

**Triumph Gulf Coast, Inc.
Application for Funds
September 2022**

Bay District Schools - J.R. Arnold High School



TRIUMPHTraining
CENTER

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Applicant Information:

Name of Entity/Organization: Bay District Schools - J.R. Arnold High School

Background of Applicant Individual/Entity/Organization:

Bay District Schools, governed by an elected five-member board, is responsible for setting school policies which are designed with the goal of delivering the best possible education to each student. Led by Superintendent William V. Husfelt, III, the district comprises 49 schools: 3 high schools, 4 middle schools, 18 elementary schools, 5 multi-grade level schools (K-8, K-12, 6-12), 3 special purpose schools, 1 adult technical college, 9 charter schools and 1 virtual school. The entire school system has a total membership of more than 26,000 students from Pre-K to adult and a high school graduation rate over 90% which is above the state average. J.R. Arnold High School (Arnold) opened in 2000 and serves 1602 students primarily from the Panama City Beach area. Through school choice, any Bay District Schools' high school student could opt to attend Arnold High School which would allow access county-wide to the proposed CTE programs.

Federal Employer Identification Number: 59-600051

Contact Information: Elizabeth Patterson
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Primary Contact: William V. Husfelt, III
Title: Superintendent of Bay District Schools
Mailing Address: 1311 Balboa Avenue, Panama City, FL 32401
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Website: <http://www.bay.k12.fl.us/>

Identify any co-applicants, partners, or other entities or organizations that will have a role in the proposed project or program and such partners' proposed roles.

- There are no co-applicants.

Total amount of funding requested from Triumph Gulf Coast: \$7,600,000.00

Has the applicant in the past requested or applied for funds for all or part of the proposed project/program? No

Describe the financial status of the applicant and any co-applicants or partners:

Bay District Schools is in good financial status as indicated in the most recent audit from June 30, 2021.

In a separate attachment, please provide financial statements or information that details the financial status of the applicant and any co-applicants or partners.

See Appendix B Bay District Schools Audit

Has the applicant or any co-applicants, partners or any associated or affiliated entities or individuals filed for bankruptcy in the last ten (10) years? No

Eligibility:

Eligibility Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. See, Section 288.08012.

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):

- ☐ Ad valorem tax rate reduction within disproportionately affected counties;
- ☐ Local match requirements of s.288.0655 for projects in the disproportionately affected counties;
- ☐ Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- ☐ Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- ✓ Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements;

strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;

- ✓ Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- ❑ Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

2. Provide the title and a detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

Project Title: J.R. Arnold High School TRIUMPH Training Center

Funding Request: \$7,600,000.00

Matching Funds: \$5,724,800.00 (Bay District Schools)

Program Location: Bay County, Florida

J.R. Arnold High School, 550 Alf Coleman Rd, Panama City Beach, FL 32407

Description:

J.R. Arnold High School (Arnold) provides access to high-paying, high-demand career opportunities for its students through eight career technical education (CTE) programs in various fields. Student interest, regional employer demand, and facilities drive program offerings. These factors have led to the formation of preliminary health science courses and the introduction to construction programs. However, in order to fully develop these career pathways to meet the needs of students and industry partners seeking employees, Bay District Schools is proposing the construction of an 11,500

square foot CTE building and exterior ancillary space that would house eight programs (two expanded programs plus six new ones) in the construction and health science fields. Approximately, 450 or more students could be served annually with these new programs.

Arnold's current CTE facilities are inadequate in terms of space, design, and functionality to provide access to these critical-need offerings. The current introductory level construction program is limited with minimal capacity to offer building trades and construction design because there is only enough space to provide basic classroom instruction with associated projects. Additionally, a new health sciences program will open in 2022-2023 in a standard classroom with no equipment. In career fields where hands-on learning is the only way to adequately teach required skills, labs designed with specific equipment and space are a necessity. The proposed new CTE facility would house four health science and four construction programs:

- Air Conditioning, Refrigeration and Heating Technology
- Allied Health Assisting
- Exercise Science
- Building Trades & Construction Design Technology
- Dental Aide
- Electricity
- Pharmacy Technician
- Plumbing

These critical-need employment areas align with current programs at Tom P. Haney Technical College and Gulf Coast State College. Articulation agreements with the programs at these two post-secondary institutes would give Arnold students the opportunity to receive prior credit for their high school training and industry certifications, graduate in a shorter time, and transition quickly into the workforce. Programs offer multiple credits, so students have the opportunity to progress from beginner to certified graduate. Hands-on training and industry certifications earned during high school provide the competency needed to enter the workforce immediately if students choose not to complete the programs for advanced training in college. The requested funding would provide a dedicated, newly-constructed facility, technology, equipment, and furniture which leads to greatly expanded employment opportunities at high salaries as well as a greater pool of qualified employees in our region.

It is very important to note that these salary figures are from 2020 and 2021 and may not reflect the minimum wage increase and other recent salary increases. Wages are rising quickly and substantially in these high-demand, high-skilled career clusters, and we are confident that these salaries will continue to increase rapidly while demand for trained employees in these fields will also grow exponentially.

Workforce Development Data - Bay, Franklin, and Gulf Counties (2021-2029)

Program	Regional Industry Demand
Air Conditioning, Refrigeration and Heating Technology	#20 Occupations Gaining the Most New Jobs - HVACR Mechanics & Installers 17% Growth - HVACR Mechanics & Installers \$22.03 - 2021 Median Hourly Wage - HVACR Mechanics & Installers
Allied Health Assisting	#6 Fastest Growing Industries - Nursing and Residential Care Facilities #8 Industries Gaining the Most New Jobs / Hospitals 22% Job Growth / \$16.93 2021 Median Hourly Wage - Medical Assistant 17.7% Job Growth / \$14.17 2021 Mean Hourly Wage - Nursing Assistant
Exercise Science	#5 Fastest-Growing Occupations - Physical Therapist Assistants 37% Job Growth (2021-2029) / \$30.49 - 2020 Median Hourly Wage
Building Trades & Construction Design Technology	#5 Occupations Gaining the Most New Jobs /Construction Laborers \$20.12 - 2021 Mean Hourly Wage / Carpenters
Dental Aide	\$35.89 - 2021 Median Hourly Wage / 7% Job Growth - Dental Hygienist \$17.55 - 2021 Median Hourly Wage / 13% Growth - Dental Assistant
Electricity	#12 Occupations Gaining the Most Jobs - Electricians / 15% Growth - Electrician Helpers / \$21.54 2020 Median Hourly Wage
Pharmacy Technician	12% Job Growth / \$17.09 - 2021 Median Hourly Wage
Plumbing	17% Job Growth - Plumbers / 18% Job Growth - Plumbers Helpers \$19.58 - 2020 Median Hourly Wage

*Chart includes 2020/2021 salary ranges for students earning secondary program completion and industry certifications and programs that are directly related with post-secondary training and certification

Proposed Timeline: (After funding is awarded)

Timeline	Activity
1-6 months	Design building/ Plan infrastructure
6-12 months	Place bids/ Hire contractor
12-24 months	Construction/Purchasing/Set-Up/Hiring of Staff/ Curriculum Development
24-36 months	Begin classes in new Center
36 months on	Students complete courses, earn industry credentials, gain employment

3. Explain how the proposed project or program is considered transformational and how it will affect the disproportionately affected counties in the next ten (10) years.

The 8 CTE programs were selected for their strong regional demand and high salaries. Career opportunities for program completers are immediate and strong and would be available free of charge to high school students who could go straight to work in the industry after graduation or choose to enroll in additional post-secondary training. Workforce data gathered from CareerSource Gulf Coast for Bay, Franklin, and Gulf Counties (see chart above) shows the critical need for skilled employees in these career fields and also reflects the strong salary ranges associated with these occupations. Projected industry growth proves that these jobs will be transformational for the community in providing essential skilled workers as well as for the employee who earns a strong wage.

A full medical facility with doctors' offices, urgent care, and a 100-room hospital is being built on Panama City Beach. With an anticipated completion date of 2023, hundreds of health care workers in these career fields will be needed for staffing. The proximity will allow for strong industry partnerships among the medical facility and the schools. The Executive Director of CareerSource Gulf Coast stated, "They can't get enough of these individuals, that's anything from a registered nurse to a nurse practitioner or physician's assistant. LPN's, respiratory therapy, occupational therapy technician, physical therapy, technician's assistant, " Kim Bodine said. "So really, almost anything around the healthcare industry is hiring and, or course, paying very well." Neely, Samantha. "Bay County's Job Market on Fire Despite Hurricane Michael, COVID, Paper Mill Closure." The News Herald. 15 June 2022.

The construction market is also booming and will continue to expand with planned developments such as the 3500 home Latitude Margaritaville Watersound and many others. "According to the 2020 Census, housing units in Bay County increased by more than 3,000, or more than 3%, from 2010 to 2020, jumping from 99,650 to 102,971....The gains were maintained despite Category 5 Hurricane Michael blasting the county in October 2018, damaging or destroying thousands of homes in the process. Among the local cities that experienced huge growth during the past few years was Panama City Beach, where 595 single-family homes and more than 760 apartment units were built between January 2016 and December 2019, information provided by the city states. These developments have a combined valuation of almost \$274 million." Cobb, Nathan. "Bay County Housing Market Boomed Over Last Decade." The News Herald. 7 Oct. 2021.

4. Describe data or information available to demonstrate the viability of the proposed project or program.

Arnold High School has a solid history of CTE success. In 2021-2022, 1112 students or 75% of Arnold's total student population enrolled in a career technical education (CTE) class. Arnold currently offers eight career pathways which provide specific vocational skills instruction and industry certification testing at the completion of the program. The school was recognized by the Advanced Placement (AP) Board for excellence in promoting gender equity with strong representation and achievement of females in a traditionally male-dominated field. This mindset of providing tools for success will create first-rate opportunities for all students presented opportunities in the health and construction fields through the proposed TRIUMPH Training Center.

J.R. Arnold High School CTE Success Stories (2016-2022)

52 Florida Bright Futures Gold Seal Vocational Scholars	AP Computer Science Female Diversity Award 2021
Averages 200 CAPE Industry Certifications Annually	200 Students Enrolled in Cooperative Education On the Job Training (Co-Op) 2021

5. Describe how the impacts to the disproportionately affected counties will be measured long term.

Deliverables will be measured based on

- the number of students who complete specified CTE courses at J.R. Arnold High School
- the number of students who articulate into related programs at Tom P. Haney Technical College or Gulf Coast State College
- the number of related industry credentials earned at J.R. Arnold High School
- U.S. Census Bureau median household income

Florida Department of Education CAPES Industry Certifications (2021-2022 Funding List)

Certified Clinical Medical Assistant	Construction (Secondary)
Certified Medical Administrative Assistant	NCCER Electrical Levels 1-4
Certified Personal Trainer	NCCER HVAC Levels 1-4
Certified Pharmacy Technician (PHhT/)	NCCER Plumbing Levels 1-4

6. Describe how the proposed project or program is sustainable. (Note: Sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)

Triumph grant funds would contribute to costs to design and construct the CTE facility, and purchase equipment, technology and furniture. After the initial investment, the programs could become self-sustaining through funds from Full-Time Equivalent (FTE) money based on student enrollment numbers that generate an allocation for state funding per student. Additional funding would be earned through CAPE Industry Certification funding. Each of the industry certifications (see chart listed above) associated with these programs is on the Florida CAPE Industry Certification funding list which pays by FTE and FEFP (amount changes annually). Work-based learning activities that bring in money from clients served by the program such as building a “tiny house” through collaboration among the construction academies would also be a viable funding source.

7. Describe how the deliverables for the proposed project or program will be measured.

Deliverables and Measurements

Deliverables	Measurements
Build a new CTE facility for eight health science and construction programs	Completed construction of building
Purchase equipment, supplies and technology	Photos of finished spaces and copies of invoices/receipts
Program instruction	Student enrollment and completion numbers
Industry certifications	Track industry certifications earned
Ongoing enrollment, course completion, and industry certifications	Repeat above steps

Priorities:

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):

- ☐ Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long term economic growth potential of the disproportionately affected counties may be enhanced by the investment.

- ✓ Increase household income in the disproportionately affected counties above national average household income.
- ✓ Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
- ❑ Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- ❑ Benefit the environment, in addition to the economy.
- ❑ Provide outcome measures.
- ✓ Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- ✓ Are recommended by the board of county commissioners of the county in which the project or program will be located.
- ✓ Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

2. Please explain how the proposed project meets the priorities identified above.

- The J.R. Arnold High School Triumph Training Center will prepare students for future careers in the health sciences and construction fields. These programs prepare students to immediately enter a competitive workforce with specific skill sets and knowledge and encourage industry certifications. Program participants in the disproportionately affected counties will gain transferable, sustainable workforce skills with wages above the national average household income. The skill sets and industry credentials are nationally and internationally recognized and portable for jobs around the country.
 - “Employment in healthcare occupations is projected to grow 16 percent from 2020 to 2030, much faster than the average for all occupations, adding about 2.6 million new jobs. Healthcare occupations are projected to add more jobs than any of the other occupational groups.” U.S. Bureau of Labor Statistics
 - Construction and Healthcare Jobs / St. Joe Company: “The land development company has spent or allocated more than \$556 million on developments (since 2018). The majority of that staggering total accounts for 31 projects in Bay County, including 19 completed developments, 11 others under construction and one major development (hospital) planned for Panama City Beach....Since the hurricane, St. Joe has built more than 600 new homes in Bay County, more than 400 apartment units and three hotels that boast about 380 rooms combined. The company also is constructing 2,300 more homes, about 450 additional apartment units and two additional hotels that will have another 380 rooms combined. And this

does not include Latitude Margaritaville Watersound, a resort-style community for those at least 55 years old, being built in Bay County north of Panama City Beach. Plans for the first phase call for 3,500 homes.” Cobb, Nathan. “A 'Godsend': St. Joe Co. Spearheading Bay's Rebirth. 31st Project Will be a Game-Changer.” The News Herald. 23 May 2022.

- Median national weekly earnings were \$1,037 in the first quarter of 2022 (not seasonally adjusted), according to the U.S. Bureau of Labor Statistics reported on April 15, 2022 which equals \$25.92 hourly for 40 hours. See wages for the relevant career fields below.

These salary figures are from 2020/2021 and do not include the minimum wage increase and other recent salary increases.

Workforce Development Data - Bay, Franklin, and Gulf Counties (2021-2029)

Program	Median Hourly Wage (no overtime, sales, or benefits)	Median Annual Wages	Statewide Median Wages
Air Conditioning, Refrigeration and Heating Technology	\$22.03	\$45,823	\$46,940
Allied Health Assisting	\$16.93 - Medical Assistant \$14.17 Nursing Assistant	\$35,214 \$29,473	\$36,700 (Medical Assistant) \$24,960 (Home Health)
Exercise Science	\$30.49 / PT Assistant	\$63,419 (PT Assistant)	\$29,070 (PT Aide) \$62,270 (PT Assistant)
Building Trades & Construction Design Technology	\$20.12 / Carpenter	\$41,850	\$45,750
Dental Aide	\$17.55 / Dental Assistant \$35.89 / Dental Hygienist	\$36,504 (Assistant) \$74,651 (Hygienist)	\$37,790 (Assistant) \$77,830 (Hygienist)
Electricity	\$21.54 / Electrician Helpers	\$44,803	\$47,750
Pharmacy Technician	\$17.09	\$35,547	\$36,370 (Aide) \$36,550 (Technician)
Plumbing	\$19.58	\$50,960 (Plumber) \$40,726 (Helper)	\$47,710

- The projected salaries for an individual shown above will enable residents in the disproportionately affected counties to increase their median household income above the national average. Compare individual salaries (above) with median household income (below) in the impacted counties. Note that these salaries reflect 2020/2021 income and not increased 2022 ranges.

U.S. Census Bureau 2020 Median Household Income Levels

National Income	Bay County	Franklin County	Gulf County
\$64,994	\$56,483	\$48,814	\$50,640

- Expansions to programs at J.R. Arnold High School qualify as enhancements to key regional assets, including educational institutions.
- J.R. Arnold High School is a K-20 educational institution located within the disproportionately affected counties as of January 1, 2017.
- This project is recommended by the Bay County Board of Commissioners.
- This project is recommended by the Bay County Chamber of Commerce and the Bay Economic Development Alliance.

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

- This project is transformational for Northwest Florida because it provides a skilled workforce in essential occupations and provides high-paying wages for no cost to the high school student immediately upon graduation.
- This project could be consummated quickly and efficiently since it is the expansion of needed programs at a school with a proven track record of CTE program completion and industry certifications. The foundation for success is in place and ready for implementation as soon as the building is constructed.
- The Training Center would promote net-new jobs in the private sector with an income above the regional average. CareerSource Gulf Coast lists median salary ranges related to the eight program areas from \$29,473 to \$74,651 as secondary program completers or after advanced post-secondary training. This Training Center will enable residents in the disproportionately affected counties of Bay, Franklin, and Gulf Counties to increase their household income above their current regional average household income of \$48,814 to \$56,483 (U.S. Census Bureau 2020).
- The targeted regional industries in the Northwest Florida FORWARD Strategic Plan must be supported with construction technology and adequate health care services in order to build the business and support the employees.

- Employees in all related career fields are critically needed in Bay, Franklin, and Gulf Counties, but all of the job training and industry certifications are portable regionally and nationally.
- The J.R. Arnold Triumph Training Center will have articulation agreements with local post-secondary institutions, Tom P. Haney Technical College and Gulf Coast State College. This will lead to expanded training opportunities for the high school students as well as increased enrollment for the colleges.
- The long-term success of CTE programs at J.R. Arnold High school demonstrates sustainability and leverages funding from other government agencies including Bay District Schools and the Florida Department of Education. Seven of the eight CTE programs in the proposed list offer related industry certifications that are on the Florida Career and Professional Education (CAPES) funding list. In order to receive this designation, CAPES industry certifications must: support local and regional economic development; respond to Florida's critical workforce needs; and provide state residents with access to high-wage and high-demand careers.
- Clear performance metrics including enrollment, course completion, and industry certifications over the duration of the project ensure accountability.
- A deliverables-based payment system based on the number of Florida Department of Education CAPES Industry Certifications earned is a motivating factor for achievement of goals.
- Industry partners who are employers in Northwest Florida will be consulted in curriculum, equipment, and training decisions in order to prepare the future regional workforce.

4. In which of the eight disproportionately affected county/counties is the proposed project or program located?

Bay County

5. Was this proposed project or program on a list of proposed projects and programs submitted to Triumph Gulf Coast, Inc., by one (or more) of the eight disproportionately affected Counties as a project and program located within its county? No

If yes, list all Counties that apply:

6. Does the Board of County Commissioners for each County listed in response to question 5, above, recommend this project or program to Triumph? Yes

****Please attach proof of recommendation(s) from each County identified.**

See Appendix A: Letters of Support from:

- Bay County Board of County Commissioners
- Bay County Chamber of Commerce
- Bay EDA (Economic Development Alliance)
- CareerSource Gulf Coast
- St. Joe Community Foundation Executive Director
- St. Joe Community Foundation President and CEO
- Tom P. Haney Technical College

Approvals and Authority

1. If the Applicant is awarded grant funds based on this proposal, what approvals must be obtained before Applicant can execute an agreement with Triumph Gulf Coast, Inc.?

In order to execute an agreement, Bay District School Board approval is required.

2. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the entity and Triumph Gulf Coast:

In order to execute an agreement, Bay District School Board approval is required.

A. Provide the schedule of upcoming meetings for the group for a period of at least six months.

BAY DISTRICT SCHOOL BOARD MEETING DATES

Meeting Times 1:00 PM

September 13, 2022	November 8, 2022
September 27, 2022	November 15, 2022
October 11, 2022	December 13, 2022
October 25, 2022	Additional dates for 2023 will be set at the November 15, 2022 meeting.

B. State whether that group can hold special meetings, and if so, upon how many days' notice.

Yes, special board meetings can be scheduled with 48-hours notice.

3. Describe the timeline for the proposed project or program if an award of funding is approved, including milestones that will be achieved following an award through completion of the proposed project or program.

