\$ 1,170	\$ 1,109	\$ 1,139	\$ 1,184

*Information not available

Note: Details regarding the County's debt can be found in Notes 12 and 13 of the financial statements.

See Schedule 16 for personal income and population data.

Revenue bonds are maintained to include issuance discounts, premiums and refunding.

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

Schedule 11

Fiscal Year					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 48,849,178	\$ 45,864,991	\$ 43,625,804	\$ 39,877,000	\$ 64,927,344	\$ 48,507,314
765,740	983,547	1,066,501	1,209,207	1,114,348	1,334,091
<u>40,715,000</u>	<u>40,099,000</u>	<u>39,726,000</u>	<u>79,095,000</u>	<u>127,745,191</u>	<u>158,787,416</u>
<u>90,329,918</u>	<u>86,947,538</u>	<u>84,418,305</u>	<u>120,181,207</u>	<u>193,786,883</u>	<u>208,628,821</u>
\$ 85,461,023	\$ 83,298,094	\$ 77,083,388	\$ 72,146,636	\$ 170,932,654	\$ 97,462,819
29,812	26,772	14,962	1,412,235	2,175,892	1,614,933
<u>29,485,087</u>	<u>27,075,284</u>	<u>24,584,285</u>	<u>22,011,712</u>	<u>27,705,653</u>	<u>41,179,049</u>
<u>114,975,922</u>	<u>110,400,150</u>	<u>101,682,635</u>	<u>95,570,583</u>	<u>200,814,199</u>	<u>140,256,801</u>
<u>\$ 205,305,840</u>	<u>\$ 197,347,688</u>	<u>\$ 186,100,940</u>	<u>\$ 215,751,790</u>	<u>\$ 394,601,082</u>	<u>\$ 348,885,622</u>
2.8%	2.6%	2.4%	2.7%	5.2%	*
\$ 1,128	\$ 1,073	\$ 1,041	\$ 1,191	\$ 2,359	\$ 2,000

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Water System Revenue Bonds										
Series 2005										
Revenue - sale of goods and services	\$ 16,597,930	\$ 16,216,643	\$ 16,811,167	\$ 16,441,561	\$ 17,293,612	\$ 17,342,106				
Less: Operating expenses	(6,377,920)	(6,184,222)	(6,433,186)	(6,889,538)	(7,270,249)	(12,137,362)				
Net available revenue	\$ 10,220,010	\$ 10,032,421	\$ 10,377,981	\$ 9,552,023	\$ 10,023,363	\$ 5,204,744	\$ -	\$ -	\$ -	\$ -
Debt service										
Principal	\$ 1,145,000	\$ 1,515,000	\$ 1,565,000	\$ 1,615,000	\$ 1,700,000	\$ 1,780,000	\$ -	\$ -	\$ -	\$ -
Interest	\$ 2,198,290	\$ 2,161,078	\$ 2,110,325	\$ 2,055,550	\$ 1,974,800	\$ 1,889,800	\$ -	\$ -	\$ -	\$ -
Coverage*	3.1	2.7	2.8	2.6	2.7	1.4	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	\$ 9,691,564	\$ 9,916,743	\$ 10,594,619	\$ 11,325,809	\$ 12,039,862	\$ 12,775,077	\$ 13,090,888			
Less: Operating expenses	-	-	-	-	-	-	-			
Net available revenue	\$ 9,691,564	\$ 9,916,743	\$ 10,594,619	\$ 11,325,809	\$ 12,039,862	\$ 12,775,077	\$ 13,090,888	\$ -	\$ -	\$ -
Debt service										
Principal	\$ 50,000	\$ 55,000	\$ 500,000	\$ 515,000	\$ 540,000	\$ 560,000	\$ 580,000	\$ -	\$ -	\$ -
Interest	\$ 643,844	\$ 642,044	\$ 640,050	\$ 620,050	\$ 599,450	\$ 577,850	\$ 555,450	\$ -	\$ -	\$ -
Coverage*	14.0	14.2	9.3	10.0	10.6	11.2	11.5	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
Less: Operating expenses						\$ (8,731,126)	\$ (8,912,053)	\$ (9,473,050)	\$ (9,667,672)	\$ (9,882,997)
Net available revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,872,718	\$ 3,800,009	\$ 3,011,373	\$ 4,640,086	\$ 6,232,200
Debt service										
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 585,000	\$ 600,000	\$ 625,000	\$ 650,000
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 918,075	\$ 1,112,819	\$ 1,095,268	\$ 1,071,268	\$ 1,046,268
Coverage*	N/A	N/A	N/A	N/A	N/A	3.1	2.2	1.8	2.7	3.7
Capital Improvement Revenue Bond										
Series 2012										
Revenue - County Revenue Sharing Funds (50%)	\$ -		\$ 1,706,958	\$ 1,803,649	\$ 1,958,391	\$ 2,017,147	\$ 2,117,002	\$ 2,223,200	\$ 2,325,226	\$ 2,173,843
Less: Operating expenses			-	-	-	-	-	-	-	-
Net available revenue	\$ -	\$ -	\$ 1,706,958	\$ 1,803,649	\$ 1,958,391	\$ 2,017,147	\$ 2,117,002	\$ 2,223,200	\$ 2,325,226	\$ 2,173,843
Debt service										
Principal	\$ -	\$ -	\$ 309,000	\$ 388,000	\$ 399,000	\$ 809,000	\$ 410,000	\$ 424,000	\$ 437,000	\$ 450,000
Interest	\$ -	\$ -	\$ 339,083	\$ 405,591	\$ 394,190	\$ 580,775	\$ 383,141	\$ 363,256	\$ 350,205	\$ 337,665
Coverage*	N/A	N/A	2.6	2.3	2.5	1.5	2.7	2.8	3.0	2.8
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
Less: Operating expenses					(7,270,249)	(12,137,362)	(8,948,101)	(11,857,100)	(11,645,521)	(9,207,462)
Net available revenue	\$ -	\$ -	\$ -	\$ -	\$ 10,023,363	\$ 5,204,744	\$ 7,238,588	\$ 4,845,156	\$ 7,044,969	\$ 9,472,493
Debt service										
Principal	\$ -	\$ -	\$ -	\$ -	\$ 760,000	\$ 785,000	\$ 815,000	\$ 845,000	\$ 880,000	\$ 910,000
Interest	\$ -	\$ -	\$ -	\$ -	\$ 700,225	\$ 672,105	\$ 643,060	\$ 612,906	\$ 581,640	\$ 549,080
Coverage*	N/A	N/A	N/A	N/A	6.9	3.6	5.0	3.3	4.8	6.5

Continued

Sales Tax Refunding Revenue Note**Series 2015**

Revenue - proceeds of the Local Government

Half-cent Sales Tax

Less: Operating expenses

Net available revenue

Debt service

Principal

Interest

Coverage*

				\$	12,039,862	\$	12,775,077	\$	13,090,888	\$	13,320,982	\$	15,467,835	
					-		-		-		-		-	
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
					12,039,862		12,775,077		13,090,888		13,320,982		15,467,835	
					-		-		-		-		-	
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
		N/A		N/A		N/A		N/A		N/A		N/A		NA

Water System Revenue Bonds**Series 2016**

Revenue - sale of goods and services

Less: Operating expenses

Net available revenue

Debt service

Principal

Interest

Coverage*

								\$	16,186,689	\$	16,702,256	\$	18,690,490	\$	18,679,955
									(8,948,101)		(11,857,100)		(11,645,521)		(9,207,462)
	\$	-	\$	-	\$	-	\$	-	7,238,588	\$	4,845,156	\$	7,044,969	\$	9,472,493
									-		-		-		-
								\$	1,450,000	\$	1,650,000	\$	1,710,000	\$	1,780,000
								\$	1,290,311	\$	1,398,150	\$	1,332,150	\$	1,263,750
		N/A		N/A		N/A		N/A	2.6		1.6		2.3		3.1

Sales Tax Revenue Refunding Bonds**Series 2018 A&B**

Revenue - proceeds of the Local Government

Half-cent Sales Tax

Less: Operating expenses

Net available revenue

Debt service

Principal

Interest

Coverage*

										\$	13,320,982	\$	15,467,835	\$	14,459,113
											-		-		-
	\$	-	\$	-	\$	-	\$	-	\$	-	13,320,982	\$	15,467,835	\$	14,459,113
											-		-		-
										\$	303,000	\$	631,000	\$	649,000
										\$	167,825	\$	310,880	\$	292,581
		N/A		N/A		N/A		N/A		N/A	28.3		16.4		15.4

Tourist Development Tax Revenue Note**Series 2018**

Revenue -proceeds of up to four cents of the

Tourist Development Tax ***

Less: Operating expenses

Net available revenue

Debt service

Principal

Interest

Coverage* ,**

										\$	20,894,847	\$	20,597,672		
											-		-		
	\$	-	\$	-	\$	-	\$	-	\$	-	20,894,847	\$	20,597,672	\$	-
											-		-		-
										\$	-	\$	1,710,000	\$	-
										\$	-	\$	1,469,764	\$	-
		N/A		N/A		N/A		N/A		N/A	N/A		6.5		NA

Sales Tax Revenue Refunding Bonds**Series 2020**

Revenue - proceeds of the Local Government

Half-cent Sales Tax

Less: Operating expenses

Net available revenue

Debt service

Principal

Interest

Coverage*

														\$	14,459,113
															-
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	14,459,113
															-
														\$	305,000
														\$	423,735
		N/A		N/A		N/A		N/A		N/A		N/A		N/A	19.8

Tourist Development Tax Revenue Note**Series 2020**

Revenue -proceeds of up to four cents of the

Tourist Development Tax ***

Less: Operating expenses

Net available revenue

Debt service

Principal

Interest

Coverage* ,**

														\$	16,804,364
															-
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	16,804,364
															-
														\$	340,000
														\$	79,015
		N/A		N/A		N/A		N/A		N/A		N/A		N/A	40.1

*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 10/1/2018

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

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Operating Revenues	\$ 16,324,937	\$ 15,679,760	\$ 16,130,582	\$ 15,875,773
Interest	99,464	163,407	185,336	104,892
Other Revenue	-	-	-	-
Gross Revenues	\$ 16,424,401	\$ 15,843,167	\$ 16,315,918	\$ 15,980,665
Operating Expenses	\$ 6,377,920	\$ 6,184,216	\$ 6,424,037	\$ 6,889,538
Net Revenue	\$ 10,046,481	\$ 9,658,951	\$ 9,891,881	\$ 9,091,127
Debt Service 1997 Issue	\$ -	\$ -	\$ -	\$ -
Debt Service 2000 Issue	331,065	-	-	-
Debt Service 2005 Issue	3,343,290	3,676,078	3,675,325	3,633,529
Debt Service 2014 Issue	-	-	-	285,525
Debt Service 2016 Issue	-	-	-	-
Advance from Other Funds	526,400	526,400	2,168,406	-
Total Debt Service	\$ 4,200,755	\$ 4,202,478	\$ 5,843,731	\$ 3,919,054
Coverage Factor	2.392	2.298	1.693	2.320

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

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

Schedule 13

Fiscal Year					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 16,486,712	\$ 16,543,379	\$ 16,186,689	\$ 16,702,256	\$ 17,592,185	\$ 18,182,584
340,622	249,936	419,970	502,426	1,098,305	497,371
-	-	-	-	-	-
\$ 16,827,334	\$ 16,793,315	\$ 16,606,659	\$ 17,204,682	\$ 18,690,490	\$ 18,679,955
\$ 7,270,244	\$ 12,137,362	\$ 8,948,101	\$ 11,857,100	\$ 11,645,521	\$ 9,207,462
\$ 9,557,090	\$ 4,655,953	\$ 7,658,558	\$ 5,347,582	\$ 7,044,969	\$ 9,472,493
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,674,800	3,669,800	-	-	-	-
1,460,225	1,457,105	1,458,060	1,457,906	1,461,640	1,459,080
-	-	2,740,311	3,048,150	3,042,150	3,043,750
-	-	-	-	-	-
\$ 5,135,025	\$ 5,126,905	\$ 4,198,371	\$ 4,506,056	\$ 4,503,790	\$ 4,502,830
1.861	0.908	1.824	1.187	1.564	2.104

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Half-Cent Sales Tax Receipts (1)	\$ 9,691,564	\$ 9,916,743	\$ 10,594,619	\$ 11,325,809
Series 1998 Bond (2)	\$ -	\$ -	\$ -	\$ -
Series 2002 Bond (3)	445,495	-	-	-
Series 2006 Bond (4)	5,134,488	5,134,488	5,134,488	5,134,488
Series 2007 Bond (5)	1,141,450	1,141,450	1,141,450	1,141,450
Series 2015 Note (6)	-	-	-	-
Series 2018 A&B Note (7)	-	-	-	-
Series 2020 Note (8)	-	-	-	-
Total Maximum Annual Debt Service	\$ 6,721,433	\$ 6,275,938	\$ 6,275,938	\$ 6,275,938
Coverage of Maximum Annual				
Debt Service by Sales Tax Revenues	1.44	1.58	1.69	1.80