Summary Timeline of Activities and Milestones: (After funding is awarded)

Timeline	Activities	Milestones
1-6 months	Design building/ Plan infrastructure	Blueprints/Budget
6-12 months	Place bids / Hire contractor	Contract
12-24 months	Construction/Purchasing/Set-Up	Building completion / Invoices and Receipts/Hiring of Staff/ Curriculum Development
24-36 months	Begin classes in new Center	Student Enrollment
36 months on	Students complete courses, earn industry credentials, become employable	Student completion numbers / Industry Certifications earned / Students hired in field of study or continue education

4. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc. In addition, please attach any support letters from partners.

Bay District Schools is governed by an elected five-member board, responsible for setting school policies which are designed with the goal of delivering the best possible education to each child. The policies govern budgetary, facility and personnel resources, as well as the students, faculty and staff at each school. School board policies also ensure that the local schools comply with state and federal laws. Bay District Schools is led by Superintendent William V. Husfelt, III. The Superintendent has the authority to execute this proposal following board approval.

The District School Board is the Agency Head for the Bay County School System. Members of the Board are elected for four-year terms at the general election held in November of even numbered years, pursuant to Sections 1001.34, 1001.35, 1001.36, Florida Statutes. The general duties and responsibilities of the School Board are as

stated in these rules and in Section 1001.42, Florida Statutes. (See Appendix C BDS Board Book: School Board)

Funding and Budget:

Pursuant to Section 288.8017, awards may not be used to finance 100 percent of any project or program. An awardee may not receive all of the funds available in any given year.

1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested.

\$7,600,000.00 is requested over a period of two years during construction and purchasing.

2. What percentage of total program or project costs does the requested award from Triumph Gulf Coast, Inc. represent? (Please note that an award of funding will be for a defined monetary amount and will not be based on percentage of projected project costs.)

57% - Total projected cost is \$13,324,800

3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.

All eight programs were selected because CareerSource Gulf Coast lists them in the top 20 careers in terms of projected job growth and/or occupations gaining the most new jobs for 2021-2029 in Bay, Franklin and Gulf Counties.

Workforce Development Data - Bay, Franklin, and Gulf Counties (2021-2029)

Program	Regional Industry Demand
Air Conditioning, Refrigeration and Heating Technology	#20 Occupations Gaining the Most New Jobs - HVACR Mechanics & Installers 17% Growth - HVACR Mechanics & Installers
Allied Health Assisting	#6 Fastest Growing Industries - Nursing and Residential Care Facilities #8 Industries Gaining the Most New Jobs / Hospitals 22% Job Growth - Medical Assistant 17.7% Job Growth - Nursing Assistant
Exercise Science	#5 Fastest-Growing Occupations - Physical Therapist Assistants 37% Job Growth (2021-2029)
Building Trades &	#5 Occupations Gaining the Most New Jobs /

Construction Design Technology	Construction Laborers
Dental Aide	13% Growth - Dental Assistant 7% Job Growth - Dental Hygienist
Electricity	#12 Occupations Gaining the Most Jobs - Electricians / 15% Growth - Electrician Helpers
Pharmacy Technician	12% Job Growth
Plumbing	17% Job Growth - Plumbers / 18% Job Growth - Plumbers Helpers

Program graduates who have earned the relevant industry credentials will be qualified for employment in the associated program of study. Anticipated median salaries for students who complete one of the eight program areas, earn industry credentials, and/or advance to post-secondary education in the program area range between \$29,473 to \$74,651 regionally with the potential for higher salaries as experience and education are gained.

The eight programs at J.R. Arnold High School can serve up to 450 students annually. Each of the eight programs is divided into multiple courses. Each course within the program is an exit point that correlates to skills that make the student employable at some level from entry level to skilled. For example, a student can complete the first course within the Building Trades and Construction Technology program and learn basic safety, compliance, identification and use of hand tools and power tools, and identification and uses of construction equipment and materials. This student would be employable as a construction helper. As students progress through the program and earn additional credits, they become eligible for higher levels of employment. Students may choose to work in their field of study while completing additional courses –even before they graduate from high school or complete the entire program at Arnold. After high school graduation, students are prepared for immediate employment or for advanced/continued training at Tom P. Haney Technical College or Gulf Coast State College in the same or related fields. As a result, up to 450 students per year could join the workforce in the field of study while enrolled in high school or after high school graduation after the completion of just one course although it may be at an entry level position in a related field depending upon the number of program courses completed.

Air-Conditioning, Refrigeration, and Heating Technology:

The purpose of this program is to provide students with employment in the heating, ventilation, air-conditioning, and refrigeration industries as Heating, Ventilation, Air-Conditioning & Refrigeration Helpers, Installers, or Mechanics, or credit toward advanced training in related construction programs at Tom P. Haney Technical College and Gulf Coast State College.

Allied Health Assisting:

Program graduates are qualified for employment as Health Care Support Workers or Aides in the areas of physical therapy, radiation, laboratory and respiratory medicine, and occupational therapy. High school credits earned will provide strong support for success in advanced academic training in health science programs at Tom P. Haney Technical College and Gulf Coast State College.

Building Trades & Construction Design Technology:

This pathway prepares students for entry level employment in the building construction industry as a Construction Laborer, Carpentry Helper, Masonry Helper, Electrician Helper, Plumbing Helper, Heating, Ventilation, Air-Conditioning & Refrigeration Helper, or Maintenance and Repair Worker. It relates to applying construction techniques, reading plans and specifications and developing trade skills in carpentry, masonry, electricity, plumbing, and air conditioning. Credits earned can also count toward advanced course credits in the construction programs at Tom P. Haney Technical College or Gulf Coast State College.

Dental Aide:

This program is a planned sequence of instruction totaling three credits. The two credit Health Science Core (Health Science Anatomy & Physiology 8417100 and Health Science Foundations 8417110) is required as a prerequisite for all programs and options. Secondary students completing the two required core courses will not have to repeat the core in postsecondary. This program is designed to prepare high school students for postsecondary education which will allow employment as dental assistants specializing as Dental Sterilization Technicians in a dental office or clinic or Health Care Support Worker or to pursue advanced postsecondary dental science education. High school credits earned will provide strong support for success in advanced academic training in health science programs at Tom P. Haney Technical College and Gulf Coast State College.

Electricity:

The purpose of this program is to provide students with employment in the electrical construction industries as an Electrician Helper or Electrician Apprentice, or credit

toward advanced training in related programs at Tom P. Haney Technical College and Gulf Coast State College.

Exercise Science:

The purpose of this program is to prepare students for the wellness and fitness marketplace and its various components such as instructing or coaching groups or individuals in exercise activities and the fundamentals of an individual's health and wellness as Fitness Trainers, Aerobics Instructors or Health Care Support Workers. High school credits earned will provide strong support for success in advanced academic training in health science programs at Tom P. Haney Technical College and Gulf Coast State College.

Pharmacy Technicians:

This program is designed to prepare students for employment as Pharmacy Technicians or Pharmacy Aides. High school credits earned will provide strong support for success in advanced academic training in health science programs at Tom P. Haney Technical College and Gulf Coast State College.

Plumbing:

The purpose of this program is to provide students with employment in the plumbing/pipe industries as Plumbing Helpers or Plumbers or credit toward advanced training in related construction programs at Tom P. Haney Technical College and Gulf Coast State College.

4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources. Yes No (If additional space is needed, please attach a Word document with your entire answer.)

Yes. The potential award from Triumph supplements funds from Bay District Schools. This is a critical project for Bay District Schools since the need for CTE high school instruction on the beach side of the county is critical and current offerings do not provide equitable opportunities for students or employers. While this project is a priority and the \$2,300,000 commitment in cash matching funds from Bay District Schools (Half-Cent Sales Tax and Local Capital Improvement Funds) is substantial, the overwhelming construction needs in Bay District Schools related to Hurricane Michael damage and increases in construction prices do not allow the district to budget the full amount for the project at this time. An additional matching funds investment in the form of property and equipment equity and the commitment to cover the salaries, utilities, and educational costs created by the project emphasize the district's strong commitment to this proposal.

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

Matching funds for this grant are provided by Bay District Schools in the form of cash plus equity. Equity matching funds (categorized below) are based on property value and current equipment value that will be utilized for this project. Also, matching equity funds in the form of annual expenses that include: marketing, salaries, utilities, supplies, industry certification exams, and curriculum that Bay District Schools will pay are a valuable contribution.

Matching Bay District Schools' Funds

Funds	Category	Description
\$2,300,000	Cash Funds	Half-Cent Sales Tax + Local Capital Improvement Funds (Bay District Schools)
\$100,000	Property Value	Value of J.R. Arnold High School building site
\$27,000	Marketing	Annual Marketing Cost x 5 years
\$86,000	Salary: Administrative	1/3 AHS Administrator's salary x 5 years for oversight
\$2,600,000	Salary: Instructional	Annual Salary @\$65,000 x 8 teachers x 5 years
\$50,000	Salary: Custodial	1/3 of one custodian's salary x 5 years
\$125,000	Utilities	Electrical, water, and gas bill x 5 years
\$200,000	Equipment	Current inventory value for CTE testing lab and equipment, training simulators, tools, technology, and miscellaneous items for two existing programs
\$50,000	Supplies	Annual cost for consumable + supplies x 5 years
\$90,900	Industry Certification Exam Costs	\$18,180 Industry Certifications = 200 exams annually x 5 years
\$95,900	Curriculum	\$19,180 per year x 5 years
\$5,724,800	Total Matching Funds	Bay District Schools

A. Project/Program Costs: Example Costs (Note: Not exhaustive list of possible Cost categories.)

\$7,450,000	Construction
\$400,000	Design & Engineering
\$250,000	Utilities
\$500,000	Land Improvement
\$1,300,000	Equipment
\$3,424,800	BDS Five Year Expenditures: Salaries, Utilities, Equipment, Supplies, Industry Certification Exams, Curriculum
\$13,324,800	Total Project Costs

B. Other Project Funding Sources: Example Funding Sources (Note: Not an exhaustive list of possible Funding Sources.)

City/County \$

Private Sources \$

Other (e.g., grants, etc.) \$

Total Other Funding \$

Total Amount Requested: \$

Note: The total amount requested must equal the difference between the costs in 3A. and the other project funding sources in 3.B.

C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information. (If additional space is needed, please attach a Word document with your entire answer.)

This budget above provides a summary of expenses. The project will begin as soon as Triumph funds are approved. The Summary Timeline of Activities and Milestones (above) is accurate. Since all other funds are provided by Bay District Schools, the project can move forward as soon as the Triumph Grant is awarded.

Applicant understands that the Triumph Gulf Coast, Inc. statute requires that the award contract must include provisions requiring a performance report on the contracted activities, must account for the proper use of funds provided under the contract, and must include provisions for recovery of awards in the event the

award was based upon fraudulent information or the awardee is not meeting the performance requirements of the award.

Yes

Applicant understands that awardees must regularly report to Triumph Gulf Coast, Inc. the expenditure of funds and the status of the project or program on a schedule determined by Triumph Gulf Coast, Inc.

Yes

Applicant acknowledges that Applicant and any co-Applicants will make books and records and other financial data available to Triumph Gulf Coast, Inc. as necessary to measure and confirm performance metrics and deliverables.

Yes

Applicant acknowledges that Triumph Gulf Coast, Inc. reserves the right to request additional information from Applicant concerning the proposed project or program.

Yes

ADDENDUM FOR INFRASTRUCTURE PROPOSALS:

Not Applicable

ADDENDUM FOR WORKFORCE TRAINING PROPOSALS

1. Program Requirements

A. Will this proposal support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties? If yes, please identify where the campuses are located and provide details on how the proposed programs will prepare students for future occupations and at which K-20 institutions that programs will be provided.

Yes. J.R. Arnold High School is located at 550 Alf Coleman Rd, Panama City Beach, FL 32407 in Bay County. Enrolled students will be eligible to take the following industry certifications:

Certified Clinical Medical Assistant	Construction (Secondary)
Certified Medical Administrative Assistant	NCCER Electrical Levels 1-4

Certified Personal Trainer	NCCER HVAC Levels 1-4
Certified Pharmacy Technician (PHhT/)	NCCER Plumbing Levels 1-4

With course credits and industry credentials, students will have the qualifications necessary to seek further education with prior credit at Tom P. Haney Technical College or Gulf Coast State College or be employed in the following careers:

Program	Associated Careers
Air-Conditioning, Refrigeration, and Heating Technology	Heating, Ventilation, Air-Conditioning & Refrigeration Helper, Installer, or Mechanic
Allied Health Assisting	Health Care Support Worker, Physical Therapy Aide, Radiation Aide, Laboratory Aide, Occupational Therapy Aide, Respiratory Medicine Aide
Building Trades & Construction Design Technology	Construction Laborer, Carpentry Helper, Masonry Helper, Electrician Helper, Plumbing Helper, Heating, Ventilation, Air-Conditioning & Refrigeration Helper, Maintenance and Repair Workers
Dental Aide	Dental Sterilization Technicians, Health Care Support Worker
Electricity	Electrician Helper, Electrician Apprentice, Electrician
Exercise Science	Fitness Trainers and Aerobics Instructors, Health Care Support Worker
Pharmacy Technicians	Pharmacy Technician, Pharmacy Aide
Plumbing	Plumbing Helper, Plumber

B. Will the proposed program (check all that apply):

- ✓ Increase students' technology skills and knowledge
- ✓ Encourage industry certifications
- ✓ Provide rigorous, alternative pathways for students to meet high school graduation requirements
- ✓ Strengthen career readiness initiatives

- ☐ Fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governor
- ✓ Encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties (similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission on Education)

For each item checked above, describe how the proposed program will achieve these goals.

- **Increase students' technology skills and knowledge:**
This proposal will lead to increases in students' technology skills and knowledge. All eight proposed programs will follow the Florida Department of Education curriculum frameworks for Secondary - Career Preparatory Programs. The required technology skills and knowledge needed to meet the standards of each curriculum are rigorous as befits a career path that impacts the lives of patients in the healthcare field or safety and environmental concerns in the construction field.
- **Encourage industry certifications:**
Each program has one or more associated industry credentials (either secondary or post-secondary or both) that have national or international portability and rigor.
- **Provide rigorous, alternative pathways for students to meet high school graduation requirements:**
This project provides rigorous, alternative pathways for students to meet high school graduation requirements. These industry certifications can replace a math or science requirement: NCCER Construction Technology, NCCER HVAC Level 1, and Pharmacy Technician. The Health Science Anatomy and Physiology course can fulfill the requirement for an equally rigorous science course. Various Building Trades and Construction Technology courses can replace a Practical Arts requirement.
- **Strengthen career readiness initiatives:**
This proposal strengthens career readiness initiatives because students who complete some or all courses within each program and pass the associated industry certification exams are fully qualified to seek employment in the career field. All related industry certifications are on the Florida Career and Professional Education (CAPES) funding list. In order to receive this designation, CAPES industry certifications must: support local and regional economic development;

respond to Florida's critical workforce needs; and provide state residents with access to high-wage and high-demand careers.

- **Encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties (similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission on Education):**

The four construction programs have articulation agreements with Tom P. Haney Technical College and Gulf Coast State College (both post-secondary institutions are located within the impacted counties as is Florida State University- Panama City). The four construction programs encourage students to pursue their interests in mathematics, technology, science, and engineering, and the articulation agreements and related programs offer them the chance to pursue additional education at post-secondary institutions for advanced degrees or certifications. The four health sciences programs lead to entry level employment and industry certifications in the medical field and may offer prior credit at Gulf Coast State College. Students will be motivated to further their interest in science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education to gain the qualifications for employability in advanced medical careers.

C. Will this proposal provide participants in the disproportionately affected counties with transferable, sustainable workforce skills but not confined to a single employer? If yes, please provide details.

Yes, the desired outcome for all students is program completion and passing scores on industry certifications that have regional, national, and international portability and open the door for employment anywhere in the world in the healthcare and construction fields.

D. Identify the disproportionately affected counties where the proposed programs will operate or provide participants with workforce skills.

Instruction for the program will occur in Bay County, however, students commute from and seek employment within all of the disproportionately affected counties.

E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote:

- **Economic recovery**

After the destruction of Hurricane Michael and the economic shutdown related to Covid-19, the local economy requires rebuilding. A skilled workforce earns higher wages which helps the individual, the employer, and the tax base. Numerous construction projects resulting from booming tourism, Hurricane Michael recovery, and major projects such as those mentioned earlier from the St. Joe Company as well as the \$5 billion rebuilding of Tyndall Air Force Base into the “Installation of the Future” and other major industries will promote recovery. These all require a trained construction workforce.

Projects such as the new hospital to be built on the beach and the growing and aging population guarantee a long-term need for employees in the medical industry. In 2015, Sacred Heart Health System, the Florida Department of Health - Bay County and the Bay County Community Health Task Force worked together, in collaboration with other community organizations and agencies, to conduct a community health needs assessment for the approximately 175,000 residents of Bay County, Florida, with a total of 1,538 respondents. The top concern of the surveyed respondents was access to health care. According to the task force, one of the financial threats posed to the community is a shortage of providers. Programs that will train health care workers to provide medical care and construction workers to build medical facilities, businesses, and housing will help alleviate these concerns that inhibit economic recovery.

According to the Executive Director of CareerSource Gulf Coast, Kim Bodine, “One of the top industries to watch right now is health care. Medical companies are constantly building and hiring. ‘They can’t get enough of those individuals, that’s anything from a registered nurse to a nurse practitioner or physician’s assistant. LPN’s, respiratory therapy, occupational therapy technician, physical therapy, technician’s assistant,’ Bodine said. ‘So really, almost anything around the healthcare industry is hiring and, of course, paying very well.’” 15 June 2022. “Bay County’s Job Market on Fire Despite Hurricane Michael, COVID, Paper Mill Closure.” [The News Herald](#).

- **Economic Diversification**

Construction and healthcare are foundational industries for the population to live and work and for other industries to get established. In order to develop new industries, facilities must be constructed or renovated. Healthcare is essential to recruit and keep staff.

“Becca Hardin, president of the Bay County Economic Development Alliance, says she believes the local community will experience “a level of growth” during the next three to five years “that we’ve never seen before.” In a monthly meeting Wednesday, Hardin updated investors and the public on which of the EDA’s ongoing projects are gaining the most momentum. The organization works to diversify the local economy by bringing outside industries to Bay County to create more high-paying jobs for residents. “We average at least two company visits a week,” Hardin said. “When we bring prospects to town, Bay County sells itself, and people feel the energy (and they) see the rebuilding taking place.” Wednesday’s meeting highlighted seven active projects that have a combined capital investment of about \$580 million and could create more than 1,300 jobs. Industries range from distribution to manufacturing and even aviation.” Cobb, Nathan. “A Booming Bay County? Economic Developers Forecast Unprecedented Growth Over Next Few Years.” The News Herald. 10 Sept. 2021.

- **Enhancement of the disproportionately affected counties**

Salaries over the regional median (such as those in the healthcare and construction fields) and additional skilled jobs benefit the entire tax base for our region. The two current Bay County hospitals, Ascension Sacred Heart Bay and Gulf Coast Regional Medical Center both rank in the top ten for most employees in the county with a combined total of more than 1900. (Bay Economic Development Alliance). The planned construction of a new hospital on Panama City Beach will provide critically-needed health care for the beach and surrounding areas but will also create a bigger need for skilled staff.

Tyndall Air Force Base is the second largest regional employer and the entire base is being rebuilt due to Hurricane Michael damage which requires massive construction contracts and skilled employees. According to the Air Force Installation & Mission Support Center’s Program Management Office (PMO) which supports the long-term Tyndall rebuild, contracts are being awarded for the development and reconstruction of the base. “The five-to-seven-year-long rebuild process includes 40+ new Military Construction projects and over 260 Facility Sustainment Restoration and Modernization projects totaling nearly \$5 billion.” These and many other construction and healthcare jobs will continue to enhance the disproportionately affected counties.

2. Additional Information

A. Is this an expansion of an existing training program? If yes, describe how the proposed program will enhance or improve the existing program and how the proposed program will supplement but not supplant existing funding sources.

Two of the eight proposed programs are currently being taught at Arnold High School. The construction academy has been open for several years, but the current space is inadequate for the hands-on component. The Exercise Science program will open in 2022-2023 in a classroom but will not have a lab for hands-on training. Funding for the Triumph Training Center would provide enough space for labs for each program so that hands-on training could be offered as well as storage for equipment, tools, materials, and projects. Current barriers to providing training include the lack of funding: to expand the classroom and shop space, to purchase additional equipment to meet the educational requirements established by the Florida Department of Education curriculum frameworks and current industry standards, and to pay for industry certification fees for students. The other six programs are new and will be added once construction is completed. Funds will be used to greatly improve the two existing programs that are financially sustainable as is. All the programs will be self-sustaining after they are established and after construction of the facility is complete due to Department of Education FTE funding allocations for full-time enrolled students as well as funds from CAPES industry certifications and projects created by the programs or services offered by the program to the public for a fee.

B. Indicate how the training will be delivered (e.g., classroom-based, computer based, other). If in-person, identify the location(s) (e.g., city, campus, etc.) where the training will be available.

Training will be delivered in a classroom-based environment with face-to-face instruction, a combination of traditional and online textbooks, as well as hands-on projects and learning in a shop setting that simulates real-world tasks. Industry certifications will be offered in a computer lab on campus. Curriculum frameworks are provided by the Florida Department of Education. Training will take place at J.R. Arnold High School in Bay County, Florida.

C. Identify the number of anticipated enrolled students and completers.

It is estimated that 450 students per year will be enrolled in the eight healthcare and construction programs. Each program is made up of multiple courses. A course is a semester or year long exit point which signifies that the student has mastered skills making him or her qualified for employment in the industry. Program lengths vary between three to four courses. The construction student could be qualified for entry level employment after completing the first course and would be eligible for higher levels of employment and commensurate salary with each course completed and/or industry certification earned. Health science students, upon graduation and after turning 18, could use their industry credentials to begin employment or seek higher education. If all 450 students complete at least one course per year, then all of them could be

considered a course completer. Students will be full program completers after completing three or more courses within a program.

D. Indicate the length of the program (e.g, quarters, semesters, weeks, months, etc.) including anticipated beginning and ending dates.

J.R. Arnold High School follows the Bay District Schools' calendar which runs from August through May. Each course is one year long with the exception of two in Exercise Science which are one semester each.

Program	Courses
Air-Conditioning, Refrigeration, and Heating Technology	7 Courses
Allied Health Assisting	3 Courses
Building Trades & Construction Design Technology	6 Courses
Dental Assisting	3 Courses
Electricity	8 Courses
Exercise Science	3 Courses
Pharmacy Technicians	7 Courses
Plumbing	4 Courses

E. Describe the plan to support the sustainability of the proposed program.

After the initial expenditure for construction and to add staff, equipment, supplies, and pay for industry certification exams, the programs should become self-sustaining due to Department of Education FTE funding allocations for full-time enrolled students as well as funds from CAPES industry certifications and projects created by the programs or services offered by the program to the public for a fee.

F. Identify any certifications, degrees, etc. that will result from the completion of the program.

Enrolled students will be eligible to earn the following industry certifications:

Certified Clinical Medical Assistant	Construction (Secondary)
--------------------------------------	--------------------------

Certified Medical Administrative Assistant	NCCER Electrical Levels 1-4
Certified Personal Trainer	NCCER HVAC Levels 1-4
Certified Pharmacy Technician (PHhT/)	NCCER Plumbing Levels 1-4

G. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount. Yes

Matching funds would be provided by Bay District Schools. Part of the matching funds from Bay District Schools are in the form of equity. For example, the land is already owned by Bay District Schools. Additionally, matching funds in the form of annual expenses that include: salary, benefits, utilities, supplies, industry credentials, and curriculum that Bay District Schools will pay are a valuable commodity.

Matching Bay District Schools' Funds

Funds	Category	Description
\$2,300,000	Cash Funds	Half-Cent Sales Tax + Local Capital Improvement Funds
\$100,000	Property Value	Value of J.R. Arnold High School building site
\$27,000	Marketing	Annual Marketing Cost x 5 years
\$86,000	Salary: Administrative	1/3 AHS Administrator's salary x 5 years for oversight
\$2,600,000	Salary: Instructional	Annual Salary @\$65,000 x 8 teachers x 5 years
\$50,000	Salary: Custodial	1/3 of one custodian's salary x 5 years
\$125,000	Utilities	Electrical, water, and gas bill x 5 years
\$200,000	Equipment	Current inventory value for CTE testing lab and equipment, training simulators, tools, technology, and miscellaneous items for two existing programs
\$50,000	Supplies	Annual cost for consumable + supplies x 5 years
\$90,900	Industry Certification Exam Costs	\$18,180 Industry Certifications = 200 exams annually x 5 years
\$95,900	Curriculum	\$19,180 per year x 5 years
\$5,724,800	Total Matching Funds	Bay District Schools

H. Provide any additional information or attachments to be considered for this proposal.

Letters of support from community partners are attached. (See Appendix B)

ADDENDUM FOR AD VALOREM TAX RATE REDUCTION:

Not Applicable

ADDENDUM FOR LOCAL MATCH REQUIREMENTS OF SECTION 288.0655, FLORIDA STATUTES

Not applicable

ADDENDUM FOR LOCAL ACTION PLAN

Not Applicable

ADDENDUM FOR ADVERTISING/PROMOTION

Not Applicable

I, the undersigned, do hereby certify that I have express authority to sign this proposal on my behalf or on behalf of the above-described entity, organization, or governmental entity:

Name of Applicant:

Bay District Schools

Name and Title of Authorized Representative:

William V. Husfelt, III/ Superintendent of Bay District Schools

Representative Signature:



Signature Date:

7/12/20

Appendix: Table of Contents

Appendix A: Letters of Support

- Bay County Board of County Commissioners
- Bay County Chamber of Commerce
- Bay EDA (Economic Development Alliance)
- CareerSource Gulf Coast
- St. Joe Community Foundation Executive Director
- St. Joe Community Foundation President and CEO
- Tom P. Haney Technical College

Appendix B: Bay District Schools Audit

Appendix C: Bay District Schools' School Board Policy Manual Excerpt

- The District School Board



BOARD OF COUNTY COMMISSIONERS

840 West 11th Street
Panama City, Florida 32401
Telephone: (850) 248-8140
Fax: (850) 248-8153

September 8, 2022

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

DOUGLAS MOORE
DISTRICT IV

PHILIP "GRIFF" GRIFFITTS
DISTRICT V

ROBERT J. MAJKA
COUNTY MANAGER

Mr. Bill Husfelt, Superintendent
Bay District Schools
1311 Balboa Avenue
Panama City, FL 32401

Dear Superintendent Husfelt,

The Bay County Board of County Commissioners continuously seeks ways to strengthen educational and economic opportunities for our residents. To remain competitive in the job market and to meet the needs of our industry partners and community, we must prepare the essential employees required to fill local high-skill, high-demand jobs. Specific, hands-on career technical education training is a necessity to develop future employees for the skilled workforce. As Bay County continues to recover from Hurricane Michael and pursue new business opportunities, this proposed project will aid in the area's economic development and growth.

Bay District School's efforts to seek funding to build a career technical education center at J.R. Arnold High School that will offer advanced training opportunities for students in the construction and health sciences fields are fully supported by the Bay County Board of County Commissioners. The development of this state-of-the-art facility on Panama City Beach will help meet employers' critical workforce shortage needs and provide program graduates with strong employment above the mean salary range. New projects such as HCA Florida Breakfast Point Emergency Department and the full medical facility with doctor's offices, urgent care, and a 100-room hospital, as well as the 3500 home Latitude Margaritaville Watersound community and many other building projects will require the skilled workforce developed by this training center. Participation in the eight training programs will also offer high school students a timesaving route to advanced, postsecondary education at Tom P. Haney Technical College and Gulf Coast State College in these fields.

This organization offers their full support for the J. R. Arnold Triumph Training Center project which will be a great asset to the region. Please let us know if we can take any further action in helping you reach this goal.

Respectfully,

A blue ink signature of Robert Carroll, written in a cursive style.

Robert Carroll
Chairman



August 22, 2022

To Whom It May Concern,

The Bay County Chamber of Commerce works to promote the industrial and economic growth of the region. Our organization believes that education is a vital tool in retaining and recruiting businesses. In order for Bay County to be competitive in the job market and to prepare employees to fill needs in core industries, it is imperative that we have training facilities that are up-to-date and technology that is state-of-the-art.

Our organization works closely with Bay District Schools and with regional industry partners seeking essential employees in our area. There is a dire need for skilled employees in the health care and construction industries. Current shortages impact our area's ability to grow and to serve the community. The proposed Triumph Training Center at J. R. Arnold High School will be a significant resource as our community rebuilds and seeks to grow in the aftermath of Hurricane Michael.

We wholeheartedly support the request for funding to help expand the area's career technical education opportunities for high school students. The new facility will provide the training and equipment that mirrors the industry setting while giving enhanced hands-on experiences. The eight proposed programs would also increase the number of qualified candidates entering the health care and construction workforce with the proper training and successful completion of needed industry certifications to go directly into the workforce and provide high-paying careers. We are excited about the positive impact this project will have on our community.

Sincerely,

Garrett Anderson
Chairman of the Board

Carol A. Roberts
President



June 16, 2022

To whom it may concern,

The Bay Economic Development Alliance is a public/private partnership working in conjunction with Haney Technical College and the Bay District School System to promote job creation and capital investment in Bay County, Florida. To be competitive in a global economy, it is critical that we have a well-trained, available workforce.

Tom P. Haney Technical College and the BDS have a strong history of providing outstanding educational programs. We must continue to be proactive to support existing programs while looking for ways to fund new programs that are needed to meet the ever changing workforce demands of the prospective companies we are trying to recruit to our region.

With this in mind, we ask that you support the Bay District Schools request for funding to add a CTE (Career Technical Education) building on the campus of Arnold High School in Panama City Beach. This CTE center will serve as a "feeder" program for students who plan to attend Haney Technical College. The financial support of these programs is critical for us as a community to continue to meet the needs for trained employees in these areas.

Sincerely,

A handwritten signature in black ink that reads "Becca Hardin". The signature is fluid and cursive, with the first name "Becca" and last name "Hardin" clearly distinguishable.

Becca Hardin
President, Bay EDA



5230 West Highway 98 Panama City FL 32401
P: 850.913.3285 F: 850.913.3269
careersourceqc.com

June 27, 2022

Superintendent Bill Husfelt
1311 Balboa Avenue
Panama City, FL 32401

Dear Superintendent Husfelt,

CareerSource Gulf Coast strongly supports the Bay District School's proposal to Triumph Gulf Coast for the purpose of building a new and much needed CTE building with exterior space to house additional and expanded technical programs in the construction and health science industries.

As you know both the construction and health sciences industries have experienced explosive growth in our region as well as nationally. These industries were facing a worker shortage even before the pandemic as the demand for housing and health related services has grown and more boomers retired from the workforce than ever before in the midst of the pandemic. A need to attract young workers to these fields is critical and providing that introduction and opportunity for credentialing while attending high school is a smart and effective way to pump up the talent pipeline.

We provided labor market information for each of the occupations associated with the proposed training programs which included median wages for 2020, on average those wages have increased by \$1.62 per hour in one year. With the average median wage of all the occupations associated with these programs totaling \$21.37 per hour.

We strongly believe in focusing efforts on our youngest current and future members of the workforce to develop the talent that our businesses and communities need. To do that we need the best technology, instruction, and facilities to attract them to technical training programs. This proposal requests an investment that is needed and will provide a huge return for generations to come, and we fully support this effort. CareerSource Gulf Coast not only supports the proposal, we are also committed to providing services to the CTE programs and students in the program in any way we can.

Sincerely,

A handwritten signature in blue ink that reads "Kimberly L. Bodine".

Kimberly L. Bodine
Executive Director



April 7, 2022



Triumph Gulf Coast, Inc.
P.O. Box 12007
Tallahassee, FL 32317

Re: J.R. Arnold High School TRIUMPH Training Center
Triumph Gulf Coast Application

Dear Triumph Gulf Coast, Inc.,

Please accept this letter of support for the application of Bay District Schools on behalf of J.R. Arnold High School for the proposed TRIUMPH Training Center project. As you know, the Gulf Coast is growing exponentially, and skilled workers are in great demand. It is imperative that we grow public and private partnerships to meet the growing need for a skilled workforce in Northwest Florida.

This project will assist with meeting the regional workforce demand through the expansion of the Career Technical Education (CTE) and Career and Professional Education (CAPE) programs offered at the high school level and will better align those programs with those offered at Tom P. Haney Academy and Gulf Coast State College on the secondary education level, all of which St. Joe Community Foundation supports with its educational grants.

Since 1999, The St. Joe Community Foundation has provided over \$33MM to enhance education and healthcare, support cultural arts and protect the environment. Through these years, The St. Joe Community Foundation has become very familiar with the needs of Northwest Florida and the local school districts and has provided well over \$5M in educational grants to directly benefit Bay County students. Most recently, The St. Joe Community Foundation committed to fund \$100,000 to assist with growing two local high school construction academies, one of which is hosted by J.R. Arnold High School.

The support and funding of the J.R. Arnold High School TRIUMPH Training Center project will provide students with the opportunity to learn the skills needed for their future while also enhancing a skilled workforce in Northwest Florida.

We appreciate your consideration of this application.

Sincerely,

A handwritten signature in blue ink that reads "April Wilkes".

April Wilkes, Executive Director
St. Joe Community Foundation
www.joefoundation.com



April 5, 2022

Triumph Gulf Coast, Inc.
P.O. Box 12007
Tallahassee, FL 32317

Re: J.R. Arnold High School TRIUMPH Training Center
Triumph Gulf Coast Application

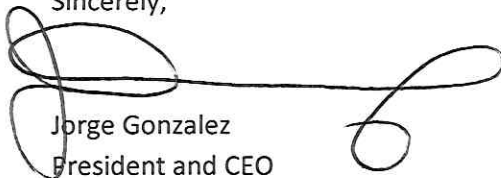
Dear Triumph Gulf Coast, Inc.,

Please accept this letter of support for the application of Bay District Schools on behalf of J.R. Arnold High School. The proposed TRIUMPH Training Center project is an important project to assist with meeting the regional workforce demand through the expansion of the career technical education (CTE) programs offered at the high school level.

With the funding of this project, J.R. Arnold High School will be provided with an opportunity to better meet the needs of the growing student population, expand its CTE and CAPE programming and provide students with enhanced employment opportunities in the medical and construction fields to assist with meeting the great demand for skilled workers in Northwest Florida.

The support and funding of the J.R. Arnold High School TRIUMPH Training Center project will result in a long-term economic benefit for Bay County. We appreciate your consideration of this application.

Sincerely,

A handwritten signature in black ink, appearing to read "Jorge Gonzalez", with a large, stylized flourish extending to the right.

Jorge Gonzalez
President and CEO



Haney Technical College is happy to support the Arnold High School Triumph Training Center. This facility will allow Arnold HS to develop high demand career technical education programs for students. Currently, the CTE facilities are inadequate in terms of space, design, and functionality needed to offer critical need programs in the health science and construction pathways.

The proposed program offerings will align with current programs at Tom P Haney Technical College and Gulf Coast State College, which will in turn, offer articulated credit and prior credit to students pursuing a post-secondary pathway.

These programs will offer multiple credits, so students will have the opportunity to progress from beginner to industry certified graduates. These hands on learning opportunities and industry certifications will provide high school students with the necessary skills to enter the workforce immediately upon graduation if desired.

Haney Technical College strongly supports this project and will work closely with BDS to provide post-secondary opportunities for these students.

Sincerely,

A handwritten signature in blue ink that reads "Ann Leonard".

Ann Leonard, Director

Haney Technical College



Bay County District School Board

Financial Statements

June 30, 2021

BOARD MEMBERS AND SUPERINTENDENT

Board members and the Superintendent who served during the 2020-2021 fiscal year are listed below:

	District No.
Jerry Register	1
Brenda Ruthven	2
Pamm Chapman, Vice-chairman	3
Winston Chester	4
Steve Moss, Chairman	5
William V. Husfelt III, Superintendent	



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INDEPENDENT AUDITORS' REPORT

Honorable Superintendent and members
of the Bay County District School Board
Panama City, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Bay County District School Board (District) as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the District'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 did not audit the financial statements of Palm Bay Preparatory Academy, Palm Bay Preparatory Elementary Academy, Central High School (charter schools under the Palm Bay Education Group, Inc.), Chautauqua Charter School, Inc., Community Charter Academy, Inc., Rising Leaders Academy, Inc., or the Bay Education Foundation, Inc., which represent 40 percent, 52 percent, and 41 percent, respectively, of the assets and deferred outflows of resources, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose audit reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Palm Bay Preparatory Academy, Palm Bay Preparatory Elementary Academy, Central High School (charter schools under the Palm Bay Education Group, Inc.), Chautauqua Charter School, Inc., Community Charter Academy, Inc., Rising Leaders Academy, Inc., and the Bay Education Foundation, Inc., are based solely on the audit reports of the other auditors. 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 respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Bay County District School Board as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in note 2, the District has implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which includes guidance for identifying fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Implementation of this standard resulted in an adjustment of \$3,505,502 to other governmental funds' beginning fund balance and governmental activities' net position. Our opinions were not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 12, and budgetary comparison information on pages 83 and 84, the schedules of other postemployment benefits on pages 85 and 86, and the schedules of defined benefit pension plans on pages 87 through 90, 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 the District's basic financial statements. The combining statements 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 is presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The combining statements and the schedule of expenditures of federal awards 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 statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
March 31, 2022

Management's Discussion and Analysis

Management of the Bay County District School Board (District) has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the District's financial activities, (c) identify changes in the District's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's financial statements.

Financial Highlights

Key financial highlights for the 2020-2021 fiscal year are as follows:

- The District's total net position increased by \$46,199,625, or 21.7 percent. The large increase is mainly due to the additional funding associated with Hurricane Michael.
- During fiscal year 2021, general fund revenues, including other financing sources, exceeded expenditures, including other financing uses, by \$20,702,685. This may be compared to the prior year's results in which general fund expenditures exceeded revenues and other financing sources by \$16,219,815.
- At the end of fiscal year 2021, unassigned fund balance of the general fund was \$32,570,040 or 13.2 percent of total general fund expenditures.
- See note 2 in the notes to financial statements related to restatement required due to implementation of GASB Statement No. 84 and other prior period adjustments identified.

Nonfinancial Highlights

- Our schools opened, per the Governor's directive in August 2020 offering both in-person and online learning through our newly created BayLink Program.
- Provided training for more than 3,300 employees.
- Provided Chromebooks and hot spots for students learning at home.
- Set up a dedicated "help desk" operating nights and weekends to provide tech help to students and parents.
- Coordinated meal pickups for students learning at home.
- Continued construction on A. Gary Walsingham Academy, which opened in August 2021.

Overview of the Financial Statements

The basic financial statements consist of three components:

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

In addition, this report presents certain required supplementary information, which includes this management's discussion and analysis; schedule of revenues, expenditures and changes in fund balances – budget and actual – general fund and Federal Education Stabilization fund; schedules of other postemployment benefits and defined benefit pension plans; and notes to requirement supplementary information. Other supplementary information includes combining statements and the schedule of expenditures of federal awards.

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental and business-type activities of the District presented on the accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, deferred outflows of resources, liabilities, and deferred inflows of resources using an economic resources measurement focus. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the net position, is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in the following categories:

- Governmental activities – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- Business-type activities – These activities account for the financial resources of the Beacon Learning Center which provides services predominantly for other districts.
- Component units – The District's 11 charter schools (Bay Haven Charter Academy, Inc., d/b/a Bay Haven Charter Academy Elementary School, Bay Haven Charter Academy Middle School, North Bay Haven Charter Elementary School, North Bay Haven Charter Middle School, and North Bay Haven Charter Career Academy; Chautauqua Charter School, Inc., d/b/a Chautauqua Learn and Serve Charter School; Palm Bay Educational Group, Inc. d/b/a Palm Bay Preparatory Academy, Palm Bay Preparatory Elementary Academy, and Central High School; Community Charter Academy, Inc., d/b/a University Academy, Inc.; and Rising Leaders Academy, Inc.) are reported as discretely presented component units. The District also presents two foundations (Bay Education Foundation, Inc. and Bay Haven Foundation) as discretely presented component units. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion in accordance with generally accepted accounting principles.