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

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

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

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

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

(6) Maximum debt service is in year 2030 - Refunded by the Series 2020 Note

(7) Maximum debt service is in year 2028

(8) Maximum debt service is in year 2030

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

Schedule 14

Fiscal Year					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 12,039,862	\$ 12,775,077	\$ 13,090,888	\$ 13,320,982	\$ 15,467,835	\$ 14,459,113
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,141,450	1,141,450	1,141,450	-	-	-
4,875,187	4,875,187	4,875,187	4,875,187	4,875,187	-
-	-	-	944,657	944,657	944,657
-	-	-	-	-	4,532,388
\$ 6,016,637	\$ 6,016,637	\$ 6,016,637	\$ 5,819,844	\$ 5,819,844	\$ 5,477,045
2.00	2.12	2.18	2.29	2.66	2.64

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

Schedule 15

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Bay County School Board:			
State School Bonds	\$ -	100.00%	\$ -
Sales Tax Revenue Anticipation Note	1,282	100.00%	1,282
Revenue Anticipation Note	3,078	100.00%	3,078
Certificates of Participation	122,326	100.00%	122,326
	<u>126,686</u>		<u>126,686</u>
Bay County direct debt	<u>208,629</u>		<u>208,629</u>
Total direct and overlapping debt			<u><u>\$ 335,315</u></u>

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
2011	169,647	6,395,043	37,717	9.9%
2012	172,029	6,436,815	37,476	8.0%
2013	174,994	6,524,445	37,369	7.8%
2014	178,860	6,916,093	38,791	5.7%
2015	181,947	7,322,428	40,347	5.0%
2016	183,974	7,552,595	41,129	4.8%
2017	178,820	7,695,669	41,658	3.3%
2018	181,199	8,043,321	43,188	4.0%
2019	167,283	7,982,208	45,690	3.9%
2020	174,410	*	*	6.3%

* 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

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

Schedule 17

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Naval Support Activity	5,200	1	5.92%	3,908	2	4.33%
Tyndall Air Force Base	3,888	2	4.43%	7,352	1	8.15%
Bay District Schools	3,000	3	3.42%	3,062	3	3.39%
Maximus Federal	2,000	4	2.28%	-	-	-
Eastern Shipbuilding	1,800	5	2.05%	823	5	0.91%
Wal-Mart/Sam's	1,500	6	1.71%	-	-	-
Bay County Constitutional Officers	1,214	7	1.38%	-	-	-
Bay Medical Center	1,000	8	1.14%	2,000	4	2.22%
Trane	800	9	0.91%	-	-	-
Gulf Coast Medical Center	631	10	0.72%	651	6	0.72%
Gulf Coast State College	-	-	-	600	7	0.67%
City of Panama City	-	-	-	537	8	0.60%
Bay County Board	-	-	-	533	9	0.59%
Bay County Sheriff	-	-	-	516	10	0.57%
	<u>21,033</u>		<u>23.96%</u>	<u>19,982</u>		<u>22.15%</u>
Total Bay County Labor Force*	<u>87,796</u>			<u>90,215</u>		

Note: Information updated annually based on most current data.

Source: Bay County Economic Development Alliance

***Source:** edr.state.fl.us

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

Schedule 18

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government	60	59	55	59	60	61	89	73	73	72
Public Safety	101	102	176	189	200	203	202	238	201	212
Physical Environment	129	128	122	129	125	131	138	138	130	129
Transportation	119	118	111	114	112	112	118	121	119	113
Economic Environment	2	2	2	2	2	2	2	2	1	1
Human Services	14	14	14	14	14	13	14	13	13	12
Culture/Recreation	75	73	72	74	74	79	90	90	83	72
Judicial System	8	10	8	8	9	10	11	12	9	11
Total	<u>508</u>	<u>506</u>	<u>560</u>	<u>589</u>	<u>596</u>	<u>611</u>	<u>664</u>	<u>687</u>	<u>629</u>	<u>622</u>

Source: County personnel department

Bay County, Florida
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

Schedule 19

Function/Program	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government										
Assessed properties	113,163	113,260	113,364	113,640	114,147	114,556	114,810	116,155	117,208	118,531
Court cases:										
Circuit Criminal	4,384	4,600	4,384	4,764	5,529	5,716	5,739	6,017	6,074	5,302
County Criminal	10,066	9,840	9,225	9,336	8,629	8,056	7,856	7,792	7,964	6,095
Public Safety										
E-911 calls***	132,790	153,129	144,567	151,850	227,484	240,482	213,008	216,511	207,119	485,905
Building permits issued*										
Commercial	207	214	163	172	128	78	85	87	125	215
Residential	634	613	825	992	853	899	951	960	3,646	3,286
Physical Environment										
Landfill and Incinerator Collections	217,027	213,402	237,779	266,930	251,260	258,758	290,493	233,025	596,176	258,835
Transportation										
Roads miles maintained	741.07	741.07	728.53	728.53	721.31	724.85	724.20	725.76	726.84	720.29
Economic Environment										
Tourist Development Tax Registered Units**	17,090	17,356	16,787	16,907	19,231	19,324	19,717	19,747	19,839	20,416
Human Services										
Baker Act admissions	483	574	470	376	430	377	457	394	359	351

* Permits include new construction, additions, renovations and alterations

Beginning FY16, Bay County no longer issues commercial permits for the cities.

**Beginning FY09, reporting calculated on number of units. Prior years were reported by registrant.

Beginning FY15, Panama City CDC was established.

***Beginning FY20, reporting included "other 911 calls" that was not included in the prior years.

Sources: County finance office and individual county departments

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

Schedule 20

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public Safety										
Correction facility capacities***	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,134
Emergency responder facilities*	13	13	13	17	19	19	19	19	16	15
Culture & Recreation										
Parks	30	30	31	31	31	31	32	32	32	24
Park acreage	318	318	331.5	331.5	331.5	331.5	731.41	731.41	731.41	827
Boat ramps	19	19	20	20	20	20	21	21	21	21
Transportation										
Road miles	741.07	741.07	728.53	728.53	721.31	724.85	724.20	725.76	726.84	720.29
Bridges	53	53	51	51	51	51	51	51	50	48
Traffic signals	16	16	16	17	17	17	17	17	17	10
Physical Environment										
Water mains (miles)**	292	293	293	293	299	299	300	317	324.22	339.53

*Beginning in fiscal year 2014, fire and EMS facilities are included.

**In fiscal year 2016, there was a restatement of the previous year in order to report actual miles.

***In fiscal year 2020, the correction facilities had a female-dormitory addition

Sources: County finance office and individual county departments

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable County Commissioners
Bay County, Florida

Report on the Financial Statements

We have audited the financial statements of Bay County, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 15, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 15, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report, except as noted below:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2018-19 FY Finding #	2017-18 FY Finding #
2020-001	2019-001	2018-001

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 has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that Bay County, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Bay County, Florida. It is management's responsibility to monitor Bay County, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Additional Matters

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

Purpose of This Letter

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

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

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

INDEPENDENT ACCOUNTANTS' REPORT

The Honorable County Commissioners
Bay County, Florida

We have examined Bay County, Florida's (County) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*; Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*; Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*; and Section 288.8018, Florida Statutes, *Gulf Coast audits*; for the year ended September 30, 2020. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*; Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*; Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*; and Section 288.8018, Florida Statutes, *Gulf Coast audits*; for the year ended September 30, 2020

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, LLC

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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

The Honorable County Commissioners
Bay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major discretely presented component unit, each major fund, and the aggregate remaining fund information of Bay County, Florida, as of and for the year ended September 30, 2020, 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 June 15, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this sections and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001, 2002-002 and 2020-003, that we consider to be material weaknesses.

Compliance and Other Matters

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

Bay County, Florida's Response to Findings

Bay County, Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Bay County, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

Car, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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

The Honorable County Commissioners
Bay County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Bay County, Florida's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2020. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *State of Florida Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *State of Florida Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2020.

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 described in the accompanying schedule of finds and questioned costs as item 2020-004. Our opinion on each major federal program and state projects is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *State of Florida Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

The Honorable County Commissioners
Bay County, Florida
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Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *State of Florida Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

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

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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Bay County, Florida
Schedule of Findings and Questioned Costs
Federal Awards and State Financial Assistance
Year Ended September 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weaknesses identified? ☒ Yes ☐ No

Significant deficiencies identified? ☐ Yes ☒ None noted

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards and State Financial Assistance

Internal control over major programs

Material weaknesses identified? ☐ Yes ☒ No

Significant deficiencies identified? ☐ Yes ☒ None reported

Type of auditors' report issued on compliance for major federal programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a) or Section 10.557, Rules of the Auditor General? ☒ Yes ☐ None reported

Identification of major federal programs and state projects:

<u>CFDA Number</u>	<u>Major Federal Program or Cluster</u>
21.019	COVID-19 Coronavirus Relief Fund
97.036	Disaster Grants – Public Assistance

Bay County, Florida
Schedule of Findings and Questioned Costs
Federal Awards and State Financial Assistance (Continued)
Year Ended September 30, 2020

<u>CFSA Number</u>	<u>Major State Projects</u>
<u>31.070</u>	<u>Hurricane Michael Recovery Grant Program</u>
<u>37.077</u>	<u>Wastewater Treatment Facility Construction</u>
<u>40.038</u>	<u>Division of Housing and Community Development</u>
<u>40.902</u>	<u>Hurricane Housing Recovery Grant</u>
<u>55.009</u>	<u>Small County Outreach Program (SCOP)</u>
<u>55.026</u>	<u>Transportation Regional Incentive Program (TRIP)</u>
<u>55.039</u>	<u>Local Transportation Projects</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>Federal</u> \$ 2,748,195	<u>State</u> \$ 750,000
Auditee qualified as a low-risk auditee for federal purposes?	<u> </u> Yes	<u> √ </u> No

Section II - Financial Statement Findings

Finding

Bay County 2020-001

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

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

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

Effect: Adjustments were required for current year balances.

Recommendation: We recommend that the County staff continue to strive toward identifying proposed audit adjustments more timely.

Response: See attached Corrective Action Plan.

Bay County, Florida
Schedule of Findings and Questioned Costs
Federal Awards and State Financial Assistance (Continued)
Year Ended September 30, 2020

Bay County 2020-002

Condition/Criteria: The County issued permits that were not in accordance with the permit fee schedule established by the County through Resolution 3647.

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

Effect: The County issues permits that were not in accordance with Resolution 3647.

Recommendation: We recommend that the County correct issues in the permit system to ensure permits are properly calculated.

Response: See attached Corrective Action Plan.

Bay County 2020-003

Condition: Administrative user access to the County's building permit system was provided to the majority of the building department's employees.

Criteria: Administrative access to computer applications should be limited to the furthest extent possible. Improper or excessive assignment of administrative access can allow users to perform system functions outside of their actual job roles and responsibilities. Inappropriate access negates proper segregation of duties provided in the system and allows users to alter records without detection or accountability.

Cause: The County did not limit administrative access to key employees.

Effect: Certain segregation of duties that the system provides, when user access is properly established, were negated as a majority of employees were provided administrative access. In addition, there were identified instances where official records related to permits and inspections were altered by department employees.

Recommendation: We recommend that the County limit the number of administrative users for the building department permit system. In addition, we recommend that the County establish procedures for administrative access to computer systems across the County's various departments and systems.

Response: See attached Corrective Action Plan.

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

Bay County 2020-004 Costs Submitted for Consideration of Obligation Under a FEMA Project Were Outside of the Period of Performance.

CFDA Number: 97.036

Program Title: Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Compliance Requirement: Period of Availability of Federal Funds/Period of Performance

Federal awarding agency: Department of Homeland Security/FEMA

Pass-through Entity: State of Florida Division of Emergency Management

Federal Grant/Contract Number and Grant Year ZO884 2020

Finding Type: Known Questioned Costs \$242,246.

Condition: Debris removal costs submitted to FEMA for approval under Project #75003/PW#103 for EXP-Debris Removal from October 10 to November 24, 2018, included costs incurred outside of the period of performance. Out of our sample of 76 transactions tested totaling \$45,164,457, two included costs of \$242,246 that were outside of the period of performance. The sample was not statistically valid.

Criteria: 2 CFR section 200.309 requires that nonfederal entities may charge to the Federal award only allowable costs incurred during the period of performance and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that was authorized by the Federal awarding agency or pass-through entity.

Effect: The County was not compliant with the terms of the grant which could possible result in termination of the grant or a reduction in future payments or funding amounts under FEMA.

Cause: The County did not follow their policy of reviewing costs submitted to FEMA to ensure they were within the period of performance under the specific grant agreement.

Recommendation: We recommend that costs be reviewed prior to submission to FEMA to ensure they occurred within the stated period of performance under the grant agreement.

Response: See attached Corrective Action Plan.

Bay County, Florida
Summary Schedule of Prior Year Audit Findings
Year Ended September 30, 2020

There were no prior year audit findings related to federal awards or state financial assistance.