The Bay County Educational Facilities Finance Corporation (Corporation), although also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Corporation, the financial activities of the Corporation are included in the District's financial statements as an integral part of the primary government.

Over a period of time, changes in the District's net position is an indication of an improving or deteriorating financial condition. This information should be evaluated in conjunction with other nonfinancial factors, such as changes in the District's property tax base, student enrollment, and the condition of the District's capital assets including its school buildings and administrative facilities.

Fund Financial Statements

One of the components of the basic financial statements is the 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 activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District's financial activities, focusing on its most significant or major funds rather than fund types. This is in contrast to the entity wide perspective contained in the government-wide statements. All of the District's funds may be classified within one of the broad categories discussed below.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand, the long-term impact of the government's near term financing decisions. Both the governmental fund's balance sheet and the governmental fund's statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental fund's balance sheet and statement of revenues, expenditures, and changes in fund balance provide detailed information about the District's most significant funds. The District's major funds are the general fund, debt service – other fund, capital projects – local capital improvement fund, and capital projects – other fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. A schedule of revenues, expenditures, and changes in fund balance – budget and actual has been provided for the general fund to demonstrate compliance with the budget.

Proprietary Funds: Proprietary funds may be established to account for activities in which a fee is charged for services. Two types of proprietary funds are maintained:

- Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. Enterprise funds are appropriate for activities in which a fee is charged to external users of the District's goods and services. The District uses an enterprise fund to account for the financial activities of the Beacon Learning Center which provides educational services for a fee to individuals, public and private entities, and district school boards.
- Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service funds to account for its self-insurance programs. Since 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.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail, for those enterprise funds determined to be major. The District's major enterprise fund is the Beacon Learning Center. Conversely, the internal service funds are combined into a single, aggregated column in the proprietary fund financial statements.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide other postemployment benefits to its employees.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceed liabilities by \$258,894,795 at the close of the most recent fiscal year. The following is a summary of the District's net position as of June 30, 2021, compared to net position as of June 30, 2020:

Net Position						
	Governmental Activities		Business-type Activities		Total	
<i>June 30,</i>	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 237,751,623	\$ 242,857,094	\$ 4,078,835	\$ 3,828,739	\$ 241,830,458	\$ 246,685,833
Capital assets, net	323,243,202	270,989,785	17,426	22,248	323,260,628	271,012,033
Total assets	560,994,825	513,846,879	4,096,261	3,850,987	565,091,086	517,697,866
Deferred outflows of resources	50,624,346	46,935,000	393,461	320,488	51,017,807	47,255,488

(Continued)

	Governmental Activities		Business-type Activities		Total	
<i>June 30,</i>	2021	2020	2021	2020	2021	2020
Current liabilities	\$ 31,039,295	\$ 303,657,685	\$ 184,602	\$ 1,236,958	\$ 31,223,897	\$ 304,894,643
Noncurrent liabilities	307,653,436	28,696,635	1,438,267	333,363	309,091,703	29,029,998
Total liabilities	338,692,731	332,354,320	1,622,869	1,570,321	340,315,600	333,924,641
Deferred inflows of resources	16,761,620	18,201,486	136,878	132,057	16,898,498	18,333,543
Net position						
Net investment in capital assets	223,283,318	198,526,895	17,426	22,248	223,300,744	198,549,143
Restricted	77,210,964	40,078,489	-	-	77,210,964	40,078,489
Unrestricted (deficit)	(44,329,462)	(28,379,311)	2,712,549	2,446,849	(41,616,913)	(25,932,462)
Total net position	\$ 256,164,820	\$ 210,226,073	\$ 2,729,975	\$ 2,469,097	\$ 258,894,795	\$ 212,695,170

By far, the largest portion (74%) of the District's net position is its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position (30%) represents resources that are subject to external restrictions on how they may be used.

The balance of deficit unrestricted net position is primarily the result of accruing long-term liabilities.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2021, and 2020, are as follows:

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
<i>Year ended June 30,</i>	2021	2020	2021	2020	2021	2020
Program revenues						
Charges for services	\$ 9,654,215	\$ 3,515,424	\$ 2,240,617	\$ 2,385,304	\$ 11,894,832	\$ 5,900,728
Operating grants/ contributions	7,649,794	9,776,277	-	-	7,649,794	9,776,277
Capital grants/ contributions	3,597,960	964,054	-	-	3,597,960	964,054
General revenues						
Property taxes, levied for operational purposes	81,645,631	76,761,061	-	-	81,645,631	76,761,061
Property taxes, levied for capital projects	27,404,188	22,581,461	-	-	27,404,188	22,581,461
Local sales taxes	26,109,097	23,071,079	-	-	26,109,097	23,071,079

(Continued)

	Governmental		Business-type		Total	
	Activities		Activities			
<i>Year ended June 30,</i>	2021	2020	2021	2020	2021	2020
Grants and contributions not restricted to specific programs	\$ 200,524,811	\$ 190,703,473	\$ -	\$ -	\$ 200,524,811	\$ 190,703,473
Unrestricted investment earnings	269,263	1,906,691	8,325	90,461	277,588	1,997,152
Miscellaneous	6,588,976	6,493,229	-	-	6,588,976	6,493,229
Total revenues	363,443,935	335,772,749	2,248,942	2,475,765	365,692,877	338,248,514
Functions/program expenses						
Instructional services	171,273,425	159,787,849	-	-	171,273,425	159,787,849
Pupil services	18,259,417	13,145,146	-	-	18,259,417	13,145,146
Instructional media services	2,295,069	2,477,011	-	-	2,295,069	2,477,011
Instructional and curriculum development services	7,487,243	5,544,205	-	-	7,487,243	5,544,205
Instructional staff training services	3,466,757	3,828,991	-	-	3,466,757	3,828,991
Instruction related technology	177,477	124,079	-	-	177,477	124,079
School board	1,089,724	735,173	-	-	1,089,724	735,173
General administration services	2,423,457	8,454,824	-	-	2,423,457	8,454,824
School administration services	15,012,545	14,194,544	-	-	15,012,545	14,194,544
Facilities acquisition and construction	14,324,936	17,976,089	-	-	14,324,936	17,976,089
Fiscal services	1,849,176	1,895,819	-	-	1,849,176	1,895,819
Food services	8,404,781	9,782,321	-	-	8,404,781	9,782,321
Central services	8,219,600	10,436,340	-	-	8,219,600	10,436,340
Pupil transportation services	9,138,735	9,081,503	-	-	9,138,735	9,081,503
Plant operations	18,546,921	16,018,434	-	-	18,546,921	16,018,434
Maintenance services	5,368,010	5,229,411	-	-	5,368,010	5,229,411
Administrative technology services	3,920,702	3,339,549	-	-	3,920,702	3,339,549
Community services	2,596,944	3,141,333	-	-	2,596,944	3,141,333
Unallocated interest on long-term debt	3,939,527	3,220,745	-	-	3,939,527	3,220,745
Unallocated depreciation	21,514,238	19,733,502	-	-	21,514,238	19,733,502
Loss on disposal of assets	1,043,326	-	-	-	1,043,326	-
Beacon Learning Center	-	-	1,988,064	2,092,080	1,988,064	2,092,080
Total functions/program expenses	320,352,010	308,146,868	1,988,064	2,092,080	322,340,074	310,238,948
Change in net position	43,091,925	27,625,881	260,878	383,685	43,352,803	28,009,566

(Continued)

	Governmental		Business-type		Total	
	Activities		Activities			
<i>Year ended June 30,</i>	2021	2020	2021	2020	2021	2020
Net position - beginning (as originally reported)	\$ 210,226,073	\$ 182,600,192	\$ 2,469,097	\$ 2,085,412	\$ 212,695,170	\$ 184,685,604
Restatement adjustment/ prior period adjustment	2,846,822	-	-	-	2,846,822	-
Net position - beginning (as restated)	213,072,895	182,600,192	2,469,097	2,085,412	215,541,992	184,685,604
Net position - ending	\$ 256,164,820	\$ 210,226,073	\$ 2,729,975	\$ 2,469,097	\$ 258,894,795	\$ 212,695,170

The increase in revenues of \$27,444,363 (8%) is due mainly to an overall increase in grants from prior year due to Hurricane Michael and new funds in the current year from the Federal Education Stabilization fund. Twenty-two percent of total governmental activities' revenues were generated from property taxes levied for operational purposes.

Instruction expenses represents 54% of total governmental expenses for the 2021 fiscal year. Instruction expenses increased by \$11,485,576 or 7 percent, from the prior fiscal year, due mainly to hiring additional teachers.

Business-type activities' charges for services provided substantially all of the revenues for business-type activities.

Financial Analysis of the District's Funds

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance that has not been limited to a particular purpose by an external party, the District, or a group or individual delegated authority by the Board to assign resources for particular purposes.

The total fund balances of governmental funds decreased by \$10,659,030 during the fiscal year to \$159,983,841 at June 30, 2021. The fund balance is nonspendable, restricted, or assigned to indicate that it is (1) not in spendable form (\$1,118,436), (2) restricted for particular purposes (\$77,210,964), or (3) assigned for particular purposes (\$49,084,401).

Major Governmental Funds

The general fund is the District's chief operating fund. As of June 30, 2021, unassigned fund balance was \$32,570,040, while the total fund balance was \$88,507,005. As of June 30, 2021 total assets were \$113,456,037 and total liabilities and deferred inflows of resources were \$24,949,032. Total fund balance increased by \$20,702,685 during the current fiscal year. Key factors impacting the change in fund balance include an increase in revenues primarily due to Federal and State assistance related to

Hurricane Michael offset by a decrease in capital outlay expenditures primarily related to Hurricane Michael.

The debt service – other fund is used to account for the payment of principal and interest of the District’s Certificates of Participation (COPs) and notes payable and had a total fund balance of \$6,187 at June 30, 2021.

The Federal Education Stabilization fund had a total fund balance of \$0 at June 30, 2021. These funds are restricted for learning loss recovery due to the COVID-19 virus.

The capital projects – other fund had a total fund balance of \$46,683,025 at June 30, 2021, all of which is restricted for capital projects. The \$35,834,603 decrease in fund balance from prior year is primarily related to an increase in capital outlay expenses.

Proprietary Funds

Unrestricted net position of the enterprise fund – Beacon Learning Center was \$2,712,549 at June 30, 2021, while total net position was \$2,729,975.

Internal Service Fund

Unrestricted net position of the internal service fund was \$18,490,005 at June 30, 2021.

General Fund Budgetary Highlights

The District’s budgets are prepared, and amendments made, according to Florida law. The most significant budgeted fund is the general fund.

During the 2020-2021 fiscal year, the District amended its general fund budget several times, which resulted in an increase in total budgeted revenues of \$36,290,669 or 16 percent. For the year ended June 30, 2021, actual revenues were \$4,803,421 less than the final budgeted amounts, while actual expenditures were \$84,477,263 less than the final budgeted amounts. The ending fund balance exceeded the final amended budgeted fund balance by \$79,596,806.

Capital Assets and Debt Administration

Capital Assets

The District’s investment in capital assets for its governmental and business-type activities as of June 30, 2021, was \$323,243,202 and \$17,426, respectively (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; construction in progress; and audio visual materials and computer software. The total increase in capital assets for the current fiscal year was \$52,248,595, or 19 percent.

Major capital asset events included the following:

- During the current fiscal year, the District entered into an agreement with the Bay County Board of County Commissioners and the Panama City Beach Convention and Visitors Bureau to transfer ownership of St. Andrews School in exchange for land improvements at A. Gary Walsingham Academy.
- At June 30, 2021, construction in progress includes several construction projects as further discussed in the notes to financial statements.

Additional information on the District's capital assets can be found in note 5 of the financial statements.

Debt Administration

At June 30, 2021, the District had total long-term debt outstanding of \$309,091,703. This amount was comprised of \$12,383,974 of accrued compensated absences, \$19,250,326 in estimated insurance claims payable, \$4,824,605 of other postemployment benefits liabilities, \$144,340,724 of net pension liability, \$7,079,000 in notes payable, and \$121,213,074 of certificates of participation net unamortized premiums.

Additional information on the District's long-term debt can be found in notes 6 through 9 of the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Bay County District School Board's finances. Questions concerning information provided in the report, requests for additional financial information, or information associated with the District's discretely presented component units should be addressed to the Finance Officer, Bay County District School Board, 1311 Balboa Avenue, Panama City, Florida 32401. The District's website address is <http://www.bay.k12.fl.us/>.

Bay County District School Board
Statement of Net Position
June 30, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Current assets				
Cash and cash equivalents	\$ 173,494,092	\$ 4,021,748	\$ 177,515,840	\$ 27,543,256
Investments	-	-	-	652,054
Restricted investments	-	-	-	2,904,622
Accounts receivable, net	466,922	108,620	575,542	527,610
Internal balances	51,533	(51,533)	-	-
Due from other agencies	17,760,443	-	17,760,443	1,915,403
Prepays	2,840,555	-	2,840,555	686,107
Restricted cash	41,878,602	-	41,878,602	-
Inventories	1,118,436	-	1,118,436	12,374
Other current assets	141,040	-	141,040	1,038,461
Total current assets	237,751,623	4,078,835	241,830,458	35,279,887
Noncurrent assets				
Capital assets				
Nondepreciable	98,643,178	-	98,643,178	4,988,845
Depreciable, net	224,600,024	17,426	224,617,450	71,262,539
Total noncurrent assets	323,243,202	17,426	323,260,628	76,251,384
Total assets	560,994,825	4,096,261	565,091,086	111,531,271
Deferred outflows of resources				
Deferred loss on debt refunding	2,442,296	-	2,442,296	-
Deferred outflows related to pensions	47,448,602	387,472	47,836,074	10,265,284
Deferred outflows related to other postemployment benefits	733,448	5,989	739,437	-
Total deferred outflows of resources	50,624,346	393,461	51,017,807	10,265,284
Total assets and deferred outflows of resources	611,619,171	4,489,722	616,108,893	121,796,555
Liabilities				
Current liabilities				
Accounts payable	9,119,834	25,521	9,145,355	1,242,531
Accrued expenses	3,027,854	9,728	3,037,582	591,166
Construction contracts payable				
- retainage	3,706,734	-	3,706,734	467,274
Due to other agencies	2,765,947	-	2,765,947	557,129
Unearned revenue	2,378,015	149,353	2,527,368	514,822
Matured certificates of participation payable	8,105,500	-	8,105,500	-
Matured interest payable	1,935,411	-	1,935,411	522,943
Total current liabilities	31,039,295	184,602	31,223,897	3,895,865

(Continued)

See accompanying notes.

Bay County District School Board
Statement of Net Position (Continued)
June 30, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Noncurrent liabilities				
Due within one year				
Certificates of participation payable	\$ 9,349,498	\$ -	\$ 9,349,498	\$ -
Accrued compensated absences	2,430,789	46,006	2,476,795	237,103
Obligations under capital leases	-	-	-	100,611
Bonds payable	-	-	-	270,000
Notes payable	1,026,000	-	1,026,000	4,030,734
Net pension liability	425,942	-	425,942	-
Estimated insurance claims payable	11,071,658	-	11,071,658	-
Due in more than one year				
Certificates of participation payable	111,863,576	-	111,863,576	-
Accrued compensated absences	9,723,157	184,022	9,907,179	101,600
Obligations under capital leases	-	-	-	350,982
Bonds payable	-	-	-	33,388,150
Net pension liability	142,745,622	1,169,160	143,914,782	23,137,169
Notes payable	6,053,000	-	6,053,000	6,475,966
Unearned contribution	-	-	-	4,700,521
Estimated insurance claims payable	8,178,668	-	8,178,668	-
Other postemployment benefits liability	4,785,526	39,079	4,824,605	-
Total noncurrent liabilities	307,653,436	1,438,267	309,091,703	72,792,836
Total liabilities	338,692,731	1,622,869	340,315,600	76,688,701
Deferred inflows of resources				
Deferred inflows related to pensions	15,484,197	126,446	15,610,643	748,347
Deferred inflows related to other postemployment benefits	1,277,423	10,432	1,287,855	-
Total deferred inflows of resources	16,761,620	136,878	16,898,498	748,347
Total liabilities and deferred inflows of resources	355,454,351	1,759,747	357,214,098	77,437,048
Net position				
Net investment in capital assets	223,283,318	17,426	223,300,744	28,641,814
Restricted				
State required carryover programs	5,887,488	-	5,887,488	-
Debt service	6,187	-	6,187	-
Capital projects	65,541,911	-	65,541,911	-
Food service	5,775,378	-	5,775,378	-
Other purposes	-	-	-	4,629,561
Unrestricted (deficit)	(44,329,462)	2,712,549	(41,616,913)	11,088,132
Total net position	\$ 256,164,820	\$ 2,729,975	\$ 258,894,795	\$ 44,359,507

See accompanying notes.

Bay County District School Board
Statement of Activities
Year ended June 30, 2021

					Net (Expenses)/Revenues and Changes in Net Position						
					Program Revenues			Primary Government			Component Units
					Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs											
Primary government											
Governmental activities											
Instructional services	\$ 171,273,425	\$ 1,257,098	\$ -	\$ -	\$ (170,016,327)	\$ -	\$ (170,016,327)	\$ -			
Pupil services	18,259,417	-	-	-	(18,259,417)	-	(18,259,417)	-			
Instructional media services	2,295,069	-	-	-	(2,295,069)	-	(2,295,069)	-			
Instructional and curriculum development services	7,487,243	-	-	-	(7,487,243)	-	(7,487,243)	-			
Instructional staff training services	3,466,757	-	-	-	(3,466,757)	-	(3,466,757)	-			
Instruction related technology	177,477	-	-	-	(177,477)	-	(177,477)	-			
School board	1,089,724	-	-	-	(1,089,724)	-	(1,089,724)	-			
General administrative services	2,423,457	-	-	-	(2,423,457)	-	(2,423,457)	-			
School administrative services	15,012,545	-	-	-	(15,012,545)	-	(15,012,545)	-			
Facilities acquisition and construction	14,324,936	28,290	-	3,597,960	(10,698,686)	-	(10,698,686)	-			
Fiscal services	1,849,176	-	-	-	(1,849,176)	-	(1,849,176)	-			
Food services	8,404,781	428,447	7,649,794	-	(326,540)	-	(326,540)	-			
Central services	8,219,600	6,003,419	-	-	(2,216,181)	-	(2,216,181)	-			
Pupil transportation services	9,138,735	265,072	-	-	(8,873,663)	-	(8,873,663)	-			
Plant operations	18,546,921	-	-	-	(18,546,921)	-	(18,546,921)	-			
Maintenance services	5,368,010	-	-	-	(5,368,010)	-	(5,368,010)	-			
Administrative technology services	3,920,702	-	-	-	(3,920,702)	-	(3,920,702)	-			
Community services	2,596,944	1,671,889	-	-	(925,055)	-	(925,055)	-			
Unallocated interest on long-term debt	3,939,527	-	-	-	(3,939,527)	-	(3,939,527)	-			
Unallocated depreciation	21,514,238	-	-	-	(21,514,238)	-	(21,514,238)	-			
Total governmental activities	319,308,684	9,654,215	7,649,794	3,597,960	(298,406,715)	-	(298,406,715)				

(Continued)

See accompanying notes.

Bay County District School Board
Statement of Activities (Continued)
Year ended June 30, 2021

						Net (Expenses)/Revenues and Changes in Net Position						
						Primary Government			Component Units			
		Program Revenues										
		Charges for	Operating	Capital		Governmental	Business-type					
Expenses		Services	Grants and	Grants and		Activities	Activities	Total				
			Contributions	Contributions								
Business-type activities												
Beacon Learning Center	\$	1,988,064	\$	2,240,617	\$	-	\$	-	\$	-		
Total business-type activities		1,988,064		2,240,617		-		252,553	252,553	-		
Total primary government	\$	321,296,748	\$	11,894,832	\$	7,649,794	\$	3,597,960	(298,406,715)	252,553	(298,154,162)	-
Component units	\$	48,147,861	\$	1,466,938	\$	4,294,996	\$	1,818,154	-	-	-	(40,567,773)
General revenues												
Taxes												
Property taxes, levied for operating purposes						81,645,631	-	81,645,631	-			
Property taxes, levied for capital projects						27,404,188	-	27,404,188	-			
Local sales taxes						26,109,097	-	26,109,097	-			
Grants and contributions not restricted to specific programs						200,524,811	-	200,524,811	38,012,916			
Total general revenues						335,683,727	-	335,683,727	38,012,916			
Interest earnings						269,263	8,325	277,588	6,238			
Rental income						37,205	-	37,205	-			
Miscellaneous						6,551,771	-	6,551,771	2,593,760			
Gain/(loss) on diposal of assets						(1,043,326)	-	(1,043,326)	-			
Insurance recoveries						-	-	-	1,143,146			
Forgiveness of debt						-	-	-	1,865,892			
Total general revenues, interest and other revenue						341,498,640	8,325	341,506,965	43,621,952			
Change in net position						43,091,925	260,878	43,352,803	3,054,179			
Net position - beginning (as originally reported)						210,226,073	2,469,097	212,695,170	40,572,135			
Restatement adjustment/prior period adjustment						2,846,822	-	2,846,822	733,193			
Net position - beginning (as restated)						213,072,895	2,469,097	215,541,992	41,305,328			
Net position - ending						\$ 256,164,820	\$ 2,729,975	\$ 258,894,795	\$ 44,359,507			

See accompanying notes.

Bay County District School Board
Balance Sheet – Governmental Funds
June 30, 2021

	General Fund	Debt Service - Other Fund	Special Revenue - Federal Education Stabilization Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 92,891,772	\$ 6,186	\$ 2,296,270	\$ 19,069,925	\$ 24,044,791	\$ 138,308,944
Accounts receivable, net	443	-	-	409,929	56,550	466,922
Due from other agencies	15,689,472	-	901,291	15,919	1,153,761	17,760,443
Due from other funds	3,909,274	-	2,496,471	2,659,859	2,236,776	11,302,380
Inventories	965,076	-	-	-	153,360	1,118,436
Restricted cash and cash equivalents	-	10,040,912	-	31,837,690	-	41,878,602
Total assets	\$ 113,456,037	\$ 10,047,098	\$ 5,694,032	\$ 53,993,322	\$ 27,645,238	210,835,727
Liabilities, deferred inflows of resources, and fund balances						
Liabilities						
Accounts payable	\$ 6,314,121	\$ -	\$ 123,226	\$ 3,200,595	\$ 986,128	10,624,070
Accrued expenses	1,104,909	-	126,762	-	192,963	1,424,634
Construction contracts payable - retainage	306,921	-	-	3,317,317	82,496	3,706,734
Due to other agencies	2,344,491	-	388,244	-	33,212	2,765,947
Due to other funds	6,631,217	-	2,760,692	382,456	1,487,798	11,262,163
Matured certificates of participation payable	-	8,105,500	-	-	-	8,105,500
Matured interest payable	-	1,935,411	-	-	-	1,935,411
Unearned revenue	7,890	-	2,295,108	-	75,017	2,378,015
Total liabilities	16,709,549	10,040,911	5,694,032	6,900,368	2,857,614	42,202,474
Deferred inflows of resources						
Unavailable revenue - grant revenues	8,239,483	-	-	409,929	-	8,649,412
Total deferred inflows of resources	8,239,483	-	-	409,929	-	8,649,412

(Continued)

See accompanying notes.

Bay County District School Board
Balance Sheet – Governmental Funds (Continued)
June 30, 2021

	General Fund	Debt Service - Other Fund	Special Revenue - Federal Education Stabilization Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
Fund balance						
Nonspendable						
Inventories	\$ 965,076	\$ -	\$ -	\$ -	\$ 153,360	\$ 1,118,436
Restricted						
State required carryover						
programs	5,887,488	-	-	-	-	5,887,488
Food service	-	-	-	-	5,775,378	5,775,378
Debt service	-	6,187	-	-	-	6,187
Capital projects	-	-	-	46,683,025	18,858,886	65,541,911
Assigned						
Future purchases and hurricane repairs	41,020,732	-	-	-	-	41,020,732
Other	8,063,669	-	-	-	-	8,063,669
Unassigned	32,570,040	-	-	-	-	32,570,040
Total fund balances	88,507,005	6,187	-	46,683,025	24,787,624	159,983,841
Total liabilities and fund balances	\$ 113,456,037	\$ 10,047,098	\$ 5,694,032	\$ 53,993,322	\$ 27,645,238	

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.	323,243,202
Internal service funds are used by management to charge the costs of workers' compensation and insurance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	18,490,005
Receivables not collected within 60 days of year-end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds.	8,649,412
Deferred outflows of resources and deferred inflows of resources for pension and other postemployment benefit liabilities are applicable to future periods and, therefore, are not reported in governmental funds. Also, deferred outflows of resources related to the loss on debt refunding is applicable to future periods.	33,777,199
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	(287,978,839)
Net position of governmental activities	\$ 256,164,820

See accompanying notes.

Bay County District School Board
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended June 30, 2021

	General Fund	Debt Service - Other Fund	Special Revenue - Federal Education Stabilization Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Intergovernmental						
Federal direct	\$ 686,037	\$ -	\$ -	\$ -	\$ 1,124,236	\$ 1,810,273
Federal through state and local	54,138,739	-	11,332,828	-	25,271,486	90,743,053
State	115,005,576	-	-	526,547	3,646,117	119,178,240
Local						
Property taxes	81,544,219	-	-	-	-	81,544,219
Local sales taxes	-	-	-	26,109,097	-	26,109,097
District local capital improvement taxes	-	-	-	-	27,370,142	27,370,142
Payments in lieu of taxes	101,412	-	-	-	34,046	135,458
Charges for services	2,957,277	-	-	-	428,447	3,385,724
Rental income	37,205	-	-	-	-	37,205
Interest income	142,054	121	-	29,899	63,525	235,599
Miscellaneous	2,637,604	-	-	296,132	3,068,403	6,002,139
Total revenues	257,250,123	121	11,332,828	26,961,675	61,006,402	356,551,149
Expenditures						
Current - education						
Instructional services	144,760,852	-	7,151,067	-	13,562,172	165,474,091
Pupil services	15,065,645	-	171,807	-	2,273,722	17,511,174
Instructional media services	2,174,684	-	65,378	-	62,688	2,302,750
Instructional and curriculum development services	3,984,563	-	210,534	-	2,923,429	7,118,526
Instructional staff training services	2,183,684	-	49,706	-	1,240,818	3,474,208
Instruction related technology	68,946	-	11,305	-	97,692	177,943
School board	1,090,905	-	-	-	-	1,090,905
General administrative services	3,054,987	-	123,879	-	424,046	3,602,912
School administrative services	14,034,212	-	233,827	-	-	14,268,039
Facilities acquisition and construction	5,343,955	-	-	6,544,198	2,445,564	14,333,717
Central services	2,165,334	-	31,764	-	7,206	2,204,304

(Continued)

See accompanying notes.

Bay County District School Board

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Continued)

Year ended June 30, 2021

	General Fund	Debt Service - Other Fund	Special Revenue - Federal Education Stabilization Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
Fiscal services	\$ 1,850,798	\$ -	\$ 8,670	\$ -	\$ -	\$ 1,859,468
Food services	77,100	-	-	-	8,554,339	8,631,439
Pupil transportation services	8,189,334	-	200,138	-	5,671	8,395,143
Plant operations	17,112,778	-	1,491,553	-	2,284	18,606,615
Maintenance services	5,210,473	-	46,896	-	-	5,257,369
Administrative technology services	3,765,997	-	-	-	-	3,765,997
Community services	1,579,722	-	314,974	-	708,173	2,602,869
Capital outlay	14,332,972	-	1,150,994	51,562,145	6,910,848	73,956,959
Debt service						
Principal	-	10,386,500	-	-	-	10,386,500
Interest and fiscal charges	-	4,278,298	-	-	940	4,279,238
Total expenditures	246,046,941	14,664,798	11,262,492	58,106,343	39,219,592	369,300,166
Excess (deficit) of revenues over (under) expenditures	11,203,182	(14,664,677)	70,336	(31,144,668)	21,786,810	(12,749,017)
Other financing sources (uses)						
Debt proceeds	5,000,000	-	-	-	-	5,000,000
Transfers in	4,499,503	14,657,872	-	-	-	19,157,375
Transfers out	-	-	(70,336)	(4,689,935)	(17,307,117)	(22,067,388)
Total other financing sources (uses)	9,499,503	14,657,872	(70,336)	(4,689,935)	(17,307,117)	2,089,987
Net changes in fund balances	20,702,685	(6,805)	-	(35,834,603)	4,479,693	(10,659,030)
Fund balances - beginning (as originally reported)	68,463,000	12,992	-	82,517,628	16,802,429	167,796,049
Prior period adjustment	(658,680)	-	-	-	3,505,502	2,846,822
Fund balances - beginning (as restated)	67,804,320	12,992	-	82,517,628	20,307,931	170,642,871
Fund balances - ending	\$ 88,507,005	\$ 6,187	\$ -	\$ 46,683,025	\$ 24,787,624	\$ 159,983,841

See accompanying notes.

Bay County District School Board
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds (page 20)	\$ (10,659,030)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	51,486,853
The net effect of miscellaneous noncash transactions involving capital assets (i.e. sales, trade-ins, adjustments , donations, and impairments) is to increase net position.	766,564
Certain funds due from other agencies are not available and, therefore, are not recognized as revenue in the governmental fund statements. However, these funds are recognized as revenue under the full accrual basis of accounting in the statement of activities.	442,966
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 (i.e. compensated absences, actuarially determined pension expenses, and other postemployment benefits).	(9,365,081)
Internal service funds are used by management to charge the costs of workers' compensation and insurance costs to individual funds. The net change of certain activities of internal service funds is reported with governmental activities. The internal balance resulting from the allocation of internal service funds to business-type activities is also reported.	4,693,442
The issuance of long-term debt (e.g., 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 assets. 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.	5,726,211
Change in net position of governmental activities (page 16)	\$ 43,091,925

See accompanying notes.

Bay County District School Board
Statement of Net Position –
Proprietary Funds
June 30, 2021

	Business-type Activities - Beacon Learning Center	Governmental Activities - Internal Service Fund
Assets		
Current assets		
Cash and cash equivalents	\$ 4,021,748	\$ 35,185,148
Accounts receivable, net	108,620	-
Due from other funds	185	11,316
Prepaid expenses	-	2,840,555
Other current assets	-	141,040
Total current assets	4,130,553	38,178,059
Noncurrent assets		
Capital assets		
Property, plant and equipment	271,359	-
Less accumulated depreciation	(253,933)	-
Total noncurrent assets	17,426	-
Total assets	4,147,979	38,178,059
Deferred outflows of resources		
Deferred outflows related to pensions	387,472	129,157
Deferred outflows related to other postemployment benefits	5,989	1,996
Total deferred outflows of resources	393,461	131,153
Total assets and deferred outflows of resources	4,541,440	38,309,212
Liabilities		
Current liabilities		
Accounts payable	25,521	95,728
Accrued expenses	9,728	3,256
Accrued compensated absences	46,006	4,305
Estimated insurance claims payable	-	11,071,658
Due to other funds	51,718	-
Unearned revenue	149,353	-
Total current liabilities	282,326	11,174,947
Noncurrent liabilities		
Accrued compensated absences	184,022	17,220
Net pension liability	1,169,160	389,720
Other postemployment benefits liability	39,079	13,026
Estimated insurance claims payable	-	8,178,668
Total noncurrent liabilities	1,392,261	8,598,634
Total liabilities	1,674,587	19,773,581

(Continued)

See accompanying notes.

Bay County District School Board
Statement of Net Position –
Proprietary Funds (Continued)
June 30, 2021

	Business-type Activities - Beacon Learning Center	Governmental Activities - Internal Service Fund
Deferred inflows of resources		
Deferred inflows related to pensions	\$ 126,446	\$ 42,149
Deferred inflows related to other postemployment benefits	10,432	3,477
Total deferred inflows of resources	136,878	45,626
Total liabilities and deferred inflows of resources	1,811,465	19,819,207
Net position		
Net investment in capital assets	17,426	-
Unrestricted	2,712,549	18,490,005
Total net pension	\$ 2,729,975	\$ 18,490,005

See accompanying notes.

Bay County District School Board
Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds
Year ended June 30, 2021

	Business-type Activities - Beacon Learning Center	Governmental Activities - Internal Service Fund
Operating revenues		
Charges for services	\$ 2,240,617	\$ 29,425,127
Other miscellaneous income	-	3,686
Total operating revenues	2,240,617	29,428,813
Operating expenses		
Salaries	882,863	328,400
Employee benefits	450,826	155,138
Purchased services	546,521	2,709,854
Materials and supplies	5,164	4,035
Small equipment	2,241	25,912
Insurance claims	-	19,043,095
Insurance premiums	-	5,411,489
Other expenses	89,028	1,125
Depreciation	11,421	-
Total operating expenses	1,988,064	27,679,048
Net operating income	252,553	1,749,765
Nonoperating revenues		
Interest income	8,325	33,664
Transfers in	-	2,910,013
Total nonoperating revenues	8,325	2,943,677
Changes in net position	260,878	4,693,442
Net position - beginning (as originally reported)	2,469,097	14,074,647
Restatement adjustment/prior period adjustment	-	(278,084)
Net position - beginning (as restated)	2,469,097	13,796,563
Net position - ending	\$ 2,729,975	\$ 18,490,005

See accompanying notes.

Bay County District School Board
Statement of Cash Flows – Proprietary Funds
Year ended June 30, 2021

	Business-type Activities - Beacon Learning Center	Governmental Activities - Internal Service Fund
Operating activities		
Receipts for services	\$ 2,052,130	\$ 31,338,829
Payments to suppliers	(623,212)	(8,321,110)
Payments to employees	(1,200,531)	(422,878)
Payments for insurance claims and related fees	-	(23,895,141)
Net cash provided (used) by operating activities	228,387	(1,300,300)
Capital and related financing activities		
Payments to/(from) other funds	6,927	(15,326)
Transfers from other funds	-	2,910,013
Purchases of capital assets	(6,599)	-
Net cash provided by capital and related financing activities	328	2,894,687
Investing activities		
Interest received	8,325	33,664
Net cash provided by investing activities	8,325	33,664
Net increase in cash and cash equivalents	237,040	1,628,051
Cash and cash equivalents - beginning	3,784,708	33,557,097
Cash and cash equivalents - ending	\$ 4,021,748	\$ 35,185,148

(Continued)

See accompanying notes.

Bay County District School Board
Statement of Cash Flows – Proprietary Funds (Continued)
Year ended June 30, 2021

	Business-type Activities - Beacon Learning Center	Governmental Activities - Internal Service Fund
Reconciliation of net operating income to net cash provided (used) by operating activities		
Net operating income	\$ 252,553	\$ 1,749,765
Adjustments to reconcile net operating income to net cash provided (used) by operating activities		
Depreciation	11,421	-
(Increase) decrease in assets		
Accounts receivable, net	(50,383)	1,977,974
Due from other agencies	30,400	-
Prepaid expenses	-	(168,802)
Other current assets	-	(67,958)
(Increase) decrease in deferred outflows of resources		
Deferred outflows related to pensions	(73,670)	(11,481)
Deferred outflows related to other postemployment benefits	698	(1,996)
Increase (decrease) in liabilities		
Accounts payable	21,285	(19,055)
Accrued expenses	(1,543)	107
Accrued compensated absences	(38,290)	21,525
Estimated insurance claims payable	-	(4,832,991)
Unearned revenue	(168,504)	-
Net pension liability	234,210	39,114
Other postemployment benefits liability	5,389	13,026
Increase (decrease) in deferred inflows of resources		
Deferred inflows related to pensions	6,035	(3,005)
Deferred inflows related to other postemployment benefits	(1,214)	3,477
Total adjustments	(24,166)	(3,050,065)
Net cash provided (used) by operating activities	\$ 228,387	\$ (1,300,300)

See accompanying notes.

Bay County District School Board
Combining Statement of Net Position – Discretely Presented Component Units
June 30, 2021

	Bay Haven Charter Academy, Inc.	Palm Bay Educational Group, Inc.	Chautauqua Charter School, Inc.	Community Charter Academy, Inc.	Rising Leaders Academy, Inc.	Bay Education Foundation, Inc.	Bay Haven Foundation	Total Component Units
Assets								
Current assets								
Cash and cash equivalents	\$ 19,145,201	\$ 2,879,880	\$ 608,964	\$ 2,174,055	\$ 915,715	\$ 1,714,867	\$ 104,574	\$ 27,543,256
Investments	652,054	-	-	-	-	-	-	652,054
Restricted investments	2,904,622	-	-	-	-	-	-	2,904,622
Accounts receivable, net	102,935	424,675	-	-	-	-	-	527,610
Due from other agencies	1,048,186	364,942	67,383	97,881	309,415	27,596	-	1,915,403
Prepays	483,256	41,029	-	74,677	61,440	25,705	-	686,107
Inventories	12,374	-	-	-	-	-	-	12,374
Other current assets	11,426	-	-	-	-	1,027,035	-	1,038,461
Total current assets	24,360,054	3,710,526	676,347	2,346,613	1,286,570	2,795,203	104,574	35,279,887
Noncurrent assets								
Capital assets								
Nondepreciable	2,881,814	-	-	2,000,000	107,031	-	-	4,988,845
Depreciable, net	39,746,404	16,234,313	115,911	14,119,916	1,045,995	-	-	71,262,539
Total noncurrent assets	42,628,218	16,234,313	115,911	16,119,916	1,153,026	-	-	76,251,384
Total assets	66,988,272	19,944,839	792,258	18,466,529	2,439,596	2,795,203	104,574	111,531,271
Deferred outflows of resources	5,488,890	2,466,649	197,477	1,527,395	584,873	-	-	10,265,284
Total assets and deferred outflows of resources	72,477,162	22,411,488	989,735	19,993,924	3,024,469	2,795,203	104,574	121,796,555
Liabilities								
Current liabilities								
Accounts payable	678,550	486,283	11,878	43,522	4,558	17,740	-	1,242,531
Accrued salaries and benefits	37,713	172,056	-	323,124	58,273	-	-	591,166
Construction contracts payable - retainage	-	467,274	-	-	-	-	-	467,274
Due to other agencies	-	-	-	-	-	557,129	-	557,129

(Continued)

See accompanying notes.

Bay County District School Board
Combining Statement of Net Position – Discretely Presented Component Units (Continued)
June 30, 2021

	Bay Haven Charter Academy, Inc.	Palm Bay Educational Group, Inc.	Chautauqua Charter School, Inc.	Community Charter Academy, Inc.	Rising Leaders Academy, Inc.	Bay Education Foundation, Inc.	Bay Haven Foundation	Total Component Units
Unearned revenue	\$ 472,316	\$ -	\$ -	\$ 5,720	\$ -	\$ 36,786	\$ -	\$ 514,822
Matured interest payable	522,943	-	-	-	-	-	-	522,943
Total current liabilities	1,711,522	1,125,613	11,878	372,366	62,831	611,655	-	3,895,865
Noncurrent liabilities								
Due within one year								
Accrued compensated absences	237,103	-	-	-	-	-	-	237,103
Bonds payable	270,000	-	-	-	-	-	-	270,000
Obligations under capital leases	100,611	-	-	-	-	-	-	100,611
Notes payable	-	3,569,464	8,510	428,547	24,213	-	-	4,030,734
Due in more than one year								
Accrued compensated absences	101,600	-	-	-	-	-	-	101,600
Notes payable	-	280,465	51,849	5,852,306	291,346	-	-	6,475,966
Unearned contribution	-	-	-	4,700,521	-	-	-	4,700,521
Bonds payable	33,388,150	-	-	-	-	-	-	33,388,150
Net pension liability	14,610,935	3,980,503	444,382	3,096,257	1,005,092	-	-	23,137,169
Obligations under capital leases	350,982	-	-	-	-	-	-	350,982
Total noncurrent liabilities	49,059,381	7,830,432	504,741	14,077,631	1,320,651	-	-	72,792,836
Total liabilities	50,770,903	8,956,045	516,619	14,449,997	1,383,482	611,655	-	76,688,701
Deferred inflows of resources	541,945	109,393	20,769	57,421	18,819	-	-	748,347
Total liabilities and deferred inflows of resources	51,312,848	9,065,438	537,388	14,507,418	1,402,301	611,655	-	77,437,048
Net position								
Net investment in capital assets	10,225,869	12,384,384	55,552	5,138,542	837,467	-	-	28,641,814
Restricted								
Other purposes	2,374,472	1,357,816	-			792,699	104,574	4,629,561
Unrestricted	8,563,973	(396,150)	396,795	347,964	784,701	1,390,849	-	11,088,132
Total net position	\$ 21,164,314	\$ 13,346,050	\$ 452,347	\$ 5,486,506	\$ 1,622,168	\$ 2,183,548	\$ 104,574	\$ 44,359,507

See accompanying notes.