Bay County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended September 30, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	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	X066--FL-2018-066-00	\$ -	\$ 170,150
Federal Transit Formula Grants	20.507	X096--FL-2017-096-00	-	16,350
Federal Transit Formula Grants	20.507	X086--FL-2018-086-00	-	559,580
Federal Transit Formula Grants	20.507	X086--FL-2019-070-00	-	511,772
Federal Transit Formula Grants	20.507	TPO--FL-2016-012-00	-	1,850
Federal Transit Formula Grants	20.507	TPO--FL-2020-064-00	-	703,325
Federal Transit Formula Grants	20.507	PM--FL-2020-086-00	-	187,500
Total Federal Transit Formula Grants			-	2,150,527
Bus and Bus Facilities Formula Grants				
Passed through Florida Department of Transportation				
Bus and Bus Facilities Formula Grants	20.526	X030--FL-2018-030-00	-	54,764
Total Bus and Bus Facilities Formula Grants			-	54,764
Total passed through Florida Department of Transportation			-	54,764
Total Department of Transportation			-	2,205,291
Total Federal Transit Cluster-Cluster			-	2,205,291
Highway Planning and Construction Cluster-Cluster				
Department of Transportation				
Passed through Florida Department of Transportation				
Highway Planning and Construction				
Highway Planning and Construction	20.205	G1639	-	45,446
Highway Planning and Construction	20.205	GOT86	-	92,002
Highway Planning and Construction	20.205	G0A42	-	1,616,660
Highway Planning and Construction	20.205	G1E16	-	127
Highway Planning and Construction	20.205	G1P67	-	198
Total Highway Planning and Construction			-	1,754,433
Total passed through Florida Department of Transportation			-	1,754,433
Total Department of Transportation			-	1,754,433
Total Highway Planning and Construction Cluster-Cluster			-	1,754,433
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	SC-20-13-01	-	34,199
Total State and Community Highway Safety			-	34,199
National Priority Safety Programs				
National Priority Safety Programs	20.616	M5HVE-20-06-03	-	8,292
Total National Priority Safety Programs			-	8,292
Total passed through Florida Department of Transportation			-	42,491
Total Department of Transportation			-	42,491
Total Highway Safety Cluster-Cluster			-	42,491
Other Programs				
Gulf Coast Ecosystem Restoration Council Oil (RESTORE)				
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program				
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	GNTSP20FL0098	-	30,407
Total Gulf Coast Ecosystem Restoration Council (RESTORE)			-	30,407
Department of Homeland Security				
Passed through State of Florida Division of Emergency Management				
Flood Mitigation Assistance				
Flood Mitigation Assistance	97.029	FMA-PJ-04-FL-2017-010	-	203,076
Flood Mitigation Assistance	97.029	FMA-PJ-04-FL-2017-012	-	12,494
Total Flood Mitigation Assistance			-	215,570

(Continued)

Bay County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance (Continued)
Year Ended September 30, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
Disaster Grants - Public Assistance				
Disaster Grants - Public Assistance	97.036	Z1038-PW-1461	\$ -	\$ 60,533
Disaster Grants - Public Assistance	97.036	Z0915-PW -1183	-	171,895
Disaster Grants - Public Assistance	97.036	Z0915-PW -1023	-	122,126
Disaster Grants - Public Assistance	97.036	Z0884-PW-1035	-	127,105
Disaster Grants - Public Assistance	97.036	Z0884-PW-610	-	4,072
Disaster Grants - Public Assistance	97.036	Z0884-PW-1344	-	30,440
Disaster Grants - Public Assistance	97.036	Z0884-PW-857	-	254,611
Disaster Grants - Public Assistance	97.036	Z0884-PW-628	-	12,146,387
Disaster Grants - Public Assistance	97.036	Z0884-PW-769	-	26,766
Disaster Grants - Public Assistance	97.036	Z0884-PW-821	-	10,271
Disaster Grants - Public Assistance	97.036	Z0884-PW-910	-	118,101
Disaster Grants - Public Assistance	97.036	Z0884--PW-888	-	41,546
Disaster Grants - Public Assistance	97.036	Z0884-PW-1087	-	254,738
Disaster Grants - Public Assistance	97.036	Z0884-PW-1185	-	2,443
Disaster Grants - Public Assistance	97.036	Z0884-PW-1425	-	1,868,992
Disaster Grants - Public Assistance	97.036	Z0884-PW-656	-	44,649
Disaster Grants - Public Assistance	97.036	Z0884-PW-1411	-	22,600
Disaster Grants - Public Assistance	97.036	Z0884-PW-1198	-	422,942
Disaster Grants - Public Assistance	97.036	15SP-8Z-01-13-02-550	-	51,584
Disaster Grants - Public Assistance	97.036	Z0884-PW-870	-	12,021
Disaster Grants - Public Assistance	97.036	Z0884-PW-103	-	17,637,991
Disaster Grants - Public Assistance	97.036	Z0884-PW-1192	-	390,718
Disaster Grants - Public Assistance	97.036	14-FS-8Q-01-13-02-517	-	1,197,236
Disaster Grants - Public Assistance	97.036	Z0884-PW-846	-	32,007
Disaster Grants - Public Assistance	97.036	Z0884-PW-770	-	97,304
Disaster Grants - Public Assistance	97.036	Z1038-PW574	-	19,283
Disaster Grants - Public Assistance	97.036	Z0884-PW-1253	-	44,799
Disaster Grants - Public Assistance	97.036	Z0884-PW-1500	-	310,011
Disaster Grants - Public Assistance	97.036	Z1038-PW-720	-	85,466
Disaster Grants - Public Assistance	97.036	Z1038-PW-684	-	788,023
Disaster Grants - Public Assistance	97.036	Z0884-PW-624	-	67,929
Disaster Grants - Public Assistance	97.036	Z0884-PW-1162	-	4,598
Disaster Grants - Public Assistance	97.036	Z0884-PW-1429	-	17,499
Disaster Grants - Public Assistance	97.036	Z0884-PW-622	-	1,433,086
Disaster Grants - Public Assistance	97.036	Z0884-PW-382	-	3,045,052
Disaster Grants - Public Assistance	97.036	Z0884-PW-805	-	10,170,715
Disaster Grants - Public Assistance	97.036	Z1038- PW-541	-	89,930
Disaster Grants - Public Assistance	97.036	Z0884-PW-648	-	531,672
Disaster Grants - Public Assistance	97.036	Z0884-PW-935	-	688,943
Disaster Grants - Public Assistance	97.036	Z0884-PW-808	-	2,435,011
Disaster Grants - Public Assistance	97.036	Z0884-PW-1403	-	340,016
Disaster Grants - Public Assistance	97.036	Z0884-PW-1060	-	4,095,418
Disaster Grants - Public Assistance	97.036	Z0884-PW-1375	-	101,904
Disaster Grants - Public Assistance	97.036	Z0915 -PW -1053	-	2,023,745
Total Disaster Grants - Public Assistance			-	61,442,178
Emergency Management Performance Grants				
Emergency Management Performance Grants	97.042	G0016	-	65,861
Emergency Management Performance Grants	97.042	G0163	-	18,892
Total Emergency Management Performance Grants			-	84,753
Assistance to Firefighters Grant				
Assistance to Firefighters Grant	97.044	EMW-2020-FG-1472	-	24,022
Total Assistance to Firefighters Grant			-	24,022
Homeland Security Grant				
Homeland Security Grant	97.067	18-DS-X1-01-13-23-340	-	17,858
Homeland Security Grant	97.067	19-DS-01-01-03-01-323	-	38,146
Homeland Security Grant	97.067	19-DS-01-13-02-323	-	69,439
Homeland Security Grant	97.067	R0057-3/12/20-3/31/2	-	85,123
Total Homeland Security Grant			-	210,566
Staffing for Adequate Fire and Emergency Response (SAFER)				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2015-FH-00818	-	42,624
Total Staffing for Adequate Fire and Emergency Response (SAFER)			-	42,624
Total Passed through State of Florida Division of Emergency Management			-	62,019,713
Total Department of Homeland Security			-	62,019,713

(Continued)

Bay County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance (Continued)
Year Ended September 30, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
Department of Defense				
Passed through State of Florida Office of Economic Adjustment				
Community Economic Adjustment Assistance for Compatible Use				
Community Economic Adjustment Assistance for Compatible Use	12.610	EN1514-17-01	\$ -	\$ 200,835
Total Community Economic Adjustment Assistance			-	200,835
Total Passed through State of Florida Office of Economic Adjustment			-	200,835
Total Department of Defense			-	200,835
United States Department of Justice				
Passed through State of Florida Department of Law Enforcement				
COVID-19 Coronavirus Emergency Supplemental Funding Program				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0170	-	82,882
Total COVID-19 Coronavirus Emergency Supplemental Funding Program			-	82,882
Crime Victim Assistance				
Passed through State of Florida Department of Legal Affairs				
Crime Victim Assistance	16.575	VOCA-2019	-	101,202
Total Crime Victim Assistance			-	101,202
Total Passed through State of Florida Department of Legal Affairs			-	101,202
Passed through State of Florida Department of Children and Families				
Passed through the Florida Coalition Against Domestic Violence				
Violence Against Women Formula Grants				
Violence Against Women Formula Grants	16.588	20-8045-LE-INV	-	40,246
Violence Against Women Formula Grants	16.588	21-8045-LE-INV	-	31,155
Violence Against Women Formula Grants	16.588	20-8045-LE-ENH	-	96,928
Violence Against Women Formula Grants	16.588	21-8045-LE-ENH	-	26,778
Violence Against Women Formula Grants	16.588	2017-AR-BX-K003-3/1/	-	13,855
Total Violence Against Women Formula Grants			-	208,962
Total Passed through the Florida Coalition Against Domestic Violence			-	208,962
Total Passed through State of Florida Department of Children and Families			-	208,962
Passed through the Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Program				
Edward Byrne Memorial Justice Assistance Program	16.738	2020-JAGC-H8963-FL-D	-	24,138
Edward Byrne Memorial Justice Assistance Program	16.738	2020-JAGC-Bay-3-Y5-0	-	44,709
Edward Byrne Memorial Justice Assistance Program	16.738	2019-JAGC Bay-4-N2-128	-	3,853
Edward Byrne Memorial Justice Assistance Program	16.738	2019-DJ-BX-0753	-	25,724
Edward Byrne Memorial Justice Assistance Program	16.738	2020-JAGC-3720	-	25,109
Edward Byrne Memorial Justice Assistance Program	16.738	2019-CD-BX-011	-	1,188
Total Edward Byrne Memorial Justice Assistance Program			-	124,721
Total Passed through the Florida Department of Law Enforcement			-	124,721
Total United States Department of Justice			-	517,767
Department of Transportation				
Passed through the Florida Department of Transportation				
Formula Grants for Rural Areas				
Formula Grants for Rural Areas	20.509	G1M13	-	63,683
Formula Grants for Rural Areas	20.509	G0Z40	-	172,042
Total Formula Grants for Rural Areas			-	235,725
Total Passed through the Florida Department of Transportation			-	235,725
Total Department of Transportation			-	235,725

(Continued)

Bay County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance (Continued)
Year Ended September 30, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
United States Environmental Protection Agency				
Passed through the Florida Department of Environmental Protection				
Nonpoint Source Implementation Grants				
Nonpoint Source Implementation Grants	66.460	NF064	\$ -	\$ 726,258
Total Nonpoint Source Implementation Grants			-	726,258
Total Passed through the Florida Department of Environmental Protection			-	726,258
Total United States Environmental Protection Agency			-	726,258
Department of Health and Human Services				
Child Support Enforcement				
Passed through the Florida Department of Revenue				
Child Support Enforcement	93.563	COC03	-	132,844
Total Child Support Enforcement			-	132,844
Total Passed through the Florida Department of Revenue			-	132,844
Total Department of Health and Human Services			-	132,844
Grants to States				
Passed through the Florida Department of State				
Grants to States	45.310	19-LSTA-B06	-	49,594
Total Grants to States			-	49,594
Total Passed through the Florida Department of State			-	49,594
Total National Endowment for the Humanities			-	49,594
Department of the Treasury				
Resources and Ecosystems Sustainability				
Resources and Ecosystems Sustainability	21.015	RDCGR030067	-	10,300
Resources and Ecosystems Sustainability	21.015	RDCGR 0300039-01-0	-	125,153
Resources and Ecosystems Sustainability	21.015	RDCGR030119-01-00	-	102
Resources and Ecosystems Sustainability	21.015	RDCGR 03000040-01-0	-	207,725
Total Resources and Ecosystems Sustainability			-	343,280
COVID-19 Coronavirus Relief Fund				
Passed through the Florida Department of Emergency Management				
COVID-19 Coronavirus Relief Fund	21.019	Y2280	504,510	22,613,880
Passed through the Florida Housing Finance Corporation				
COVID-19 Coronavirus Relief Fund	21.019	037-2020	512,249	512,249
Total COVID-19 Coronavirus Relief Fund			1,016,759	23,126,129
Total Department of the Treasury			1,016,759	23,469,409
Various Agencies				
Passed through Florida Department of State Division of Elections				
Help America Vote Act Requirements Payments				
Help America Vote Act Requirements Payments	90.401	2019--19.E.FA.000.274	-	19,826
Help America Vote Act Requirements Payments	90.401	18.E.FA.000.025	-	17,535
Total Help America Vote Act Requirements Payments			-	37,361
2018 HAVA Election Security Grants				
2018 HAVA Election Security Grants	90.404	20.e.ec.000.003	-	76,520
2019 HAVA Election Security Grants	90.404	20.e.cs.000.003	-	107,868
Total 2018 HAVA Election Security Grants			-	184,388
Total Passed through Florida Department of State Division of Elections			-	221,749
Total Various Agencies			-	221,749
Total Other Programs			1,016,759	87,604,301
Total Expenditures of Federal Awards			\$ 1,016,759	\$ 91,606,516