Bay County District School Board
Combining Statement of Activities – Discretely Presented Component Units
Year ended June 30, 2021

	Bay Haven Charter Academy, Inc.	Palm Bay Educational Group, Inc.	Chautauqua Charter School, Inc.	Community Charter Academy, Inc.	Rising Leaders Academy, Inc.	Bay Education Foundation, Inc.	Bay Haven Foundation	Total Component Units
Revenues								
Charges for services	\$ 1,209,826	\$ 130,178	\$ -	\$ 125,500	\$ 1,434	\$ -	\$ -	\$ 1,466,938
Operating grants and contributions	1,926,128	1,505,093	151,782	256,908	455,085	-	-	4,294,996
Capital grants and contributions	998,762	378,265	26,743	349,178	65,206	-	-	1,818,154
Grants and contributions not restricted to specific purposes	24,990,966	5,288,029	849,537	4,581,270	2,303,114	-	-	38,012,916
Investment earnings	6,180	-	-	-	-	-	58	6,238
Miscellaneous	727,482	503,224	69,447	926,710	9,035	353,608	4,254	2,593,760
Insurance recoveries	468,410	479,777	-	-	194,959	-	-	1,143,146
Forgiveness of debt	-	827,295	117,582	728,715	192,300	-	-	1,865,892
Total revenues	30,327,754	9,111,861	1,215,091	6,968,281	3,221,133	353,608	4,312	51,202,040
Expenses								
Instructional services	15,919,480	3,294,251	767,886	3,441,799	1,330,362	-	-	24,753,778
Instructional support services	-	105,444	-	94,275	2,305	-	-	202,024
Pupil services	772,833	-	125,690	-	-	-	-	898,523
Instructional media services	53,173	2,189	-	-	-	-	-	55,362
Instructional and curriculum development services	-	323	-	-	-	-	-	323
Instructional staff training services	133,875	37,415	-	-	3,041	-	-	174,331
Instruction related technology	352,707	122,794	708	39,397	5,059	-	-	520,665
School board	187,587	688,858	41,078	51,862	45,550	-	-	1,014,935
General administrative services	1,332,610	-	-	-	-	-	-	1,332,610
School administrative services	2,107,401	1,777,748	68,489	869,875	464,914	-	-	5,288,427
Facilities acquisition and construction	69,461	2,094	-	-	129,849	-	-	201,404
Fiscal services	24,473	131,429	31,225	135,892	88,117	-	-	411,136
Food services	792,131	312,488	-	65,654	125,219	-	-	1,295,492
Pupil transportation services	316,189	875	9,994	-	-	-	-	327,058

(Continued)

See accompanying notes.

Bay County District School Board
Combining Statement of Activities – Discretely Presented Component Units (Continued)
Year ended June 30, 2021

	Bay Haven Charter Academy, Inc.	Palm Bay Educational Group, Inc.	Chautauqua Charter School, Inc.	Community Charter Academy, Inc.	Rising Leaders Academy, Inc.	Bay Education Foundation, Inc.	Bay Haven Foundation	Total Component Units
Plant operations	\$ 1,936,170	\$ 1,010,656	\$ 128,566	\$ 683,918	\$ 155,954	\$ -	\$ -	\$ 3,915,264
Maintenance services	567,605	45,496	10,918	21,956	39,765	-	-	685,740
Community services	326,827	46,605	473	31,251	1,291	594,714	56,724	1,057,885
Unallocated interest on long-term debt	1,600,749	193,032	3,561	266,623	11,491	-	-	2,075,456
Unallocated depreciation	2,205,280	873,630	12,056	445,089	64,177	-	-	3,600,232
Debt service fees and discounts	337,216	-	-	-	-	-	-	337,216
Total expenses	29,035,767	8,645,327	1,200,644	6,147,591	2,467,094	594,714	56,724	48,147,861
Change in net position	1,291,987	466,534	14,447	820,690	754,039	(241,106)	(52,412)	3,054,179
Net position - beginning (as originally reported)	19,872,327	12,879,516	437,900	4,665,816	868,129	1,691,461	156,986	40,572,135
Prior period adjustments	-	-	-	-	-	733,193	-	733,193
Net position - beginning (as restated)	19,872,327	12,879,516	437,900	4,665,816	868,129	2,424,654	156,986	41,305,328
Net position - ending	\$ 21,164,314	\$ 13,346,050	\$ 452,347	\$ 5,486,506	\$ 1,622,168	\$ 2,183,548	\$ 104,574	\$ 44,359,507

See accompanying notes.

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Bay County School District's (District) governmental activities and for each segment of the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's transportation and maintenance departments and school board office are allocated to the student transportation services, operation of plant, and central services functions, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

Reporting Entity

The Bay County District School Board (Board) has direct responsibility for operation, control, and supervision of district schools and is considered the primary government for financial reporting. The District is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education (FDOE), and is governed by state law and State Board of Education (SBE) rules. The governing body of the District is the Board, which is composed of five elected members and an elected superintendent. The Superintendent of the District is the executive officer of the Board. Geographic boundaries of the District correspond with those of Bay County, Florida.

The criteria for determining if other entities are component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete.

Based on the application of these criteria, the following component units are included within the District's reporting entity:

- Blended Component Units - Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, blended component units are

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

appropriately presented as funds of the District. The Bay County Educational Facilities Finance Corporation (Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in note 7. Due to the substantive economic relationship between the District and the Corporation, the financial activities of the Corporation are included in the accompanying basic financial statements. Separate financial statements of the Corporation are not published.

- Discretely Presented Component Units - The component units columns in the government-wide financial statements include the financial data of two foundations and the District's eleven charter schools. A separate column is used to emphasize that they are legally separate from the District.

Bay Education Foundation, Inc., (Foundation) is a separate nonprofit corporation organized and operated as a direct-support organization to receive, hold, invest, and administer property and to make expenditures to, and for the benefit of, the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit of the District. Bay Haven Foundation, is a separate nonprofit corporation organized and operated as a direct-support organization to receive, hold, invest, and administer property and to make expenditures to, and for the benefit of, Bay Haven Charter Academy, Inc. and thereby the District.

The charter schools of the District are: Bay Haven Charter Academy, Inc., d/b/a Bay Haven Charter Academy Elementary School, Bay Haven Charter Academy Middle School, North Bay Haven Charter Elementary School, North Bay Haven Charter Middle School, and North Bay Haven Charter Career Academy; Palm Bay Educational Group, Inc., d/b/a Palm Bay Preparatory Academy, Palm Bay Preparatory Elementary Academy, and Central High School; Chautauqua Charter School, Inc., d/b/a Chautauqua Learn and Serve Charter School; Community Charter Academy, Inc., d/b/a University Academy, Inc.; and Rising Leaders Academy, Inc.

The charter schools are nonprofit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by their sponsor, the Board. The charter schools are considered to be component units of the District because: they are fiscally dependent on the District to levy taxes for their support; the District established the charter schools and therefore are financially accountable for them; and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District.

The District may choose not to renew the charters as specified in the charters, but the District must notify the charter schools in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. Pursuant to Section 1002.33(8)(e), Florida Statutes, in the event a charter school is dissolved or terminated, any encumbered funds, and all school property purchased with public funds, shall revert to the District.

Bay County District School Board Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Copies of the separate financial statements for the foundations and charter schools are available at the Board's administrative office at 1311 Balboa Avenue, Panama City, Florida 32401.

Basis of Presentation

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while the business-type activities column incorporates data from the enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds.

Government-wide financial statements - The statement of net position and the statement of activities, present information about the District as a whole. These statements include the nonfiduciary financial activity of the District and its component units. The statements distinguish between governmental activities and business-type activities.

Government-wide financial statements are prepared using the flow of economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities and for each segment of the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the pupil transportation services, central services, and plant operations functions is allocated to those functions, with remaining depreciation expense reported as unallocated.

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

The effects of interfund activity have been eliminated from the government-wide financial statements, except for interfund services provided and used and the net residual amounts between governmental and business-type activities.

Fund financial statements - Fund financial statements report detailed information about the District in the governmental and proprietary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

Bay County District School Board Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following major governmental funds:

- General fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Debt service – other fund – to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs for the District's certificates of participation, notes and bonds payable.
- Special revenue – Federal Education Stabilization fund – to account for certain federal grant program resources related to the Elementary and Secondary School Emergency Relief (ESSER I and II), Governor's Emergency Education Relief (GEER I and II), Coronavirus Aid, Relief, and Economic Security (CARES), and other Coronavirus Response and Relief Supplement Appropriations (CRRSA).
- Capital projects – other fund – to account for the financial resources generated by the issuance of certificates of participation, sales tax anticipation notes, and the discretionary sales surtax to be used for educational outlay needs, including new construction, renovation, remodeling projects, and technology equipment.

Additionally, the District reports the following proprietary fund types:

- Enterprise fund – Beacon Learning Center – to account for the financial activities and account balances of the Beacon Learning Center which provides educational services for a fee to individuals, public and private entities, and district school boards.
- Internal service fund – to account for the District's self-insurance programs.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at fiscal year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and transfers out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and 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 government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Property taxes, sales taxes, 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. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences, are only recorded 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. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary funds are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges for online educational resources and professional development courses. Operating expenses include salaries, benefits, materials, purchased services, capital outlay, and depreciation related to the development of these online educational resources and professional development courses. All revenues and expenses not

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the District's internal service funds are charges for property casualty and workers' compensation insurance.

Operating expenses include insurance claims, excess coverage premiums, and related operating costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Foundations are accounted for as a nonprofits and use the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. The charter schools are accounted for as governmental organizations and follow the same accounting model as the District.

Cash, Cash Equivalents, and Investments

The District's cash and cash equivalents include cash on hand, demand deposits, certificates of deposit, and all highly liquid short-term debt instruments with original maturities of three months or less. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME and the Federated Government Obligations Fund.

Cash deposits are held by banks that are qualified public depositories under Florida law or through the Federally Insured Cash Account Program, which complies with the provisions of Section 218.415(23), Florida Statutes, and is therefore exempt from Florida's public deposits program pursuant to Section 280.03(3)(f), Florida Statutes. All deposits are insured by federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

Unspent proceeds from 2019 and 2020 certificate of participation bonds, as well as funds transferred to the fiscal agent for repayment of bonds, are classified as restricted cash and cash equivalents on the balance sheet because their use is limited by applicable bond covenants. Other restricted amounts reflect money put into a trust by the District for the a future improvement of a charter school.

Inventories

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are measured at net realizable value and stated at average cost, except that United States Department of Agriculture surplus commodities are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. Although the costs of inventories are recorded as expenditures when used rather than purchased, a fund balance reserve is established at fiscal year-end

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

to indicate that inventories do not constitute available expendable resources even though inventories are a component of current assets.

Prepays

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

Capital Assets

Expenditures for capital assets acquired or constructed for general district purposes are reported in the governmental fund that financed the acquisition or construction. Capital assets are reported at cost in the government-wide statement of net position, but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000 and having a useful service life of more than one year. Such assets are recorded at historical cost or estimated historical cost if historical cost is unknown. Donated assets are recorded at acquisition value at the date of donation.

Interest costs incurred during construction of capital assets are not capitalized as part of the cost of construction.

Capital assets are depreciated using the unweighted average method, generally over the following estimated useful lives:

Description	Estimated Lives
Improvements other than buildings	9 – 37.5 years
Buildings and fixed equipment	10 – 50 years
Furniture, fixtures, and equipment	3 – 15 years
Motor vehicles	5 – 10 years
Audio visual materials and computer software	5 years

Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from FRS and HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. 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. The District's retirement plans and related amounts are described in a subsequent note.

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Changes in long-term liabilities for the current year are reported in a subsequent note.

Compensated Absences

In the government-wide financial statements, accrued compensated absences (i.e., paid absences for employee vacation leave and sick leave) are shown as liabilities to the extent that it is probable that the benefits will result in compensation to the employee through paid time-off or other means such as termination payments. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements. The liability for accrued compensated absences includes estimated payroll taxes, where applicable. Changes in long-term liabilities for the current year are reported in a subsequent note.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure/expense) until then. The District has three types of items that qualify for reporting in this category, deferred outflows related to pensions, deferred outflows related to other postemployment benefits (OPEB), and deferred loss from debt refunding. The deferred loss from debt 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. The deferred outflows of resources related to pensions and OPEB are discussed in subsequent notes.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first two items, deferred inflows of resources related to pensions and OPEB, are reported in the statement of net position and discussed in subsequent notes. The remaining item is reported in the governmental funds balance sheet as unavailable revenue related to grants and will be recognized as an inflow of resources in the period that the amounts become available.

Bay County District School Board Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net position is classified in three categories. The general meaning of each is as follows:

Net investment in capital assets - represents the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Restricted - includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation.

Unrestricted - indicates that portion of net position that is available for future periods.

Net Position Flow Assumption

The District occasionally funds outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Consequently, it is the District's policy generally, to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of limitations requiring the use of resources for specific purposes.

The nonspendable fund balance classification includes the resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable fund balance as of June 30, 2021, of \$1,118,436 is from inventories which are not in spendable form.

The restricted fund balance classification includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. The balance as of June 30, 2021, of \$77,210,964 is restricted by creditors for repayment of debt issued, state required carryover programs, food service, and capital projects. The balance as of June 30, 2021 of \$77,204,777 is restricted by enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balance at June 30, 2021.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the assignment of fund balance. The Board may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent years 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. The assigned fund balance as of June 30, 2021, of \$49,084,401 is from purchase orders issued and outstanding at year-end, carryover amounts for various projects, and Hurricane Michael repairs.

The unassigned fund balance classification is the residual classification for the general fund. The balance as of June 30, 2021 is \$32,570,040.

Fund Balance Flow Assumptions

The District may fund outlays for a particular purpose from both restricted and unrestricted resources (committed, assigned, and unassigned). 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 generally the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, and then unassigned fund balance.

Program Revenues

Amounts reported as program revenues include charges paid by the recipient of goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

State Revenue Sources

Significant revenues from state sources for current operations include the Florida Education Finance Program administered by the FDOE under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE)

Bay County District School Board Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

students and related data to FDOE. FDOE performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of nine months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. FDOE may also adjust subsequent fiscal period allocations based on an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year the adjustments are made.

The State provides financial assistance to administer certain educational programs. The SBE rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same educational programs. FDOE generally requires that these educational program revenues be accounted for in the general fund. A portion of the fund balance of the general fund is restricted in the governmental fund financial statements for the balance of categorical and earmarked educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from FDOE.

District Property Taxes

The District is authorized by state law to levy property taxes for district school operations, capital improvements, and debt service.

Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Bay County Property Appraiser, and property taxes are collected by the Bay County Tax Collector.

The District adopted the 2020 tax levy on September 10, 2020. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become a lien on the property on January 1, and are delinquent on April 1, of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for enforcement of collection of real property taxes by the sale of interest bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Bay County Tax Collector at fiscal year-end but not yet remitted to the District.

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Outlay Surtax

In November 2010, the voters of Bay County approved a half-cent school capital outlay surtax on taxable sales in the County for 10 years, effective January 1, 2011, to pay construction costs of certain school facilities and related costs in accordance with Section 212.055(6), Florida Statutes. In August 2018, the voters approved the continuation of the half-cent school capital outlay surtax for an additional 10 years effective January 1, 2021.

Federal Revenue Sources

The District receives federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ significantly from those estimates.

Subsequent Events

Management of the District has evaluated subsequent events through March 31, 2022, the date the financial statements were available to be issued.

Recently Issued and Implemented Accounting Pronouncements

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 was effective for the fiscal years beginning after December 15, 2019. See note 2 for details of the impact of this statement on the financial statements.

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. The District early implemented the provisions of this standard during the year ended June 30, 2021. The implementation of this statement had no impact on the financial statements.

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 were effective for reporting periods beginning after December 15, 2019.

The requirements are 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 are applied on a prospective basis. The implementation of this statement had no impact on the financial statements.

The following accounting standards have been issued by GASB that may have an effect on the District.

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 May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021.

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics and includes specific provisions about the following:

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

The requirements of this statement are effective as follows:

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

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, 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.

Bay County District School Board

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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

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

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

Bay County District School Board Notes to Financial Statements

Note 2: CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS

The following adjustments were made to the beginning balances of net position and fund balance as of June 30, 2020:

	General Fund - Fund Balance	Other Governmental Funds - Fund Balance	Internal Service Fund - Net Position
Balance as of June 30, 2020, as originally reported	\$ 68,463,000	\$ 16,802,429	\$ 14,074,647
Restatement due to implementation of GASB Statement No. 84	-	3,505,502	-
Prior period adjustment related to net pension liability and deferred outflows and inflows of resources related to pensions	-	-	(278,084)
Prior period adjustment related to prior overstated revenue accruals	(658,680)	-	-
Balance as of June 30, 2020, as restated	\$ 67,804,320	\$ 20,307,931	\$ 13,796,563

	Governmental Activities - Net Position	Fudiciary Funds - Internal Accounts Payable	Component Units - Net Position
Balance as of June 30, 2020, as originally reported	\$ 210,226,073	\$ 3,505,502	\$ 40,572,135
Restatement due to implementation of GASB Statement No. 84	3,505,502	(3,505,502)	-
Prior period adjustment related to audit adjustments made to Bay Education Foundation, Inc., as previously reported balances were unaudited	-	-	733,193
Prior period adjustment related to prior overstated revenue accruals	(658,680)	-	-
Balance as of June 30, 2020, as restated	\$ 213,072,895	\$ -	\$ 41,305,328

Bay County District School Board

Notes to Financial Statements

Note 2: CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS (Continued)

Change in accounting principles - In fiscal year 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*. Based on this change in accounting principles, the District's agency funds, previously reported as fiduciary funds, are now considered special revenue funds.

Prior period adjustments - The District identified three prior period adjustments related to balances originally reported as of June 30, 2020. Fund balance in the general fund and governmental activities' net position were overstated by \$658,680 related to an overstatement of revenue accruals at fiscal year-end 2020. Net position of the internal service funds was overstated by \$278,084 due to the exclusion of an allocation of the net pension liability and related deferred inflows and outflows of resources associated with that fund. Finally the net position of component units was understated by \$733,193 due to the original reporting of unaudited balances for the Bay Education Foundation, Inc. as the audited financial statements were not available at time of issuance for fiscal year 2020.

Note 3: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The following is an explanation of differences between the governmental funds balance sheet and the governmental activities' statement of net position:

The total fund balances of the District's governmental funds at June 30, 2021 (\$159,983,841) differs from the total net position of governmental activities (\$256,164,820) reported in the statement of net position. This difference results from the long-term economic resources focus of the statement of net position and the current financial resources focus of the governmental funds' balance sheet.

Capital Related Items

When capital assets (improvements other than buildings, buildings and fixed equipment, furniture, fixtures, and equipment, motor vehicles, and audio visual material and computer software) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, they are capitalized and depreciated in the statement of net position.

Cost of capital assets	\$ 839,073,700
Accumulated depreciation	(515,830,498)
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Capital assets net of accumulated depreciation	\$ 323,243,202
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Bay County District School Board

Notes to Financial Statements

Note 3: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Long-term Debt

Long-term liabilities in the District's governmental activities are not reported as fund liabilities. All liabilities are reported in the statement of net position.

Notes payable	\$ 7,079,000
Certificates of participation payable	121,213,074
Other postemployment benefits	4,772,500
Net pension liability	142,781,844
Accrued compensated absences	12,132,421
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Total long-term liabilities	\$ 287,978,839

Deferred Inflows and Outflows of Resources Related to Noncurrent Debt

Deferred inflows and outflows related to the pension plans, other postemployment benefits, and loss from debt refunding in the District's governmental activities are not reported as fund assets and liabilities. All deferred inflows and outflows of resources are reported in the statement of net position.

Deferred outflows of resources related to pensions	\$ 47,319,445
Deferred inflows of resources related to pensions	(15,442,048)
Deferred outflows of resources related to other postemployment benefits	731,452
Deferred inflows of resources related to other postemployment benefits	(1,273,946)
Deferred outflows of resources related to debt refunding	2,442,296
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Deferred outflows and inflows of resources	\$ 33,777,199

Deferred Inflows Related to Unavailable Revenue

Receivables not collected within 60 days of year-end are not considered available to pay the current period's expenditures and, therefore, are deferred inflows of resources in the governmental funds.

Deferred outflows of resources related to unavailable revenue	\$ 8,649,412
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Internal Service Fund

Internal service funds are reported as enterprise funds at the fund level, but are reported as governmental activities in the government-wide financial statements.

Total assets and deferred outflows of resources	\$ 38,309,212
Total liabilities and deferred inflows of resources	(19,819,207)
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Total internal service fund	\$ 18,490,005

Bay County District School Board

Notes to Financial Statements

Note 3: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The following is an explanation of the differences between the governmental funds statement 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 balances includes a reconciliation between net changes in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One of those reconciliation elements is governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these capital assets are allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital outlay	\$	73,956,959
Depreciation		(22,470,106)
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Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$	51,486,853

Another element of that reconciliation states the net effect of miscellaneous noncash transactions involving capital assets (i.e. sales, trade-ins, adjustments, donations, and impairment) is to increase net position. The details of this difference are as follows:

Loss on disposal of fixed assets	\$	(1,043,326)
Donation of fixed assets		1,809,890
<hr/>		
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at change in net position of governmental activities	\$	766,564

Another element of that reconciliation states that 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. The detail of this difference is as follows:

Principal payments and payments to bond refunding escrow	\$	10,386,500
Amortization of loss on debt refunding and bond premiums		339,711
Debt proceeds		(5,000,000)
<hr/>		
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$	5,726,211

Bay County District School Board

Notes to Financial Statements

Note 3: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Another element of that reconciliation is 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 (e.g. compensated absences, changes in net pension liability, and amortization of deferred gains on losses on bond refunding). The detail of this difference is as follows:

Change in accrued compensated absences	\$	(424,200)
Change in other postemployment benefits liability		(149,102)
Change in net pension liability		(14,213,273)
Change in deferred inflows of resources related to pensions		1,116,111
Change in deferred outflows of resources related to pensions		4,167,315
Change in deferred inflows of resources related to other postemployment benefits		324,227
Change in deferred outflows of resources related to other postemployment benefits		(186,159)
<hr/>		
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$	(9,365,081)

Internal service funds are reported as enterprise funds at the fund level but as governmental activities at the government-wide level. The detail of this difference is as follows:

Total revenues	\$	32,372,490
Total expenses		(27,679,048)
<hr/>		
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$	4,693,442

Certain funds due from other agencies are not available and, therefore, not are recognized as revenue in the governmental fund statements. However, these funds are recognized as revenue under the full accrual basis of accounting in the statement of activities.

Change in unavailable revenue	\$	442,966
<hr/>		
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at change in net position of governmental activities	\$	442,966

Note 4: DEPOSITS AND INVESTMENTS

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(16), Florida Statutes, authorizes the District to invest surplus funds in the following:

- a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01

Bay County District School Board

Notes to Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency
- c) Interest-bearing time deposits or savings accounts in qualified public depositories as defined in s. 280.02
- d) Direct obligations of the United States Treasury
- e) Federal agencies and instrumentalities
- f) Rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel
- g) 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
- h) Other investments authorized by law or by ordinance for a county or a municipality
- i) Other investments authorized by law or by resolution for a school district or a special district

The District's investment policy limits investments to those prescribed by Florida Statutes as well as sets certain additional limitations on portfolio composition by type of investment as well as minimum rating requirements and maximum maturity limitations for certain investments.

- 1) The Florida State Board of Administration's Local Government Surplus Funds Trust Fund (SBA) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in section 163.01 Florida Statutes
 - a) Portfolio composition - A maximum of forty percent of available monies may be invested in any one investment pool. A combined maximum of sixty percent of available monies may be invested in all such qualified pools.
 - b) Rating requirements - Eligible pools shall be rated "AAAm" or "AAAm-G" or better by Standard & Poor's, or the equivalent by another rating agency.
- 2) United States government securities: Negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government; including but not limited to notes, bills, bonds, strips, and state and local government series securities
 - a) Portfolio composition - A maximum of 100% of available monies may be invested in the United States government securities.
 - b) Maturity limitations - The maximum length to maturity of any direct investment in the United States government securities is five years from the date of purchase.
- 3) United States government agency securities: bonds, debentures, notes or callables issued or guaranteed by United States government agencies, provided such obligations are backed by the full faith and credit of the United States government. Such securities may include, but are not limited to the following:

Bay County District School Board

Notes to Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

- a) United States export/import bank - Direct obligations or fully guaranteed certificates of beneficial ownership
 - b) Farmer Home Administration - Certificates of beneficial ownership
 - c) Federal Financing Bank - Discount notes, notes and bonds
 - d) Federal Housing Administration Debentures
 - e) General Services Administration
 - f) United States Maritime Administration Guaranteed - Title XI financing
 - g) New Communities Debentures - United States government guaranteed debentures
 - h) United States Public Housing Notes and Bonds - United States government guaranteed public housing notes and bonds
 - i) United States Department of Housing and Urban Development - Project notes and local authority bonds
 - j) Portfolio composition - A maximum of sixty percent (60%) of available monies may be invested in United States government agencies and a maximum of forty percent (40%) in the securities any one such agency.
 - k) Maturity limitations - The maximum length to maturity for an investment in any United States government agency security is five years from the date of purchase.
- 4) United States government enterprises and instrumentalities
- a) Securities of United States government enterprises and instrumentalities are not eligible investments under this policy, unless recommended by the superintendent and approved by the board in advance.
- 5) Interest bearing time deposits, saving accounts, or demand deposit accounts
- a) Purchase authorization - The superintendent may invest in nonnegotiable interest bearing time certificates of deposit, savings accounts and interest bearing demand deposit accounts (checking accounts) in banks organized under the laws of this state and/or in national banks organized under the laws of the United States. Eligible institutions must be members of the Federal Deposit Insurance Corporation (FDIC) and any investments/deposits must be secured by the Florida Security for Public Deposits Act, Florida Statutes, Chapter 280. In addition, to the extent allowed by 218.415(23), Florida Statutes, the superintendent may invest in eligible certificates of deposit and other financial instruments that are fully guaranteed/insured by the FDIC or collateralized with securities eligible under this policy.
 - b) Portfolio composition - A maximum of sixty percent of available monies may be invested in non-negotiable interest bearing time certificates of deposit or savings accounts which are not 100% insured by the FDIC, but which do meet the requirements above. A maximum of seventy-five percent of available monies may be invested in nonnegotiable interest bearing time certificates of deposit or savings accounts which are 100% insured by the FDIC.
From time to time, the superintendent may deposit monies in demand deposit accounts/money market accounts in banks other than the District's primary depository bank. Any such deposits shall be subject to a maximum of thirty percent and must be secured by the Florida Security for Public Deposits Act, Florida Statutes Chapter 280. Upon opening such accounts, the superintendent shall provide appropriate disclosure to the board.
 - c) Limits on individual issuers - A maximum of fifteen percent of available monies may be deposited with any one issuer where the investment is not one hundred percent insured by the FDIC.

Bay County District School Board

Notes to Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

The term of such certificates shall be consistent with the District's short-term cash flow requirements and in no event shall the maximum maturity on any certificate be greater than one year from the date of purchase unless recommended by the superintendent and approved by the board in advance.

- 6) Money market funds: Securities and Exchange Commission registered money market funds with the highest credit quality rating from a rating agency. The funds must be registered and in compliance with 17 C.F.R. 270.2a-7 of the Federal Code of Regulations.
 - a) Eligible funds - Shares in open-end, no-load provided such funds are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. 270.2a-7
 - b) Portfolio composition - A maximum of thirty percent of available monies may be invested in any one registered 2a-7 money market fund. A combined maximum of fifty percent of available monies may be invested in all registered 2a-7 money market funds.
 - c) Limits of individual issuers - A maximum of thirty percent of available monies may be invested with any one SEC Rule 2a-7 money market fund.
 - d) Rating requirements - The funds shall be rated "AAAm" or "AAAm-G" or better by Standard & Poor's, or the equivalent by another rating agency.
 - e) Due diligence requirements - A thorough review of any investment in a fund is required prior to investing, and on a continual basis thereafter. The basis for such review shall be contained in the administrative procedures developed by the superintendent.
- 7) Investment Company Act of 1940: Investments; securities or, other interest in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940
 - a) Investment authorization shares in open-end or closed-end funds registered under the Federal Investment Company Act of 1940. Such investments are limited to core-funds only.
 - b) Portfolio composition - A maximum of twenty percent of available monies may be invested in mutual funds.
 - c) Limits of individual issuers - A maximum of twenty percent of available monies may be invested with any one non-SEC Rule 2a-7 investment mutual fund.
 - d) Rating requirements - The mutual funds shall be rated "AAAm" or "AAAm-G" or better by Standard & Poor's, or the equivalent by another nationally recognized rating agency.
 - e) Due diligence requirements - A thorough review of any investment mutual fund is required prior to investing, and on a continual basis. The basis for such review shall be contained in the administrative procedures developed by the superintendent.
- 8) State and/or local government taxable and or tax-exempt debt: general obligation, revenue bonds, and certificates of participation issued by state and/or local governments
 - a) Rating requirements - a.) long-term: must constitute pre-refunded obligations escrowed in United States Treasury Securities, or must have long-term debt ratings; b.) must be in one of the three highest rating categories by at least one of the nationally recognized credit rating agencies; and c.) short-term: ratings must be in the highest short-term rating category by at least one of the nationally recognized credit rating agencies
 - b) Portfolio composition - A maximum of twenty five percent of available monies may be invested in state and/or local government taxable and or tax-exempt debt.
 - c) Maturity limitations - The maximum length to maturity of any direct investment in the United States government securities is five years from the date of purchase.

Bay County District School Board Notes to Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

- 9) Other investments permitted by the state statute and not prohibited by this policy as may be recommended by the superintendent and approved in advance by the board
 - a) Investment authorization - The superintendent may invest in other investments permitted by the state statute with advance approval of the board.
 - b) Portfolio composition - A maximum of ten percent of available monies, or such other amount recommended by the superintendent and approved by the board, may be invested in other investments permitted by the state statute.
- 10) Due diligence requirements - A thorough review of any other investment permitted by the state statute and not prohibited by this policy is required prior to investing, and on a continual basis.

The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost. The District's investment in Florida PRIME is rated AAAM by Standard & Poor's.

Cash deposits are held by banks that are qualified public depositories under Florida law or through the Federally Insured Cash Account (FICA) program, which complies with the provisions of Section 218.415(23), Florida Statutes, and is therefore exempt from Florida's public deposits program pursuant to Section 280.03(3)(f), Florida Statutes. All deposits are insured by the FDIC, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a policy for custodial credit risk. All bank balances of the District were fully insured or collateralized as required by Chapter 280, Florida Statutes at June 30, 2021.

Concentration of Credit Risk

As of June 30, 2021, the District did not hold any investments that were considered to be a concentration of credit risk.

At June 30, 2021, the District had the following investments:

Deposits and investments	Maturities	Fair Value
State Board of Administration (SBA):		
Florida Prime (1)	50 Day Average	\$ 74,431,702
Goldman Sachs Government Obligations Fund (1) (2)	44 Day Average	41,478,602
Total		\$ 115,910,304

Bay County District School Board

Notes to Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

- (1) Investments reported as cash equivalents for financial statement reporting purposes.
- (2) The Goldman Sachs Government Obligations Fund invests exclusively in obligations issued or guaranteed as to principal and interest by the United States Government or its agencies or instrumentalities, and repurchase agreements secured by such instruments. Shares in this fund are held in trust in connection with the District's certificates of participation.

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District's investments in the Goldman Sachs Government Obligations Fund is valued using Level 1 inputs.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits the length of investments as follows: (1) investments of short-term funds shall have maturities of no longer than 12 months, and (2) investments of bond reserves, construction funds, and other nonoperating funds shall have a term appropriate for the need for funds and in accordance with debt covenants, but in no event shall exceed five years. Investments of construction funds that are proceeds of tax-exempt debt issues shall have maturities of no longer than three years.

Florida PRIME and Goldman Sachs Government Obligations Fund use a weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. The dollar WAM of Florida PRIME at June 30, 2021, is 50 days and for Goldman Sachs Government Obligations Fund at June 30, 2021, is 44 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.

For Florida PRIME, with regard to redemption gates, 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, the Investment Advisory Council, and the Participant Local Government 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,

Bay County District School Board Notes to Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

the Executive Director may extend the moratorium 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.”

With regard to liquidity fees, Florida Statutes section 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees.

As of June 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Note 5: CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the tables below:

Governmental Activities	June 30, 2020	Additions	Deletions/ Transfers	June 30, 2021
Capital assets not being depreciated				
Land	\$ 20,007,839	\$ 65,962	\$ 36,400	\$ 20,037,401
Construction in progress	55,060,180	57,512,217	33,966,620	78,605,777
Total capital assets not being depreciated	75,068,019	57,578,179	34,003,020	98,643,178
Capital assets being depreciated				
Improvements other than buildings	17,615,194	3,245,325	22,464	20,838,055
Buildings and fixed equipment	618,526,467	43,601,916	5,113,740	657,014,643
Furniture, fixtures, and equipment	37,398,032	4,205,141	4,218,304	37,384,869
Motor vehicles	16,602,476	979,584	1,518,814	16,063,246
Audio visual materials and computer software	9,006,385	123,324	-	9,129,709
Total capital assets being depreciated	699,148,554	52,155,290	10,873,322	740,430,522
Less accumulated depreciation				
Improvements other than buildings	8,577,356	818,233	22,460	9,373,129
Buildings and fixed equipment	444,758,422	17,881,254	4,371,779	458,267,897
Furniture, fixtures, and equipment	28,237,610	2,492,796	3,953,340	26,777,066

(Continued)

Bay County District School Board
Notes to Financial Statements

Note 5: CHANGES IN CAPITAL ASSETS (Continued)

Governmental Activities	June 30, 2020	Additions	Deletions/ Transfers	June 30, 2021
Motor vehicles	\$ 12,649,403	\$ 1,251,670	\$ 1,518,814	\$ 12,382,259
Audio visual materials and computer software	9,003,995	26,152	-	9,030,147
Total accumulated depreciation	503,226,786	22,470,105	9,866,393	515,830,498
Total capital assets being depreciated, net of accumulated depreciation	195,921,768	29,685,185	1,006,929	224,600,024
Total governmental activities' capital assets, net	\$ 270,989,787	\$ 87,263,364	\$ 35,009,949	\$ 323,243,202

Business-type Activities	June 30, 2020	Additions	Deletions	June 30, 2021
Capital assets being depreciated				
Furniture, fixtures, and equipment	\$ 163,801	\$ 6,599	\$ -	\$ 170,400
Motor vehicles	16,367	-	-	16,367
Audio visual materials and computer software	84,593	-	-	84,593
Total capital assets being depreciated	264,761	6,599	-	271,360
Less accumulated depreciation				
Furniture, fixtures, and equipment	147,590	5,384	-	152,974
Motor vehicles	16,367	-	-	16,367
Audio visual materials and computer software	78,556	6,037	-	84,593
Total accumulated depreciation	242,513	11,421	-	253,934
Total capital assets being depreciated, net of accumulated depreciation	22,248	(4,822)	-	17,426
Total business-type activities' capital assets, net	\$ 22,248	\$ (4,822)	\$ -	\$ 17,426

Bay County District School Board Notes to Financial Statements

Note 5: CHANGES IN CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Function	Amount
Governmental activities	
Pupil transportation services	\$ 772,786
Plant operations	64,277
Central services	118,805
Unallocated	21,514,237
Total governmental activities	\$ 22,470,105
Business-type activities	
Beacon Learning Center	\$ 11,421

Note 6: NOTES PAYABLE

The notes payable balance from direct borrowings at June 30, 2021 was comprised of the following:

Revenue Anticipation Note, Series 2018

The District borrowed \$5,000,000 on June 1, 2018, under provisions of Section 1011.14, Florida Statutes at 2.65 percent. Proceeds were used for the design and implementation of safety and security projects at existing facilities. The note is secured by a pledge of all legally available revenues and is expected to be repaid with Local Capital Improvement revenues. The note was set to mature June 1, 2019 with extensions allowed at the board's discretion to June 1, 2023. As of June 30, 2021, the board has exercised two extensions to June 1, 2023. The total principal and interest remaining to be paid on the note is \$2,161,998. Total principal and interest paid during the fiscal year was \$1,080,567.

\$ 2,079,000

Community Disaster Loan

The District borrowed \$5,000,000 in October 2020, under an agreement with the Federal Emergency Management Agency (FEMA) under the Community Disaster Loan program with an interest rate of 1.625% per year. The principal and interest less any amounts that may be cancelled by the government pursuant to Section 417 of the Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, were due in November 2024. The total principal and interest remaining to be paid on the note is \$5,343,656. No amounts were paid for principal or interest during the fiscal year. In September 2021, the Federal government forgave all amounts due related to this loan.

	5,000,000
Total notes payable	7,079,000
Less amounts due within one year	1,026,000
Notes payable – amounts due in more than one year	\$ 6,053,000

Bay County District School Board

Notes to Financial Statements

Note 6: NOTES PAYABLE (Continued)

Future minimum debt service requirements on the notes are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 1,026,000	\$ 55,093	\$ 1,081,093
2023	1,053,000	27,905	1,080,905
2024	-	-	-
2025	5,000,000	343,656	5,343,656
Total	\$ 7,079,000	\$ 426,654	\$ 7,505,654

Note 7: CERTIFICATES OF PARTICIPATION

The District entered into a financing arrangement on November 1, 1994, which was characterized as a master lease-purchase agreement, with the Bay County Educational Facilities Finance Corporation (Corporation) whereby the District secured financing of various educational facilities in the total amount of \$23,715,000. The financing was accomplished through the issuance of Certificates of Participation, Series 1994 to be repaid from the proceeds of rents paid by the District.

The District entered into a financing arrangement on November 1, 1994, which was characterized as a lease-purchase agreement, with the Bay County Educational Facilities Finance Corporation (Corporation) to issue certificates of participation (Certificates) and to provide a vehicle for future Certificate financings. Such financings are repaid from the proceeds of rents paid by the District.

As a condition of these financing arrangements, the District has given a ground lease on District property to the Corporation, with a rental fee of \$10 per year. The initial term of the lease commenced on November 1, 1994, and ends on the earlier of (a) payment of the outstanding Certificates, or (b) June 30, 2045. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement which may be through June 30, 2045.

The District properties included in the ground lease under the master lease-purchase arrangement include properties at Patronis Elementary School; Lucille Moore Elementary School; Robert L. Young Service Center; J.R. Arnold High School; Emerald Bay Academy; New Horizons Learning Center; Breakfast Point Academy; Deer Point Elementary School; Jinks Middle School Gymnasium; Bay High School Science, Technology, Engineering, and Mathematics classrooms; and A. Gary Walsingham Academy.