(Continued)

Bay County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance (Continued)
Year Ended September 30, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
STATE FINANCIAL ASSISTANCE				
Division of Emergency Management				
Emergency Management Preparedness	31.063	A0012	\$ -	\$ 80,798
Emergency Management Preparedness	31.063	A0112	-	14,732
Emergency Management Preparedness	31.070	F0060	-	1,689,384
Total Division of Emergency Management			-	1,784,914
Department of Environmental Protection				
Beach Management Funding Assistance Program	37.003	19BA1	-	34,731
Beach Management Funding Assistance Program	37.003	19BA3	-	104,879
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP13045	-	11,550
Drinking Water Facility Construction	37.076	DW030200	-	10,178
Wastewater Treatment Facility Construction	37.077	WW0302EO	970,608	970,608
Total Department of Environmental Protection			970,608	1,131,946
Department of Agriculture and Consumer Services				
Mosquito Control	42.003	26506	-	47,310
Total Department of Agriculture and Consumer Services			-	47,310
Department of State, Division of Library and Information Services				
State Aid to Libraries	45.030	19-ST-41	-	58,126
State Aid to Libraries	45.030	19-ST-42	-	14,491
State Aid to Libraries	45.030	19-ST-43	-	345
State Aid to Libraries	45.030	19-ST-44	-	36,401
State Aid to Libraries	45.030	20-ST-41	-	299,204
State Aid to Libraries	45.030	20-ST-42	-	55,874
State Aid to Libraries	45.030	20-ST-43	-	25,326
State Aid to Libraries	45.030	20-ST-44	-	15,046
Total Department of State, Division of Library and Information Services			-	504,813
Department of Economic Opportunity				
Passed through Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program	40.901	SHIP FY19	326,204	326,204
Division of Community Development	40.038	DL009	-	1,134,172
Economic Development Partnerships	40.040	G1P67	-	42,411
Economic Development Partnerships	40.040	SO1100	-	44,716
Hurricane Housing Recovery Program	40.902	846-2020	982,399	982,399
Total Department of Economic Opportunity			1,308,603	2,529,902
Department of Transportation				
Florida Commission for the Transportation Disadvantaged	55.001	G1A91	-	62,781
Florida Commission for the Transportation Disadvantaged	55.001	G1A08	-	345,036
Florida Commission for the Transportation Disadvantaged	55.001	G1N02	-	86,017
Seaport Grant Programs	55.005	G0U31	-	3,358,807
Small County Outreach Program	55.009	G1J45	-	1,187,700
Public Transit Block Grant	55.010	G1F68	-	473,958
Transit Corridor Development Program	55.013	G1F70	-	232,620
Transportation Regional Incentive Program (Trip)	55.026	G0R85	-	1,388,658
Transportation Regional Incentive Program (Trip)	55.026	G0R34	-	71,000
Local Transportation Projects	55.039	G1F90	-	500,000
Local Transportation Projects	55.039	445809-1-54-01	-	1,621,058
Total Department of Transportation			-	9,327,635

(Continued)

Bay County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance (Continued)
Year Ended September 30, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA CSFA No.	Contract/ Grant No.	Passed through to Subrecipients	Expenditures
Department of Law Enforcement				
Bay County Sheriff's Office Building	71.038	2020-SFA-FCO-03-K5-001	\$ -	\$ 293,238
Total Department of Health			-	293,238
Department of Highway Safety and Motor Vehicles				
Florida Arts License Plates Project	76.041	2019Tags	-	76
Total Department of Highway Safety and Motor Vehicles			-	76
Fish and Wildlife Conservation Commission				
Artificial Reef Grants Program	77.007	FWC-15157	-	513
Total Fish and Wildlife Conservation Commission			-	513
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 2,279,211	\$ 15,620,347
Capitalization grant for Clean Water State Revolving Fund (Loan) - balance September 30, 2019			WW0302E0	\$ 29,392
Current year expenditures of state financial assistance				970,608
Capitalization grant for Clean Water State Revolving Fund (Loan) - balance September 30, 2020				\$ 1,000,000
Capitalization grant for Drinking Water State Revolving Fund (Loan) - balance September 30, 2019			DW030200	\$ 389,405
Current year expenditures of state financial assistance				10,178
Capitalization grant for Drinking Water State Revolving Fund (Loan) - balance September 30, 2020				\$ 399,583

Notes to Schedule

- 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.
- The County has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- State shared matching costs for federal award programs totaled \$3,048,003 for the year ending September 30, 2020.
- The County was awarded a loan of \$1,000,000 in June 2019 by the State of Florida Department of Environmental Protection. This award is identified under CFSA #37.077 Wastewater Treatment Facility Construction. As of September 30, 2020 the County accrued SRF loan revenues of \$1,000,000. In accordance with the loan agreement, \$750,000 will be forgiven.

The County was awarded a loan of \$1,000,000 in June 2019 by the State of Florida Department of Environmental Protection. This award is identified under CFSA #37.076 Drinking Water Facility Construction. As of September 30, 2020 the County accrued SRF loan revenues of \$399,583. In accordance with the loan agreement \$750,000 will be forgiven.

Bay County, Florida

Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill
Year Ended September 30, 2020

Source	Amount Received in the 2019-20 Fiscal Year	Amount Expended in the 2019-20 Fiscal Year
Triumph Gulf Coast, Inc.:		
Agreement No: Bay County/Project #189	\$ -	\$ 3,483,186

Note: This does not include funds related to the Deepwater Horizon oil spill that are considered federal awards or state financial assistance. No such funds were received in the 2019-20 year.



June 15, 2021

**Bay County, Florida
Management's Corrective Action Plan
For the Fiscal Year Ended September 30, 2020**

BOARD OF COUNTY
COMMISSIONERS

www.baycountyfl.gov

840 WEST 11TH STREET
PANAMA CITY, FL 32401

COMMISSIONERS:

TOMMY HAMM
DISTRICT I

ROBERT CARROLL
DISTRICT II

WILLIAM T. DOZIER
DISTRICT III

DOUG MOORE
DISTRICT IV

PHILIP "GRIFF" GRIFFITT'S
DISTRICT V

ROBERT J. MAJKA JR.
COUNTY MANAGER

Finding Number: 2020-001

Planned Corrective Action:

In preparing future Annual Financial Reports, 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: 12/31/2021

Finding Number: 2020-002

Planned Corrective Action:

Permit fees have been reviewed and corrected as of the date of this report. In the future, the Bay County Builders Services Division will implement a new input and review system where fees (when adopted annually in October) will be entered in by the Administrative Supervisor in Builders Services and reviewed by the Code Enforcement Services Coordinator. This will ensure the adopted fees are correctly submitted into the permitting system.

Anticipated Completion Date: 6/15/2021

Finding Number 2020-003

Planned Corrective Action:

As of the date of this report, the County has corrected this finding. Administrative access has been removed from users who are not permitted and limited to the Building Official, Administrative Supervisor and Licensing Coordinator

Anticipated Completion Date: 6/15/2021

Finding Number 2020-004

Planned Corrective Action:

The County has ensured that final costs submitted for consideration of obligation under a FEMA project were eligible in terms of the period of performance and are in accordance with federal regulations.

Management disagrees with this finding due to the nature and timing of the original submittal of certain costs and the final disposition of those costs under the appropriate FEMA project and/or removal of certain costs for lack of applicability. Although these costs were originally obligated incorrectly, they were deducted and moved to an appropriate project for potential future obligation.

Anticipated Completion Date: 6/15/2021

Responsible Contact Person: Katy Nail


Katy Nail, Finance Officer

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BAY COUNTY, FLORIDA
CONSTITUTIONAL OFFICERS
FOR THE FISCAL YEAR-ENDED SEPTEMBER 30, 2020

SUPERVISOR OF ELECTIONS

Mark Andersen

TAX COLLECTOR

Chuck Perdue

CLERK OF COURT AND COMPTROLLER

Bill Kinsaul

SHERIFF

Tommy Ford

PROPERTY APPRAISER

Dan Sowell

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Constitutional Officers
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Constitutional Officers
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the major fund of the Bay County Supervisor of Elections, as of and for the fiscal year ended September 30, 2020, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Supervisor of Elections' financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Bay County Supervisor of Elections as of September 30, 2020, the respective changes in financial position thereof and the budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund only for that portion of the major fund of Bay County, Florida that is attributable to the Bay County Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Bay County, Florida as of September 30, 2020, 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 is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2021, on our consideration of the Bay County Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bay County Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bay County Supervisor of Elections' internal control over financial reporting and compliance.

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

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

Bay County Supervisor of Elections
Special-Purpose Balance Sheet
Governmental Fund
September 30, 2020

	General Fund
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 211,819
Cash and cash equivalents - restricted	96,256
<hr/>	
Total assets	\$ 308,075
<hr/>	
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accrued liabilities	\$ 95,264
Due to other governments	116,555
Unearned revenue	96,256
<hr/>	
Total liabilities	308,075
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 308,075
<hr/>	

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

Bay County Supervisor of Elections
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Fund
Year Ended September 30, 2020

	General Fund
REVENUES	
Intergovernmental	\$ 210,911
Charges for services	18,660
Total revenues	229,571
EXPENDITURES	
Current	
General government	2,000,978
Capital outlay	
General government	109,244
Total expenditures	2,110,222
Excess (deficit) of revenues over (under) expenditures	(1,880,651)
OTHER FINANCING SOURCES (USES)	
Budget appropriations from Board of County Commissioners	1,995,717
Transfer out/return of excess fees	(115,066)
Total other financing sources (uses)	1,880,651
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	\$ -

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

Bay County Supervisor of Elections
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 307,167	\$ 210,911	\$ (96,256)
Charges for services	-	-	18,660	18,660
Total revenues	-	307,167	229,571	(77,596)
EXPENDITURES				
Current				
General government	1,988,717	2,295,884	2,000,978	294,906
Capital outlay				
General government	7,000	7,000	109,244	(102,244)
Total expenditures	1,995,717	2,302,884	2,110,222	192,662
Excess (deficit) of revenues over (under) expenditures	(1,995,717)	(1,995,717)	(1,880,651)	115,066
OTHER FINANCING SOURCES (USES)				
Budget appropriations from Board of County Commissioners	1,995,717	1,995,717	1,995,717	-
Transfer out/return of excess fees	-	-	(115,066)	(115,066)
Total other financing sources (uses)	1,995,717	1,995,717	1,880,651	(115,066)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			\$ -	

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The Office of the Bay County Supervisor of Elections (Supervisor of Elections) is an integral part of Bay County, Florida (County) and is an elected Constitutional Office that is governed by state statutes and regulations. The financial statements of the Supervisor of Elections are included in the County's basic financial statements. The Supervisor of Elections operates on a budgetary system, whereby appropriated funds are received from the Board of County Commissioners (Board) and any unexpended appropriations are remitted to the Board after the end of the fiscal year.

The Supervisor of Elections' financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). These financial statements are the fund financial statements prepared in accordance with generally accepted accounting principles (GAAP). However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Supervisor of Elections has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management's discussion and analysis, or the pension or the other postemployment benefit related required supplementary information. Also, certain notes to special-purpose financial statements may supplement rather than duplicate the notes included in the County's financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, only for that portion of the major fund of Bay County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Bay County, Florida, as of September 30, 2020, and the changes in its financial position, for the fiscal year then ended in accordance with GAAP.

Basis of Presentation - Fund Accounting – Accounts are organized on the basis of fund types, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures as appropriate. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund type is used by the Supervisor of Elections:

Governmental Fund Type

General Fund – The General Fund is the Supervisor of Elections' operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Basis of Accounting – 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)

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

Categories and Classification of Fund Equity

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

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

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

Nonspendable – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. There is no nonspendable fund balance at September 30, 2020.

Restricted – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. There is no restricted fund balance at September 30, 2020.

Committed – 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There is no committed fund balance at September 30, 2020.

Assigned – 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. There is no assigned fund balance at September 30, 2020.

Unassigned – Unassigned fund balance is the residual classification for the General Fund. There is no unassigned fund balance at September 30, 2020.

Budgets – 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.

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

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.

Cash and Cash Equivalents – The Supervisor of Elections' 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.

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, June 15, 2021. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 2 – DEPOSITS

Deposits and Investments – As of September 30, 2020, 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

Plan Description – 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, 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 Policy – 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, 2019 through June 30, 2020, were 8.47%, 25.41%, and 48.82% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2020 through September 30, 2020, were 10.00%, 27.29%, and 49.18% 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 14.60% for October 1, 2019 through June 30, 2020 and 16.98% for July 1, 2020 through September 30, 2020, with no employee contribution required.

NOTE 3 – RETIREMENT PLANS (Continued)

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, 2020, 2019, and 2018 were \$110,594, \$110,032, and \$97,694, 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, 2020, were \$18,607.

Defined Contribution Pension 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, 2020, totaled \$3,151.

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.

NOTE 4 – UNCERTAINTY

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

INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Bay County Supervisor of Elections as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 15, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 15, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

The Honorable Mark Andersen
Bay County Supervisor of Elections
Page Two

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the Bay County Supervisor of Elections' compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Bay County Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Bay County Supervisor of Elections' compliance based on our examination.

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

Our examination does not provide a legal determination on the Bay County Supervisor of Elections' compliance with specified requirements.

In our opinion, the Bay County Supervisor of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020.

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

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

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund of the Bay County Supervisor of Elections as of and for the year ended September 30, 2020, 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 June 15, 2021, which contains an emphasis of matter referring to a basis of presentation required for compliance with state filing requirements. However, our opinion was not modified with respect to this matter.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of each major fund and the aggregate remaining fund information of the Bay County Clerk of Court and Comptroller, as of and for the fiscal year ended September 30, 2020, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Clerk of Court and Comptroller's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Bay County Clerk of Court and Comptroller as of September 30, 2020, the respective changes in financial position thereof and the budgetary comparisons for the general and court funds for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with these Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information only for that portion of the major funds, and the aggregate remaining fund information of Bay County, Florida that is attributable to the Bay County Clerk of Court and Comptroller. They do not purport to, and do not, present fairly the financial position of Bay County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bay County Clerk of Court and Comptroller's special-purpose financial statements. The combining statement of changes in assets and liabilities—agency funds, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The combining statement of changes in assets and liabilities—agency funds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of changes in assets and liabilities—agency funds is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2021, on our consideration of the Bay County Clerk of Court and Comptroller's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bay County Clerk of Court and Comptroller's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bay County Clerk of Court and Comptroller's internal control over financial reporting and compliance.

Cau, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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Bay County Clerk of Court and Comptroller
Special-Purpose Balance Sheet
Governmental Funds
September 30, 2020

	General Fund	Court	Records Modernization - Records	Records Modernization - Court	Family Mediation	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,344,234	\$ 531,203	\$ 452,912	\$ 995,440	\$ 19,604	\$ 3,343,393
Accounts receivable, net	166,367	447,995	-	-	-	614,362
Prepaid items	89,065	16,308	10,208	35,726	-	151,307
Total assets	\$ 1,599,666	\$ 995,506	\$ 463,120	\$ 1,031,166	\$ 19,604	\$ 4,109,062
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable and accrued liabilities	\$ 208,281	\$ 576,137	\$ -	\$ 235,330	\$ 2,550	\$ 1,022,298
Unearned revenue	904,465	16,309	-	-	-	920,774
Due to other governments	486,920	-	-	-	-	486,920
Total liabilities	1,599,666	592,446	-	235,330	2,550	2,429,992
Fund balance						
Nonspendable	89,065	16,308	10,208	35,726	-	151,307
Restricted	-	386,752	452,912	760,110	17,054	1,616,828
Unassigned	(89,065)	-	-	-	-	(89,065)
Total fund balance	-	403,060	463,120	795,836	17,054	1,679,070
Total liabilities and fund balance	\$ 1,599,666	\$ 995,506	\$ 463,120	\$ 1,031,166	\$ 19,604	\$ 4,109,062

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

Bay County Clerk of Court and Comptroller
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Funds
Year Ended September 30, 2020

	General Fund	Court	Records Modernization - Records	Records Modernization - Court	Family Mediation	Total Governmental Funds
REVENUES						
Intergovernmental revenue	\$ 129,313	\$ 196,796	\$ -	\$ -	\$ -	\$ 326,109
Charges for services	2,214,772	4,391,464	166,026	500,315	23,000	7,295,577
Miscellaneous	61,608	-	-	-	-	61,608
Total revenues	2,405,693	4,588,260	166,026	500,315	23,000	7,683,294
EXPENDITURES						
Current						
General government	3,805,360	4,680,636	55,749	323,999	25,600	8,891,344
Capital outlay						
General government	24,310	-	-	-	-	24,310
Total expenditures	3,829,670	4,680,636	55,749	323,999	25,600	8,915,654
Excess (deficit) of revenues over (under) expenditures	(1,423,977)	(92,376)	110,277	176,316	(2,600)	(1,232,360)
OTHER FINANCING SOURCES (USES)						
Budget appropriations from Board of County Commissioners	1,742,933	-	-	-	-	1,742,933
Transfer out/return of excess fees	(318,956)	-	-	-	-	(318,956)
Total other financing sources (uses)	1,423,977	-	-	-	-	1,423,977
Net change in fund balance	-	(92,376)	110,277	176,316	(2,600)	191,617
Fund balance - beginning	-	495,436	352,843	619,520	19,654	1,487,453
Fund balance - ending	\$ -	\$ 403,060	\$ 463,120	\$ 795,836	\$ 17,054	\$ 1,679,070

Bay County Clerk of Court and Comptroller
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenue	\$ 162,104	\$ 129,313	\$ 129,313	\$ -
Charges for services	2,083,952	2,227,988	2,214,772	(13,216)
Miscellaneous	41,120	61,612	61,608	(4)
Total revenues	2,287,176	2,418,913	2,405,693	(13,220)
EXPENDITURES				
Current				
General government	3,788,394	4,160,846	3,805,360	355,486
Capital outlay				
General government	7,500	1,000	24,310	(23,310)
Total expenditures	3,795,894	4,161,846	3,829,670	332,176
Excess (deficit) of revenues over (under) expenditures	(1,508,718)	(1,742,933)	(1,423,977)	318,956
OTHER FINANCING SOURCES (USES)				
Budget appropriations from Board of County Commissioners	1,508,718	1,742,933	1,742,933	-
Transfer out/return of excess fees	-	-	(318,956)	(318,956)
Total other financing sources (uses)	1,508,718	1,742,933	1,423,977	(318,956)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			<u>\$ -</u>	

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

Bay County Clerk of Court and Comptroller
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Court
Year Ended September 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenue	\$ -	\$ 200,000	\$ 196,796	\$ (3,204)
Charges for services	4,051,652	4,391,490	4,391,464	(26)
Total revenues	4,051,652	4,591,490	4,588,260	(3,230)
EXPENDITURES				
Current				
General government	4,051,652	4,591,490	4,680,636	(89,146)
Total expenditures	4,051,652	4,591,490	4,680,636	(89,146)
Net change in fund balance	\$ -	\$ -	(92,376)	\$ (92,376)
Fund balance - beginning			495,436	
Fund balance - ending			\$ 403,060	

Notes to schedule:

Pursuant to Section 28.37, Florida Statutes, all fines, fees, service charges, and costs collected by the clerks of the court for the previous month which is in excess of one-twelfth of the clerks' total budget for the performance of court-related functions shall be remitted to the Department of Revenue for deposit into the Clerks of the Court Trust Fund. The excess of \$89,146, between final budget and actual expenditures, represents the excess of the budgeted amount in collections remitted to the Department of Revenue.

Bay County Clerk of Court and Comptroller
Special-Purpose Statement of Fiduciary Net Position
Agency Funds
September 30, 2020

ASSETS

Cash and cash equivalents	\$ 6,854,887
<hr/>	
Total assets	\$ 6,854,887
<hr/>	

LIABILITIES

Accounts payable and accrued liabilities	\$ 2,217,659
Due to other governments	4,637,228
<hr/>	
Total liabilities	\$ 6,854,887
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The accompanying notes are an integral part of these special-purpose financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The Office of the Bay County Clerk of Court and Comptroller (Clerk) is an integral part of Bay County, Florida (County) and is an elected Constitutional Office that is governed by state statutes and regulations. The financial statements of the Clerk are included in the County's basic financial statements. The Clerk operates on a budgetary system. Appropriated funds for the general fund are received from the Board of County Commissioners (Board) and any unexpended appropriations are remitted to the Board after the end of the fiscal year. Appropriated funds for the court fund are received from the Clerk of Court Operations Corporation of the State of Florida (CCOC).

The Clerk's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). These financial statements are the fund financial statements prepared in accordance with generally accepted accounting principles (GAAP). However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management's discussion and analysis, or the pension or the other postemployment benefit related required supplementary information. Also, certain notes to special-purpose financial statements may supplement rather than duplicate the notes included in the County's financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information of Bay County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Bay County, Florida, as of September 30, 2020, and the changes in its financial position, for the fiscal year then ended in accordance with GAAP.

Basis of Presentation - Fund Accounting – Accounts are organized on the basis of fund types each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures as appropriate. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the Clerk:

Governmental Fund Types

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

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

Fiduciary Fund Type

Agency Funds – Agency funds are used to account for assets held by the Clerk as an agent for individuals, private organizations, other governments, or other funds. Agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve measurement of the results of operations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting – 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 capital leases are reported as other financing sources.

The agency funds have no measurement focus but utilize the *modified accrual basis of accounting* for reporting their assets and liabilities.

Categories and Classification of Fund Equity

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

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

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

Nonspendable – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The nonspendable fund balance at September 30, 2020, is \$151,307.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The restricted fund balance at September 30, 2020, is \$1,616,828, all restricted by enabling legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Clerk’s highest level of decision-making authority. The Board is the highest level of decision-making authority for the Clerk that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There is no committed fund balance at September 30, 2020.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Clerk for specific purposes but do not meet the criteria to be classified as committed. The Board may by resolution authorize the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. There is no assigned fund balance at September 30, 2020.

Unassigned – Unassigned fund balance is the residual classification for the Clerk’s fund balances. The unassigned fund balance at September 30, 2020, is a deficit of \$89,065.

Budgets – The preparation, adoption, and amendment of the Clerk’s budget is governed by Chapter 28.36, Florida Statutes. The budget is prepared and adopted on a basis of accounting consistent with GAAP. Budgetary data presented in the accompanying special-purpose financial statements in the final budgeted amounts column represents the final budgetary data. In this column, the effects of budget amendments have been applied to original budgetary data. All budget appropriations lapse at the end of the fiscal year. The records modernization-records, records modernization-court, and family mediation funds are not budgeted.

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

Accounts Receivable – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. At the fund reporting level, an equal amount of fund balance is reported as nonspendable, showing this amount is not in spendable form.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Leave Benefits – 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.

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.

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, June 15, 2021. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 will be effective for the fiscal years beginning after December 15, 2019.

NOTE 2 – DEPOSITS

Deposits and Investments – As of September 30, 2020, the Clerk’s bank balances are covered by federal depository insurance. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Clerk pursuant to Section 280.08, Florida Statutes.

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

NOTE 3 – ACCOUNTS RECEIVABLE, NET

At September 30, 2020, accounts receivable, net is summarized as follows:

	Governmental Funds		Total Accounts Receivable
Accounts receivable	\$ 614,362	\$	614,362
Less: allowance for doubtful accounts	-		-
Accounts receivable, net	\$ 614,362	\$	614,362

The Clerk considers all amounts collectible; therefore there is no provision for doubtful accounts at September 30, 2020.

NOTE 4 – RETIREMENT PLANS

Defined Benefit Pension Plan

Plan Description – 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 Policy – FRS is funded through employee and employer contributions. The Clerk is required to contribute at an actuarially determined rate. Rates effective for October 1, 2019 through June 30, 2020, were 8.47%, 25.41%, and 48.82% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2020 through September 30, 2020, were 10.00%, 27.29%, and 49.18% 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 14.60% for October 1, 2019 through June 30, 2020 and 16.98% for July 1, 2020 through September 30, 2020, with no employee contribution required.

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, 2020, 2019, and 2018 were \$506,755, \$460,139, and \$433,028, 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, 2020, were \$104,592.

NOTE 4 – RETIREMENT PLANS (Continued)

Defined Contribution Pension 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, 2020, totaled \$53,845.

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.

NOTE 5 – UNCERTAINTY

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

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AGENCY FUNDS

Bay County Clerk of Court and Comptroller
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
FINES AND FORFEITURES				
ASSETS				
Cash and cash equivalents	\$ 2,740,883	\$ 43,244,999	\$ 43,169,085	\$ 2,816,797
Total assets	\$ 2,740,883	\$ 43,244,999	\$ 43,169,085	\$ 2,816,797
LIABILITIES				
Due to other governments	\$ 2,740,883	\$ 43,244,999	\$ 43,169,085	\$ 2,816,797
Total liabilities	\$ 2,740,883	\$ 43,244,999	\$ 43,169,085	\$ 2,816,797
JURY AND WITNESS				
ASSETS				
Cash and cash equivalents	\$ 53,416	\$ 21,198	\$ 34,033	\$ 40,581
Total assets	\$ 53,416	\$ 21,198	\$ 34,033	\$ 40,581
LIABILITIES				
Due to other governments	\$ 53,416	\$ 21,198	\$ 34,033	\$ 40,581
Total liabilities	\$ 53,416	\$ 21,198	\$ 34,033	\$ 40,581
TAX DEED				
ASSETS				
Cash and cash equivalents	\$ 385,468	\$ 1,581,830	\$ 867,084	\$ 1,100,214
Total assets	\$ 385,468	\$ 1,581,830	\$ 867,084	\$ 1,100,214
LIABILITIES				
Accounts payable and accrued liabilities	\$ 385,468	\$ 1,581,830	\$ 867,084	\$ 1,100,214
Total liabilities	\$ 385,468	\$ 1,581,830	\$ 867,084	\$ 1,100,214
SUPPORT				
ASSETS				
Cash and cash equivalents	\$ 27,313	\$ 879,254	\$ 893,321	\$ 13,246
Total assets	\$ 27,313	\$ 879,254	\$ 893,321	\$ 13,246
LIABILITIES				
Accounts payable and accrued liabilities	\$ 27,313	\$ 879,254	\$ 893,321	\$ 13,246
Total liabilities	\$ 27,313	\$ 879,254	\$ 893,321	\$ 13,246

Continued

Bay County Clerk of Court and Comptroller
Combining Statement of Changes in Assets and Liabilities
Agency Funds (Continued)
Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
COURT REGISTRY				
ASSETS				
Cash and cash equivalents	\$ 1,137,103	\$ 20,286,898	\$ 20,386,174	\$ 1,037,827
Total assets	\$ 1,137,103	\$ 20,286,898	\$ 20,386,174	\$ 1,037,827
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,137,103	\$ 20,286,898	\$ 20,386,174	\$ 1,037,827
Total liabilities	\$ 1,137,103	\$ 20,286,898	\$ 20,386,174	\$ 1,037,827
CASH BOND				
ASSETS				
Cash and cash equivalents	\$ 869,283	\$ 1,794,381	\$ 883,814	\$ 1,779,850
Total assets	\$ 869,283	\$ 1,794,381	\$ 883,814	\$ 1,779,850
LIABILITIES				
Due to other governments	\$ 869,283	\$ 1,794,381	\$ 883,814	\$ 1,779,850
Total liabilities	\$ 869,283	\$ 1,794,381	\$ 883,814	\$ 1,779,850
RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 59,558	\$ 409,853	\$ 403,039	\$ 66,372
Total assets	\$ 59,558	\$ 409,853	\$ 403,039	\$ 66,372
LIABILITIES				
Accounts payable and accrued liabilities	\$ 59,558	\$ 409,853	\$ 403,039	\$ 66,372
Total liabilities	\$ 59,558	\$ 409,853	\$ 403,039	\$ 66,372
TOTAL - AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 5,273,024	\$ 68,218,413	\$ 66,636,550	\$ 6,854,887
Total assets	\$ 5,273,024	\$ 68,218,413	\$ 66,636,550	\$ 6,854,887
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,609,442	\$ 23,157,835	\$ 22,549,618	\$ 2,217,659
Due to other governments	3,663,582	45,060,578	44,086,932	4,637,228
Total liabilities	\$ 5,273,024	\$ 68,218,413	\$ 66,636,550	\$ 6,854,887

See independent auditors' report

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Bay County Clerk of Court and Comptroller as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 15, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 15, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings 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 Clerk of Court and Comptroller was established by Constitution of the State of Florida, Article VIII, Section 1(d). The Bay County Clerk of Court and Comptroller has no component units.

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the Bay County Clerk of Court and Comptroller's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*; Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support, Payments; Fees*; Sections 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*; and 28.36, Florida Statutes, *Budget Procedure*; during the year ended September 30, 2020. Management is responsible for the Bay County Clerk of Court and Comptroller's compliance with the specified requirements. Our responsibility is to express an opinion on the Bay County Clerk of Court and Comptroller's compliance based on our examination.

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

Our examination does not provide a legal determination on the Bay County Clerk of Court and Comptroller's compliance with specified requirements.

In our opinion, the Bay County Clerk of Court and Comptroller complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*; Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support, Payments; Fees*; Sections 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*; and 28.36, Florida Statutes, *Budget Procedure*; during the year ended September 30, 2020.

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.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Bay County Clerk of Court and Comptroller as of and for the year ended September 30, 2020, 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 June 15, 2021, which contains an emphasis of matter referring to a basis of presentation required for compliance with state filing requirements. However, our opinions were not modified with respect to this matter.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described below and identified as 2020-005, that we considered to be a material weakness.

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

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

Cause: The Bay County Clerk of Court and Comptroller's controls did not identify the adjustments timely.

Effect: Adjustments were required for current year balances.

Recommendation: We recommend that the Bay Clerk of Court and Comptroller staff continue to strive toward identifying proposed audit adjustments more timely.

Views of Responsible Officials and Planned Corrective Action: Management agrees with auditors' recommendation.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bay County 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*.

Bay County Clerk of Court and Comptroller's Response to Finding

Bay County Clerk of Court and Comptroller's response to the finding identified above in the Views of Responsible Officials and Planned Corrective Action was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Carri Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the major fund of the Bay County Property Appraiser, as of and for the fiscal year ended September 30, 2020, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Bay County Property Appraiser as of September 30, 2020, the respective changes in financial position thereof and the budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with these Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund only for that portion of the major fund of Bay County, Florida that is attributable to the Bay County Property Appraiser. They do not purport to, and do not, present fairly the financial position of Bay County, Florida as of September 30, 2020, 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 is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2021, on our consideration of the Bay County Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, grant agreements and other matters included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bay County Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bay County Property Appraiser's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

Bay County Property Appraiser
Special-Purpose Balance Sheet
Governmental Fund
September 30, 2020

	General Fund
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 114,869
<hr/>	
Total assets	\$ 114,869
<hr/>	
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accrued liabilities	\$ 111,349
Due to other governments	3,520
<hr/>	
Total liabilities	114,869
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 114,869
<hr/>	

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

Bay County Property Appraiser
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Fund
Year Ended September 30, 2020

	General Fund
REVENUES	
Charges for services	\$ 571
Interest income	770
Total revenues	1,341
EXPENDITURES	
Current	
General government	3,523,983
Capital outlay	
General government	43,700
Debt service	
Principal retirement	19,398
Interest and fiscal charges	2,515
Total expenditures	3,589,596
Excess (deficit) of revenues over (under) expenditures	(3,588,255)
OTHER FINANCING SOURCES (USES)	
Budget appropriations from Board of County Commissioners	3,512,448
Budget appropriations from other taxing districts	87,847
Transfer out/return of excess fees from Board of County Commissioners	(11,592)
Transfer out/return of excess fees from other taxing districts	(448)
Total other financing sources (uses)	3,588,255
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	\$ -

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

Bay County Property Appraiser
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	\$ -	\$ -	\$ 571	\$ 571
Interest income	-	-	770	770
Total revenues	-	-	1,341	1,341
EXPENDITURES				
Current				
General government	3,505,782	3,573,583	3,523,983	49,600
Capital outlay				
General government	4,799	4,799	43,700	(38,901)
Debt service				
Principal retirement	19,398	19,398	19,398	-
Interest and fiscal charges	2,515	2,515	2,515	-
Total expenditures	3,532,494	3,600,295	3,589,596	10,699
Excess (deficit) of revenues over (under) expenditures	(3,532,494)	(3,600,295)	(3,588,255)	12,040
OTHER FINANCING SOURCES (USES)				
Budget appropriations from Board of County Commissioners	3,446,301	3,512,448	3,512,448	-
Budget appropriations from other taxing districts	86,193	87,847	87,847	-
Transfer out/return of excess fees from Board of County Commissioners	-	-	(11,592)	(11,592)
Transfer out/return of excess fees from other taxing districts	-	-	(448)	(448)
Total other financing sources (uses)	3,532,494	3,600,295	3,588,255	(12,040)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			\$ -	

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The Office of the Bay County Property Appraiser (Property Appraiser) is an integral part of Bay County, Florida (County) and is an elected Constitutional Office that is governed by state statutes and regulations. The financial statements of the Property Appraiser are included in the County's basic financial statements. The Property Appraiser operates on a budgetary system, whereby appropriated funds are received from the Board of County Commissioners (Board) and any unexpended appropriations are remitted to the Board after the end of the fiscal year.

The Property Appraiser's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). These financial statements are the fund financial statements prepared in accordance with generally accepted accounting principles (GAAP). However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Property Appraiser has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management's discussion and analysis, or the pension or the other postemployment benefit related required supplementary information. Also, certain notes to special-purpose financial statements may supplement rather than duplicate the notes included in the County's financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, only for that portion of the major fund of Bay County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Bay County, Florida, as of September 30, 2020, and the changes in its financial position, for the fiscal year then ended in accordance with GAAP.

Basis of Presentation - Fund Accounting – Accounts are organized on the basis of fund types, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures as appropriate. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund type is used by the Property Appraiser:

Governmental Fund Type

General Fund – The General Fund is the Property Appraiser's operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Basis of Accounting – 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Categories and Classification of Fund Equity

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

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

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

Nonspendable – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. There is no nonspendable fund balance at September 30, 2020.

Restricted – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. There is no restricted fund balance at September 30, 2020.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Property Appraiser's highest level of decision-making authority. The Board is the highest level of decision-making authority for the Property Appraiser that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There is no committed fund balance at September 30, 2020.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned – 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. There is no assigned fund balance at September 30, 2020.

Unassigned – Unassigned fund balance is the residual classification for the Property Appraiser's fund balances. There is no unassigned fund balance at September 30, 2020.

Budgets – 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.

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.

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

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

Accounts Receivable – All receivables are reported at their gross value and, where appropriate, are reduced by the allowance for doubtful accounts. As of September 30, 2020, there was no allowance for doubtful accounts because the Property Appraiser considers all receivables to be collectible.

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, June 15, 2021. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 2 – DEPOSITS

Deposits and Investments – As of September 30, 2020, 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

Plan Description – 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 Policy – 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, 2019 through June 30, 2020, were 8.47%, 25.41%, and 48.82% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2020 through September 30, 2020, were 10.00%, 27.29%, and 49.18% 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 14.60% for October 1, 2019 through June 30, 2020 and 16.98 % for July 1, 2020 through September 30, 2020, with no employee contribution required.

NOTE 3 – RETIREMENT PLANS (Continued)

The contribution requirements of plan members and the Property Appraiser are established and may be amended by the Florida Legislature. The Property Appraiser's contributions to FRS for the years ended September 30, 2020, 2019, and 2018 were \$271,113, \$294,328, and \$267,849 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, 2020, were \$45,362.

Defined Contribution Pension 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, 2020, totaled \$13,327.

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.

NOTE 4 – UNCERTAINTY

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

INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Bay County Property Appraiser as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 15, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 15, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

The Honorable Dan Sowell
Bay County Property Appraiser
Page Two

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Cau, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the Bay County Property Appraiser's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Bay County Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Bay County Property Appraiser's compliance based on our examination.

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

Our examination does not provide a legal determination on the Bay County Property Appraiser's compliance with specified requirements.

In our opinion, the Bay County Property Appraiser complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020.

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, LLC

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund of the Bay County Property Appraiser as of and for the year ended September 30, 2020, 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 June 15, 2021, which contains an emphasis of matter referring to a basis of presentation required for compliance with state filing requirements. However, our opinion was not modified with respect to this matter.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Carr, Riggs & Ingram, LLC

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

INDEPENDENT AUDITORS' REPORT

The Honorable Chuck Perdue
Bay County Tax Collector
Bay County, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the major fund and the aggregate remaining fund information of the Bay County Tax Collector, as of and for the fiscal year ended September 30, 2020, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Tax Collector's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, the respective changes in financial position thereof and the budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with these Rules, the accompanying financial statements are intended to present the financial position and changes in financial position only for that portion of the major fund and the aggregate remaining fund information of Bay County, Florida that is attributable to the Bay County Tax Collector. They do not purport to, and do not, present fairly the financial position of Bay County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bay County Tax Collector's special-purpose financial statements. The combining statement of changes in assets and liabilities—agency funds, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The combining statement of changes in assets and liabilities—agency funds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of changes in assets and liabilities—agency funds is fairly stated in all material respects in relation to the financial statements as a whole.

The Honorable Chuck Perdue
Bay County Tax Collector
Page Three

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2021 on our consideration of the Bay County Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, grant agreements and other matters included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bay County Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bay County Tax Collector's internal control over financial reporting and compliance.

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

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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Bay County Tax Collector
Special-Purpose Balance Sheet
Governmental Fund
September 30, 2020

	General Fund
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ASSETS	
Cash and cash equivalents	\$ 1,552,722
Accounts receivable, net	16,890
<hr/>	
Total assets	\$ 1,569,612
<hr/>	
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accrued liabilities	\$ 252,359
Due to other governments	1,317,253
<hr/>	
Total liabilities	1,569,612
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 1,569,612
<hr/>	

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

Bay County Tax Collector
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Fund
Year Ended September 30, 2020

	General Fund
REVENUES	
Commissions	
Bay County, Florida Board of County Commissioners	\$ 3,604,194
Other governmental units	250,530
Charges for services	1,951,757
Miscellaneous	103,162
Total revenues	5,909,643
EXPENDITURES	
Current	
General government	4,533,575
Capital outlay	
General government	16,094
Debt service	
Principal retirement	9,129
Interest and fiscal charges	1,111
Total expenditures	4,559,909
Excess of revenues over expenditures	1,349,734
OTHER FINANCING SOURCES (USES)	
Transfers out	
Distribution of excess commissions to the Bay County, Florida Board of County Commissioners	(1,256,084)
Distribution of excess commissions to other governmental units	(93,650)
Total other financing sources (uses)	(1,349,734)
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	\$ -

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

Bay County Tax Collector
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Commissions				
Bay County, Florida Board of County Commissioners	\$ 3,703,925	\$ 3,703,925	\$ 3,604,194	\$ (99,731)
Other governmental units	-	-	250,530	250,530
Charges for services	2,002,580	2,002,580	1,951,757	(50,823)
Miscellaneous	113,000	113,000	103,162	(9,838)
Total revenues	5,819,505	5,819,505	5,909,643	90,138
EXPENDITURES				
Current				
General government	5,356,747	5,336,747	4,533,575	803,172
Capital outlay				
General government	10,453	30,453	16,094	14,359
Debt service				
Principal retirement	-	-	9,129	(9,129)
Interest and fiscal charges	-	-	1,111	(1,111)
Total expenditures	5,367,200	5,367,200	4,559,909	807,291
Excess of revenues over expenditures	452,305	452,305	1,349,734	897,429
OTHER FINANCING SOURCES (USES)				
Transfers out				
Distribution of excess commissions to the Bay County, Florida Board of County of County Commissioners	(452,305)	(452,305)	(1,256,084)	(803,779)
Distribution of excess commissions to other governmental units	-	-	(93,650)	(93,650)
Total other financing sources (uses)	(452,305)	(452,305)	(1,349,734)	(897,429)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			<u>\$ -</u>	

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

Bay County Tax Collector
Special-Purpose Statement of Fiduciary Net Position
Agency Funds
September 30, 2020

ASSETS

Cash and cash equivalents	\$ 3,311,656
Accounts receivable, net	201
<hr/>	
Total assets	\$ 3,311,857
<hr/>	

LIABILITIES

Due to other governments	\$ 3,311,857
<hr/>	
Total liabilities	\$ 3,311,857
<hr/>	

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The Office of the Bay County Tax Collector (Tax Collector) is an integral part of Bay County, Florida (County) and is an elected Constitutional Office that is governed by state statutes and regulations. The financial statements of the Tax Collector are included in Bay County, Florida's basic financial statements. The Tax Collector operates on a fee system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Any excess funds after the end of the fiscal year are distributed to each governmental unit in the same proportion as the fees paid by that governmental unit to the total fee income.

The Tax Collector's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). These financial statements are the fund financial statements prepared in accordance with generally accepted accounting principles (GAAP). However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management's discussion and analysis, or the pension or the other postemployment benefit related required supplementary information. Also, certain notes to special-purpose financial statements may supplement rather than duplicate the notes included in the County's financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information of Bay County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Bay County, Florida, as of September 30, 2020, and the changes in its financial position, for the fiscal year then ended in accordance with GAAP.

Basis of Presentation - Fund Accounting – Accounts are organized on the basis of fund types, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures as appropriate. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the Tax Collector:

Governmental Fund Type

General Fund – The General Fund is the Tax Collector's operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Fiduciary Fund Type

Agency Funds – Agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other governments, and other funds. Agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve measurement of the results of operations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting – 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 capital leases are reported as other financing sources.

The agency funds have no measurement focus but utilize the *modified accrual basis of accounting* for reporting their assets and liabilities.

Categories and Classification of Fund Equity

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

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

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

Nonspendable – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. There is no nonspendable fund balance at September 30, 2020.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. There is no restricted fund balance at September 30, 2020.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Tax Collector’s highest level of decision-making authority. The Board is the highest level of decision-making authority for the Tax Collector that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There is no committed fund balance at September 30, 2020.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Tax Collector for specific purposes but do not meet the criteria to be classified as committed. The Board may by resolution authorize the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. There is no assigned fund balance at September 30, 2020.

Unassigned – Unassigned fund balance is the residual classification for the Tax Collector’s fund balance. There is no unassigned fund balance at September 30, 2020.

Budgets – 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.

Employee Leave Benefits – It is the Tax Collector’s policy to grant employees who leave in good standing payment for up to 240 hours of earned, unused paid time off. The paid time off policy allows for full-time employees to accumulate 6 to 10 hours per pay period, depending on the length of service.

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.

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

Accounts Receivable – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, June 15, 2021. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 will be effective for the fiscal years beginning after December 15, 2019.

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

NOTE 2 – DEPOSITS

Deposits and Investments – As of September 30, 2020, the Tax Collector's bank balances are covered by federal depository insurance. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Tax Collector pursuant to Section 280.08, Florida Statutes.

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

NOTE 3 – ACCOUNTS RECEIVABLE, NET

At September 30, 2020, accounts receivable, net is summarized as follows:

	Governmental Funds	Agency Funds
Accounts receivable	\$ 16,890	\$ 201
Less: allowance for doubtful accounts	-	-
Accounts receivable, net	\$ 16,890	\$ 201

The Tax Collector considers all amounts collectible; therefore, there is no provision for doubtful accounts at September 30, 2020.

NOTE 4 – PROPERTY TAXES

Property tax revenue is recognized when levied to the extent that it results in current receivables. The Bay County property tax calendar is as follows:

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

NOTE 5 – RETIREMENT PLANS

Defined Benefit Pension Plan

Plan Description – 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 Policy – 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, 2019 through June 30, 2020, were 8.47%, 25.41%, and 48.82% for regular employees, senior management, and elected county officials, respectively. Rates effective for July 1, 2020 through September 30, 2020, were 10.00%, 27.29%, and 49.18% 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

NOTE 5 – RETIREMENT PLANS (Continued)

in the Deferred Retirement Option Program (DROP) was 14.60% for October 1, 2019 through June 30, 2020 and 16.98% for July 1, 2020 through September 30, 2020, 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, 2020, 2019, and 2018 were \$220,017, \$246,503, and \$235,350 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, 2020, were \$50,428.

Defined Contribution Pension 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, 2020, totaled \$158,170.

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.

NOTE 6 – UNCERTAINTY

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

AGENCY FUNDS

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Bay County Tax Collector
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
PROPERTY TAX FUND				
ASSETS				
Cash and cash equivalents	\$ 2,430,529	\$ 230,176,763	\$ 230,152,162	\$ 2,455,130
Total assets	\$ 2,430,529	\$ 230,176,763	\$ 230,152,162	\$ 2,455,130
LIABILITIES				
Due to other governments	\$ 2,430,529	\$ 230,176,763	\$ 230,152,162	\$ 2,455,130
Total liabilities	\$ 2,430,529	\$ 230,176,763	\$ 230,152,162	\$ 2,455,130
TAG FUND				
ASSETS				
Cash and cash equivalents	\$ 570,588	\$ 23,888,092	\$ 23,602,154	\$ 856,526
Accounts receivable, net	60	201	60	201
Total assets	\$ 570,648	\$ 23,888,293	\$ 23,602,214	\$ 856,727
LIABILITIES				
Due to other governments	\$ 570,648	\$ 23,888,293	\$ 23,602,214	\$ 856,727
Total liabilities	\$ 570,648	\$ 23,888,293	\$ 23,602,214	\$ 856,727
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 3,001,117	\$ 254,064,855	\$ 253,754,316	\$ 3,311,656
Accounts receivable, net	60	201	60	201
Total assets	\$ 3,001,177	\$ 254,065,056	\$ 253,754,376	\$ 3,311,857
LIABILITIES				
Due to other governments	\$ 3,001,177	\$ 254,065,056	\$ 253,754,376	\$ 3,311,857
Total liabilities	\$ 3,001,177	\$ 254,065,056	\$ 253,754,376	\$ 3,311,857

See independent auditors' report

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Chuck Perdue
Bay County Tax Collector
Bay County, Florida

Report on the Financial Statements

We have audited the financial statements of the Bay County Tax Collector as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 15, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 15, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

The Honorable Chuck Perdue
Bay County Tax Collector
Page Two

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Cam, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Chuck Perdue
Bay County Tax Collector
Bay County, Florida

We have examined the Bay County Tax Collector's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Bay County Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Bay County Tax Collector's compliance based on our examination.

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

Our examination does not provide a legal determination on the Bay County Tax Collector's compliance with specified requirements.

In our opinion, the Bay County Tax Collector complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020.

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.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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

The Honorable Chuck Perdue
Bay County Tax Collector
Bay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and aggregate remaining fund information of the Bay County Tax Collector as of and for the year ended September 30, 2020, 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 June 15, 2021, which contains an emphasis of matter referring to a basis of presentation required for compliance with state filing requirements. However, our opinions were not modified with respect to this matter.

Internal Control over Financial Reporting

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

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

The Honorable Chuck Perdue
Bay County Tax Collector
Page Two

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bay County 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.

Carri Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

INDEPENDENT AUDITORS' REPORT

The Honorable Tommy Ford
Bay County Sheriff
Bay County, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of each major fund and the aggregate remaining fund information of the Bay County Sheriff, as of and for the fiscal year ended September 30, 2020, and the related notes to special-purpose financial statements, which collectively comprise the Bay County Sheriff's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information for the Bay County Sheriff as of September 30, 2020, the respective changes in financial position thereof and the budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with these Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of the major funds and the aggregate remaining fund information, of Bay County, Florida that is attributable to the Bay County Sheriff. They do not purport to, and do not, present fairly the financial position of Bay County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bay County Sheriff's special-purpose financial statements. The combining balance sheet-nonmajor governmental funds; combining statement of revenues, expenditures and changes in fund balance-nonmajor governmental funds; and combining statement of changes in assets and liabilities-agency funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining balance sheet-nonmajor governmental funds; combining statement of revenues, expenditures and changes in fund balance-nonmajor governmental funds; and combining statement of changes in assets and liabilities-agency funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet-nonmajor governmental funds; combining statement of revenues, expenditures and changes in

The Honorable Tommy Ford
Bay County Sheriff
Page Three

fund balance—nonmajor governmental funds; and combining statement of changes in assets and liabilities—agency funds are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2021, on our consideration of the Bay County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, grant agreements and other matters included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bay County Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bay County Sheriff's internal control over financial reporting and compliance.

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

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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Bay County Sheriff
Special-Purpose Balance Sheet
Governmental Funds
September 30, 2020

	General Fund	Inmate Welfare	Crime Prevention	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 787,100	\$ 879,815	\$ 161,466	\$ 263,948	\$ 2,092,329
Accounts receivable, net	502,814	139,600	-	-	642,414
Total assets	\$ 1,289,914	\$ 1,019,415	\$ 161,466	\$ 263,948	\$ 2,734,743
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable and accrued liabilities	\$ 379,315	\$ 13,472	\$ -	\$ -	\$ 392,787
Due to other governments	589,413	-	-	-	589,413
Unearned revenue	321,186	-	-	-	321,186
Total liabilities	1,289,914	13,472	-	-	1,303,386
Fund balance					
Restricted	-	1,005,943	161,466	263,948	1,431,357
Total liabilities and fund balance	\$ 1,289,914	\$ 1,019,415	\$ 161,466	\$ 263,948	\$ 2,734,743

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

Bay County Sheriff
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Funds
Year Ended September 30, 2020

	General Fund	Inmate Welfare	Crime Prevention	Other Governmental Funds	Total Governmental Funds
REVENUES					
Intergovernmental revenue	\$ 7,102,863	\$ -	\$ -	\$ 241,350	\$ 7,344,213
Interest income	9,203	-	411	3	9,617
Charges for services	-	1,231,002	-	-	1,231,002
Miscellaneous	19,246	-	-	-	19,246
Total revenues	7,131,312	1,231,002	411	241,353	8,604,078
EXPENDITURES					
Current					
Public safety	46,844,531	786,362	38,141	165,651	47,834,685
Capital outlay					
Public safety	3,747,999	-	-	48,000	3,795,999
Debt service					
Principal retirement	832,438	-	-	-	832,438
Interest and fiscal charges	37,277	-	-	-	37,277
Total expenditures	51,462,245	786,362	38,141	213,651	52,500,399
Excess (deficit) of revenues over (under) expenditures	(44,330,933)	444,640	(37,730)	27,702	(43,896,321)
OTHER FINANCING SOURCES (USES)					
Budget appropriations from					
Board of County Commissioners	43,702,848	-	-	-	43,702,848
Debt issuance	1,173,315	-	-	-	1,173,315
Proceeds from the sales of surplus assets	44,183	-	-	46,813	90,996
Transfer out/return of excess fees	(589,413)	-	-	-	(589,413)
Total other financing sources (uses)	44,330,933	-	-	46,813	44,377,746
Net change in fund balance	-	444,640	(37,730)	74,515	481,425
Fund balance - beginning	-	561,303	199,196	189,433	949,932
Fund balance - ending	\$ -	\$ 1,005,943	\$ 161,466	\$ 263,948	\$ 1,431,357

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

Bay County Sheriff
Special-Purpose Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenue	\$ 3,193,951	\$ 4,317,921	\$ 7,102,863	\$ 2,784,942
Interest income	-	-	9,203	9,203
Miscellaneous	-	-	19,246	19,246
Total revenues	3,193,951	4,317,921	7,131,312	2,813,391
EXPENDITURES				
Current				
Public safety	41,749,501	42,946,283	46,844,531	(3,898,248)
Capital outlay				
Public safety	2,615,400	2,615,400	3,747,999	(1,132,599)
Debt service				
Principal retirement	832,438	832,438	832,438	-
Interest and fiscal charges	37,277	37,277	37,277	-
Total expenditures	45,234,616	46,431,398	51,462,245	(5,030,847)
Excess (deficit) of revenues over (under) expenditures	(42,040,665)	(42,113,477)	(44,330,933)	(2,217,456)
OTHER FINANCING SOURCES (USES)				
Budget appropriations from Board of County Commissioners	42,040,665	42,113,477	43,702,848	1,589,371
Debt issuance	-	-	1,173,315	1,173,315
Proceeds from the sales of surplus assets	-	-	44,183	44,183
Transfer out/return of excess fees	-	-	(589,413)	(589,413)
Total other financing sources (uses)	42,040,665	42,113,477	44,330,933	2,217,456
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			\$ -	

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

Bay County Sheriff
Special-Purpose Statement of Fiduciary Net Position
Agency Funds
September 30, 2020

ASSETS

Cash and cash equivalents	\$ 495,533
<hr/>	
Total assets	\$ 495,533
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LIABILITIES

Accounts payable	\$ 47,329
Due to other governments	64,021
Due to others	384,183
<hr/>	
Total liabilities	\$ 495,533
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The accompanying notes are an integral part of these special-purpose financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The Office of the Bay County 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 fairly the financial position of Bay County, Florida, as of September 30, 2020, and the changes in its financial position, for the fiscal year then ended in accordance GAAP.

Basis of Presentation - Fund Accounting – Accounts are organized on the basis of fund types, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures as appropriate. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the Sheriff:

Governmental Fund Types

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

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

Fiduciary Fund Type

Agency Funds – Agency funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, other governments, and other funds. Agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve the measurement of results of operations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting – 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 capital leases are reported as other financing sources.

The agency funds have no measurement focus but utilize the *modified accrual basis of accounting* for reporting their assets and liabilities.

Categories and Classification of Fund Equity

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity

Nonspendable – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. There is no nonspendable fund balance at September 30, 2020.

Restricted – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provision or enabling legislation. The restricted funds balance at September 30, 2020, is \$1,431,357, all restricted by enabling legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Sheriff's highest level of decision-making authority. The Board is the highest level of decision-making authority for the Sheriff that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There is no committed fund balance at September 30, 2020.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Sheriff for specific purposes but do not meet the criteria to be classified as committed. The Board may by resolution authorize the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. There is no assigned fund balance at September 30, 2020.

Unassigned – Unassigned fund balance is the residual classification for the Sheriff's fund balances. There is no unassigned fund balance at September 30, 2020.

Budgets – The preparation, adoption, and amendment of the Sheriff's budget is governed by Chapters 30 and 129, Florida Statutes. The Sheriff does not budget for proceeds from capital leases, otherwise the Sheriff's General Fund budget is prepared and adopted on a basis of accounting consistent with GAAP. Budgetary data presented in the accompanying special-purpose financial statements in the final budgeted amounts column represent the final budgetary data. In this column the effects of budget amendments have been applied to original budgetary data. Any excess expenditures over budgeted amounts are a result of unbudgeted revenues with offsetting related unbudgeted expenses or reimbursements. All budget appropriations lapse at the end of the fiscal year. The Sheriff is not legally required to prepare a budget for any funds other than the general fund; therefore comparative budget and actual results are not presented for these other funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Leave Benefits – It is the Sheriff's policy to provide vacation and sick leave. A limited amount of accumulated sick leave is paid upon termination of employment with the Sheriff to those employees that are retiring after at least six years of employment or have been employed a minimum of ten years and meet certain criteria. Employees may accrue compensatory time for overtime worked up to a maximum of 120 hours. Upon termination or retirement, unused compensatory time is paid at the employees' regular rate.

Employees are permitted to accumulate a limited amount of earned but unused vacation benefits which will be paid to employees upon termination or retirement.

Capital Assets – Capital 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.

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

Accounts Receivable – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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, June 15, 2021. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 will be effective for the fiscal years beginning after December 15, 2019.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 – DEPOSITS

Deposits and Investments – As of September 30, 2020, the Sheriff'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 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.

NOTE 3 – ACCOUNTS RECEIVABLE, NET

At September 30, 2020, accounts receivable, net is summarized as follows:

	General Fund	Inmate Welfare Fund	Total
Total accounts receivable	\$ 502,814	\$ 139,600	\$ 642,414
Less: allowance for doubtful accounts	-	-	-
Accounts receivable, net	\$ 502,814	\$ 139,600	\$ 642,414

The Sheriff considers all amounts collectible; therefore there is no provision for doubtful accounts at September 30, 2020.

NOTE 4 – RETIREMENT PLANS

Defined Benefit Pension Plan

Plan Description – 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 Policy – FRS is funded through employee and employer contributions. The Sheriff is required to contribute at an actuarially determined rate. Rates effective for October 1, 2019 through June 30, 2020, were 8.47%, 25.41%, 25.48%, and 48.82% for regular employees, senior management, special risk, and elected county officials, respectively. Rates effective for July 1, 2020 through September 30, 2020, were 10.00%, 27.29%, 24.45%, and 49.18% for regular employees, senior management, special risk, 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 14.60% for October 1, 2019 through June 30, 2020, and 16.98% for July 1, 2020 through September 30, 2020, 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, 2020, 2019, and 2018 were \$4,098,346, \$4,040,553, and \$3,564,811, 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, 2020, were \$560,546.

Defined Contribution Pension 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, 2020, totaled \$797,361.

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.

NOTE 5 – GENERAL FUND EXPENDITURES

For the year ended September 30, 2019, the expenditures of the General Fund exceeded the final budgeted amount by \$5,030,847. This was partially the result of a debt issuance that was used for the purchase of capital assets that increased capital outlay by a similar amount; and an increase of unbudgeted revenues with offsetting related unbudgeted expenditures or reimbursements.

NOTE 6 – UNCERTAINTY

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

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NONMAJOR GOVERNMENTAL FUNDS

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Bay County Sheriff
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Contribution	Special Law Enforcement	Federal Seizure Account	Seizure Trust	Law Enforcement Training	Total
ASSETS						
Cash and cash equivalents	\$ 11,149	\$ 49,862	\$ 5,216	\$ 111,236	\$ 86,485	\$ 263,948
Total assets	\$ 11,149	\$ 49,862	\$ 5,216	\$ 111,236	\$ 86,485	\$ 263,948
LIABILITIES AND FUND BALANCE						
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance						
Restricted	11,149	49,862	5,216	111,236	86,485	263,948
Total liabilities and fund balance	\$ 11,149	\$ 49,862	\$ 5,216	\$ 111,236	\$ 86,485	\$ 263,948

Bay County Sheriff
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2020

	Special Contribution	Special Law Enforcement	Federal Seizure Account	Seizure Trust	Law Enforcement Training	Total
REVENUES						
Intergovernmental revenue	\$ 2,082	\$ 22,394	\$ 10,687	\$ 113,220	\$ 92,967	\$ 241,350
Interest income	-	-	3	-	-	3
Total revenues	2,082	22,394	10,690	113,220	92,967	241,353
EXPENDITURES						
Current						
Public safety	2,955	19,353	6,200	83,086	54,057	165,651
Capital outlay						
Public safety	-	48,000	-	-	-	48,000
Total expenditures	2,955	67,353	6,200	83,086	54,057	213,651
Excess (deficit) of revenues over (under) expenditures	(873)	(44,959)	4,490	30,134	38,910	27,702
OTHER FINANCING SOURCES						
Proceeds from the sales of surplus assets	-	46,813	-	-	-	46,813
Total other financing sources	-	46,813	-	-	-	46,813
Net change in fund balance	(873)	1,854	4,490	30,134	38,910	74,515
Fund balance - beginning	12,022	48,008	726	81,102	47,575	189,433
Fund balance - ending	\$ 11,149	\$ 49,862	\$ 5,216	\$ 111,236	\$ 86,485	\$ 263,948

AGENCY FUNDS

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Bay County Sheriff
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
OTHER SUSPENSE				
ASSETS				
Cash and cash equivalents	\$ 14,039	\$ 77,512	\$ 81,771	\$ 9,780
Total assets	\$ 14,039	\$ 77,512	\$ 81,771	\$ 9,780
LIABILITIES				
Due to other governments	\$ 14,039	\$ 77,512	\$ 81,771	\$ 9,780
Total liabilities	\$ 14,039	\$ 77,512	\$ 81,771	\$ 9,780
INDIVIDUAL DEPOSITORS				
ASSETS				
Cash and cash equivalents	\$ 63,714	\$ 31,212	\$ 47,597	\$ 47,329
Total assets	\$ 63,714	\$ 31,212	\$ 47,597	\$ 47,329
LIABILITIES				
Accounts payable	\$ 63,714	\$ 31,212	\$ 47,597	\$ 47,329
Total liabilities	\$ 63,714	\$ 31,212	\$ 47,597	\$ 47,329
FORFEITURE				
ASSETS				
Cash and cash equivalents	\$ 178,811	\$ 239,554	\$ 191,656	\$ 226,709
Total assets	\$ 178,811	\$ 239,554	\$ 191,656	\$ 226,709
LIABILITIES				
Due to others	\$ 178,811	\$ 239,554	\$ 191,656	\$ 226,709
Total liabilities	\$ 178,811	\$ 239,554	\$ 191,656	\$ 226,709
SHERIFF'S FEES				
ASSETS				
Cash and cash equivalents	\$ 51,610	\$ 154,283	\$ 151,652	\$ 54,241
Total assets	\$ 51,610	\$ 154,283	\$ 151,652	\$ 54,241
LIABILITIES				
Due to other governments	\$ 51,610	\$ 154,283	\$ 151,652	\$ 54,241
Total liabilities	\$ 51,610	\$ 154,283	\$ 151,652	\$ 54,241
SEARCH & RESCUE				
ASSETS				
Cash and cash equivalents	\$ 11,741	\$ 19,024	\$ 10,386	\$ 20,379
Total assets	\$ 11,741	\$ 19,024	\$ 10,386	\$ 20,379
LIABILITIES				
Due to others	\$ 11,741	\$ 19,024	\$ 10,386	\$ 20,379
Total liabilities	\$ 11,741	\$ 19,024	\$ 10,386	\$ 20,379

(Continued)

Bay County Sheriff
Combining Statement of Changes in Assets and Liabilities
Agency Funds (Continued)
Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
CRIME SCENE				
ASSETS				
Cash and cash equivalents	\$ -	\$ 162,607	\$ 25,512	\$ 137,095
Total assets	\$ -	\$ 162,607	\$ 25,512	\$ 137,095
LIABILITIES				
Due to others	\$ -	\$ 162,607	\$ 25,512	\$ 137,095
Total liabilities	\$ -	\$ 162,607	\$ 25,512	\$ 137,095
TOTAL - AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 319,915	\$ 684,192	\$ 508,574	\$ 495,533
Total assets	\$ 319,915	\$ 684,192	\$ 508,574	\$ 495,533
LIABILITIES				
Accounts payable	\$ 63,714	\$ 31,212	\$ 47,597	\$ 47,329
Due to other governments	65,649	231,795	233,423	64,021
Due to others	190,552	421,185	227,554	384,183
Total liabilities	\$ 319,915	\$ 684,192	\$ 508,574	\$ 495,533

See independent auditors' report

INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Tommy Ford
Bay County Sheriff
Bay County, Florida

Report on the Financial Statements

We have audited the financial statements of the Bay County Sheriff as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 15, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 15, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

The Honorable Tommy Ford
Bay County Sheriff
Page Two

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Cau, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Tommy Ford
Bay County Sheriff
Bay County, Florida

We have examined the Bay County Sheriff's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Bay County Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Bay County Sheriff's compliance based on our examination.

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

Our examination does not provide a legal determination on the Bay County Sheriff's compliance with specified requirements.

In our opinion, the Bay County Sheriff complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020.

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.

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

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

The Honorable Tommy Ford
Bay County Sheriff
Bay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Bay County Sheriff as of and for the year ended September 30, 2020, 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 June 15, 2021, which contains an emphasis of matter referring to a basis of presentation required for compliance with state filing requirements. However, our opinions were not modified with respect to this matter.

Internal Control over Financial Reporting

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

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

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

The Honorable Tommy Ford
Bay County Sheriff
Page Two

Compliance and Other Matters

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

Purpose of this Report

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

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

Certified Public Accountants
Panama City Beach, Florida
June 15, 2021