Certificates outstanding as of June 30, 2021, include the following direct placements:

Bay County District School Board Notes to Financial Statements

Note 7: CERTIFICATES OF PARTICIPATION (Continued)

The Refunding Certificates of Participation, Series 2013, include outstanding serial certificates maturing from 2020 through 2023. These payments are payable by the District, semiannually, on July 1 and January 1 at an interest rate of 2.21 percent.

The Refunding Certificates of Participation, Series 2015, include outstanding serial certificates maturing from 2020 through 2029. These payments are payable by the District, semiannually, on July 1 and January 1 at an interest rate of 2.56 percent.

The Certificates of Participation, Series 2019, include outstanding serial certificates maturing from 2021 through 2030. These payments are payable by the District, semiannually, on July 1 and January 1 at an interest rate of 1.99 percent.

The Certificates of Participation, Series 2020A, include outstanding serial certificates maturing from 2030 through 2040. These payments are payable by the District, semiannually, on July 1 and January 1 at interest rates ranging from 4 to 5 percent.

The Certificates of Participation, Series 2020B, include outstanding serial certificates maturing from 2021 through 2023. These payments are payable by the District, semiannually, on July 1 and January 1 at an interest rate of 5 percent.

The following is a schedule of future minimum lease payments required under the master lease-purchase agreement as of June 30:

Year ending June 30,	Principal	Interest	Premium	Total
2022	\$ 8,704,500	\$ 3,596,969	\$ 644,998	\$ 12,301,469
2023	8,970,600	3,305,686	619,297	12,276,286
2024	8,380,000	3,003,499	336,587	11,383,499
2025	9,355,000	2,805,843	336,587	12,160,843
2026	9,575,000	2,583,569	336,587	12,158,569
2027 - 2031	38,700,000	9,448,263	1,682,935	48,148,263
2032 - 2036	15,555,000	5,105,400	1,682,935	20,660,400
2037 - 2040	15,000,000	1,529,600	1,333,048	16,529,600
Total	\$ 114,240,100	\$ 31,378,829	\$ 6,972,974	\$ 145,618,929

Note 8: DEFEASED DEBT

On May 28, 2020, the Board issued \$10,775,000 in Refunding Certificates of Participation, Series 2020B, with an interest rate of 5 percent, to refund the District's Refunding Certificates of Participation, Series 2010. The net proceeds of \$11,590,252 (after payment of \$109,890 in fees and other issuance costs)

Bay County District School Board Notes to Financial Statements

Note 8: DEFEASED DEBT (Continued)

together with other District funds were placed in an irrevocable trust with an escrow agent. As a result, \$15,175,000 of Refunding Certificates of Participation, Series 2010, are considered to be in-substance defeased at June 30, 2020, and the liability for these Certificates has been removed from the government-wide financial statements. This refunding reduced total debt service payments over the next 4 years by \$673,453 and resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$651,929.

Note 9: CHANGES IN LONG-TERM LIABILITIES

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

Governmental Activities	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
Certificates of participation payable from direct placements	\$ 122,345,600	\$ -	\$ 8,105,500	\$ 114,240,100	\$ 8,704,500
Unamortized premium	7,617,972	-	644,998	6,972,974	644,998
Total certificates of participation payable from direct placements	129,963,572	-	8,750,498	121,213,074	9,349,498
Notes payable	4,360,000	5,000,000	2,281,000	7,079,000	1,026,000
Estimated insurance claims payable	24,083,317	20,314,240	25,147,231	19,250,326	11,071,658
Accrued compensated absences	11,708,221	1,192,120	746,395	12,153,946	2,430,789
Net pension liability	128,919,177	14,252,387	-	143,171,564	425,942
Other postemployment benefits liability	4,623,398	545,109	382,981	4,785,526	-
Total governmental activities	\$ 303,657,685	\$ 41,303,856	\$ 37,308,105	\$ 307,653,436	\$ 24,303,887

Business-type Activities	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
Accrued compensated absences	\$ 268,318	\$ -	\$ 38,290	\$ 230,028	\$ 46,006
Net pension liability	934,950	234,210	-	1,169,160	-
Other postemployment benefits liability	33,690	8,478	3,089	39,079	-
Total business-type activities	\$ 1,236,958	\$ 242,688	\$ 41,379	\$ 1,438,267	\$ 46,006

Bay County District School Board Notes to Financial Statements

Note 9: CHANGES IN LONG-TERM LIABILITIES (Continued)

In the governmental activities, accrued compensated absences, net pension liability, and other postemployment benefits liability are generally liquidated with resources of the general fund. Estimated insurance claims payable is generally liquidated with resources of the internal service fund.

Note 10: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following is a summary of interfund receivables and payables reported in the fund financial statements:

June 30, 2021	Receivables	Payables
General fund	\$ 3,909,274	\$ 6,631,217
Special revenue - Federal Education Stabilization fund	2,496,471	2,760,692
Capital projects - other fund	2,659,859	382,456
Beacon Learning Center	185	51,718
Nonmajor governmental funds	2,236,776	1,487,798
Internal service fund	11,316	-
Total	\$ 11,313,881	\$ 11,313,881

Interfund receivables and payables are primarily to reimburse the general fund for expenditures paid on behalf of other funds, property taxes due to capital projects – local capital improvement funds from the general fund, and revenue due to capital outlay and debt service fund from the general fund.

The following is a summary of interfund transfers reported in the fund financial statements:

June 30, 2021	Transfers In	Transfers Out
General fund	\$ 4,499,503	\$ -
Special revenue - Federal Education Stabilization fund	-	70,336
Capital projects - other fund	-	4,689,935
Debt service - other fund	14,657,872	-
Nonmajor governmental funds	-	17,307,117
Internal service fund	2,910,013	-
Total	\$ 22,067,388	\$ 22,067,388

Interfund transfers are mainly to provide for debt repayments and to assist in financing maintenance operations of the District. Additionally, funds were transferred from capital projects (nonmajor) to the internal service fund for property casualty insurance premiums and from general fund to the Federal Education Stabilization fund to reclassify certain expenditures originally expended in the general fund but identified as allowable expenditures under the CARES Act grants in the current year which allowed for identified expenditures to be reimbursed retroactively to March 13, 2020.

Bay County District School Board Notes to Financial Statements

Note 11: NET POSITION CLASSIFICATION

Net Position Restrictions

The following is a description of reported net position restrictions in governmental activities at June 30, 2021.

Governmental Activities

State required carryover programs	\$ 5,887,488
Debt service	6,187
Capital projects	65,541,911
Food service	5,775,378
Total	\$ 77,210,964

Net Investment in Capital Assets

The elements of the calculation for net investment in capital assets are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets, net	\$ 323,243,202	\$ 17,426	\$ 323,260,628
Outstanding debt related to capital assets	(131,397,574)	-	(131,397,574)
Unspent bond proceeds	31,437,690	-	31,437,690
Total	\$ 223,283,318	\$ 17,426	\$ 223,300,744

Note 12: SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's state revenue sources for the year ended June 30, 2021:

	Amount
Florida Education Finance Program	\$ 80,726,458
Categorical Educational Program - Class Size Reduction	27,490,826
Workforce Development Program	2,854,566
Voluntary prekindergarten	948,900
Charter school capital outlay	2,695,897
	(Continued)

Bay County District School Board Notes to Financial Statements

Note 12: SCHEDULE OF STATE REVENUE SOURCES (Continued)

	Amount
Capital outlay and debt service distributed	\$ 836,862
Other miscellaneous	3,624,731
Total	\$ 119,178,240

The accounting policies related to certain state revenue sources are described in note 1.

Note 13: PROPERTY TAXES

The following is a summary of millage rates and taxes levied on the 2020 tax roll for the 2020-2021 fiscal year.

	Millage Rate	Taxes Levied
General fund		
Nonvoted school tax		
Required local effort	3.720	\$ 70,008,694
Basic discretionary local effort	0.748	14,077,017
Capital projects funds		
Nonvoted tax		
Local capital improvements	1.500	28,229,312
Total	5.968	\$ 112,315,023

Note 14: DEFINED BENEFIT PENSION PLANS

General Information

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Bay County District School Board

Notes to Financial Statements

Note 14: DEFINED BENEFIT PENSION PLANS (Continued)

Essentially all regular employees of the District are eligible to enroll as members of the state-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. 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).

Florida Retirement System Pension Plan

Plan Description

The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- Regular – Members of the FRS who do not qualify for membership in the other classes
- Elected County Officers – Members who hold specified elective offices in local government
- Special Risk – Members who are employed as law enforcement officers and meet the criteria to qualify for this class

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP program, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Bay County District School Board Notes to Financial Statements

Note 14: DEFINED BENEFIT PENSION PLANS (Continued)

Benefits Provided

Benefits under the 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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 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 class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected County Officers	3.00
Special Risk	
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Health Insurance Subsidy Plan

Plan Description

The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature

Bay County District School Board

Notes to Financial Statements

Note 14: DEFINED BENEFIT PENSION PLANS (Continued)

at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2020-2021 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, regular	3.00	10.00
FRS, elected county official	3.00	49.18
FRS, special risk	3.00	24.45
DROP – applicable to members from all of the above classes	0.00	16.98
FRS, reemployed retiree	note (2)	note (2)

Notes:

- 1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.
- 2) Contribution rates are dependent upon retirement class in which reemployed.

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2021, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions, including employee contributions, totaled \$10,708,045 to FRS and \$2,138,239 to the HIS Plan for the fiscal year ended June 30, 2021. The District contributed 100% of its statutorily required contributions for the current and preceding three years.

Bay County District School Board Notes to Financial Statements

Note 14: DEFINED BENEFIT PENSION PLANS (Continued)

Pension Liabilities and Pension Expense

The District reports a liability for its proportionate share of net pension liabilities. Net pension liabilities were measured as of June 30, 2020, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2020. The District's proportions of the net pension liabilities were based on the District's actuarially determined share of contributions to the pension plans, relative to the contributions of all participating entities.

	FRS	HIS
Net pension liability	\$ 103,483,091	\$ 40,857,633
Proportion at:		
Current measurement date	0.2387623%	0.3346288%
Prior measurement date	0.2592514%	0.3626021%
Pension expense/(benefit)	\$ 19,516,987	\$ 2,452,788

Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to FRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Effect of economic/demographic gains or losses (difference between expected and actual experience)	\$ 3,960,508	\$ -
Effect of assumptions changes or inputs	18,733,732	-
Net difference between projected and actual investment earnings	6,161,482	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	8,153,178
District contributions subsequent to the measurement date	10,708,045	-
Total	\$ 39,563,767	\$ 8,153,178

Bay County District School Board Notes to Financial Statements

Note 14: DEFINED BENEFIT PENSION PLANS (Continued)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to HIS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Effect of economic/demographic gains or losses (difference between expected and actual experience)	\$ 1,671,325	\$ 31,519
Effect of assumptions changes or inputs	4,393,359	2,375,712
Net difference between projected and actual investment earnings	32,621	-
Changes in proportion and differences between contributions and proportionate share of contributions	36,763	5,050,234
District contributions subsequent to the measurement date	2,138,239	-
Total	\$ 8,272,307	\$ 7,457,465

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

Measurement period ending June 30,	FRS Expense	HIS Expense
2022	\$ 3,646,191	\$ 58,346
2023	7,331,311	(234,328)
2024	6,318,191	(733,374)
2025	3,317,223	(343,419)
2026	89,628	(80,898)
Thereafter	-	10,276
Total	\$ 20,702,544	\$ (1,323,397)

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	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%

Bay County District School Board Notes to Financial Statements

Note 14: DEFINED BENEFIT PENSION PLANS (Continued)

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 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 for the FRS Pension Plan 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. The table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

	Target Allocation	Annual Arithmetic Return	Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.20%	2.20%	1.20%
Fixed income	19.0%	3.00%	2.90%	3.50%
Global equity	54.2%	8.00%	6.70%	17.10%
Real estate (property)	10.3%	6.40%	5.80%	11.70%
Private equity	11.1%	10.80%	8.10%	25.70%
Strategic investments	4.4%	5.50%	5.30%	6.90%
	<u>100.0%</u>			

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.

Bay County District School Board Notes to Financial Statements

Note 14: DEFINED BENEFIT PENSION PLANS (Continued)

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 collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2021.

FRS Net Pension Liability			HIS Net Pension Liability		
Current			Current		
1 % Decrease	Discount Rate	1 % Increase	1 % Decrease	Discount Rate	1 % Increase
\$ 165,245,105	\$ 103,483,091	\$ 51,899,188	\$ 47,229,600	\$ 40,857,633	\$ 35,642,196

Pension plan fiduciary net position

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

Payables to the Pension Plan

At June 30, 2021, the District had no outstanding contributions to the FRS Plan or the HIS Plan required for the fiscal year ended June 30, 2021.

Note 15: DEFINED CONTRIBUTION PENSION PLAN

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida's Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of

Bay County District School Board Notes to Financial Statements

Note 15: DEFINED CONTRIBUTION PENSION PLAN (Continued)

0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2020-2021 fiscal year were as follows:

Class	Percentage of Gross Compensation	
	Employer	Employee
FRS, Regular	3.30	3.00
FRS, Elected County Officers	8.34	3.00
FRS, Special Risk	11.00	3.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5 year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$839,734 for the fiscal year ended June 30, 2021.

Note 16: OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The Other Postemployment Benefits (OPEB) Plan (Plan) is a single-employer defined benefit plan administered by the District that provides OPEB for all employees who satisfy the District's retirement eligibility provisions. Pursuant to Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical and prescription drug coverage. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than

Bay County District School Board

Notes to Financial Statements

Note 16: OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. The Plan contribution requirement and benefit terms of the District and the Plan members are established and may be amended through action from the Board. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Plan provides healthcare insurance benefits for retirees and their dependents. The Plan only provides an implicit subsidy as described above.

Summary of Membership Information

The following table provides a summary of the number of participants in the plan as of the valuation date:

Retirees and beneficiaries	171
Active plan members	2,075
Total plan members	2,246

Total OPEB Liability

The District's total OPEB liability of \$4,824,605 was measured as of June 30, 2021, based on an actuarial valuation dated July 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation method	Entry Age Normal
Mortality rates	RP-2014 Total Dataset Mortality Table was projected back to 2006 with scale MP-2014 and then forward using scale MP-2019.
Salary Increases	4 percent
Discount rate	2.66 percent, based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2020.
Healthcare cost trend rates	7.5 percent graded uniformly down to 6.75 percent over 3 years and following the Getzen model thereafter.
Aging variance	Claims were adjusted based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.

Bay County District School Board Notes to Financial Statements

Note 16: OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Plan participation	40 percent of future eligible retirees are assumed to elect medical coverage upon retirement.				
Medical claims cost	\$14,116 annual cost				
Funding policy	Benefits are funded on a pay-as-you-go basis. No assets have been segregated and restricted to provide for these benefits.				
Annual retiree contribution	Medical plan: \$8,289 (retiree) and \$8,773 (spouse)				
Amortization periods	Contribution calculations: 20 years (closed) beginning July 1, 2017				
	Experience gains or losses: Amortized over the average working lifetime of all participants which for the current period is 6 years. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5 year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.				
Coordination with Medicare	Benefits for retirees are deemed to be similar to those benefits provided for actives. The retiree medical plan is assumed to be the primary plan of benefits prior to age 65. It is assumed to pay benefits secondary to Medicare after attaining age 65 or after permanent disability.				
Expenses	Administrative expenses are included in the per capita health costs.				
Marital status	Actual spouse participation was based on the census data and males were assumed to be three years older than female spouses.				
Retirement rates by age	55 - 20%, 56-58 - 5%, 59-61 - 10%, 62 - 25%, 63-64 - 5%, and 65 - 100%				
Disability and withdrawal rates by age		Attained Age			
		20	35	50	60
	Disability rates	1.000	1.000	10.100	10.800
	Withdrawal rates				
	Estimated experience (1st year select)	510.50	491.50	413.50	327.50
	Estimated experience (2nd year select)	140.80	137.40	123.00	105.90
	Estimated experience (ultimate)	105.60	59.80	38.40	31.30

Discount Rate

There are no invested plan assets held in trust to finance the OPEB Plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA rating as of the measurement date. For the purpose of the OPEB Plan valuation, the municipal bond rate was 2.66% for the measurement date of June 30, 2020 and June 30, 2021.

Bay County District School Board Notes to Financial Statements

Note 16: OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Changes in Plan Provisions, Assumptions, and Actuarial Methods

The changes of assumptions were based on the following:

- The discount rate decreased from 2.98 percent to 2.66 percent.
- The medical claims aging table was updated to be based on factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.
- The healthcare cost trend rate decreased from 8 percent grading uniformly down to 5 percent over 10 years to 7.5 percent grading uniformly down to 6.75 percent over 3 years and following the Getzen model thereafter.
- The mortality rates were updated using mortality improvement scale MP-2019.

Changes in the Total OPEB Plan Liability

	Amount
Balance at June 30, 2020	\$ 4,657,088
Changes for the year:	
Service cost	428,578
Interest	125,009
Differences between expected and actual experience	-
Changes of assumptions or other inputs	-
Benefit payments	(386,070)
Net change in other postemployment benefits liability	167,517
Balance at June 30, 2021	\$ 4,824,605

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1 % Decrease	Current Cost Trend Rate	1 % Increase
Total OPEB Liability	\$ 4,831,959	\$ 4,824,605	\$ 4,473,825

Bay County District School Board Notes to Financial Statements

Note 16: OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.5 percent decreasing to 5.75 percent) or 1 percentage point higher (8.5 percent decreasing to 7.75 percent) than the current healthcare cost trend rates:

	1 % Decrease	Current Discount Rate	1 % Increase
Total OPEB Liability	\$ 4,212,552	\$ 4,824,605	\$ 5,174,068

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$416,483. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Effect of assumptions changes or inputs	\$ 739,437	\$ -
Net difference between projected and actual investment earnings	-	1,287,855
Total	\$ 739,437	\$ 1,287,855

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement period ending June 30,	
2022	\$ (137,105)
2023	(137,105)
2024	(137,105)
2025	(137,103)
Total	\$ (548,418)

Bay County District School Board
Notes to Financial Statements

Note 17: CONSTRUCTION CONTRACTS AND OTHER SIGNIFICANT COMMITMENTS

Construction contracts – encumbrances include the following construction contract commitments at June 30, 2021:

Project		Total Contract Amount	Completed to Date	Balance Committed
Arnold				
	Contractor	\$ 1,239,689	\$ 173,227	\$ 1,066,462
Bay High				
	Architect	810,991	618,612	192,379
	Contractor	12,957,240	-	12,957,240
	Architect	739,113	650,782	88,331
	Contractor	15,900,386	9,989,588	5,910,798
	Architect	325,000	281,470	43,530
	Contractor	8,275,827	8,017,346	258,481
Bozeman				
	Contractor	939,295	703,992	235,303
Callaway				
	Contractor	792,152	597,108	195,044
Cc Washington				
	Contractor	331,851	7,321	324,530
Cedar Grove				
	Contractor	1,613,363	1,310,836	302,527
Cherry Street				
	Contractor	1,499,475	1,286,530	212,945
Deerpont				
	Contractor	589,534	44,713	544,821
Haney				
	Architect	41,310	38,070	3,240
	Contractor	1,385,611	322,771	1,062,840
	Architect	582,454	401,943	180,511
	Contractor	2,881,095	93,241	2,787,854
Hiland Park				
	Contractor	1,292,130	1,270,116	22,014
Jinks				
	Architect	371,708	361,503	10,205
	Contractor	8,036,514	7,400,813	635,701
Lucille Moore				
	Contractor	591,300	24,618	566,682

(Continued)

Bay County District School Board
Notes to Financial Statements

Note 17: CONSTRUCTION CONTRACTS AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Project		Total Contract Amount	Completed to Date	Balance Committed
Lynn Haven				
	Contractor	\$ 1,015,726	\$ 870,036	\$ 145,690
Margaret K Lewis				
	Contractor	625,722	570,294	55,428
Merritt Brown				
	Contractor	1,283,439	1,245,739	37,700
Mosley				
	Contractor	2,320,482	2,173,632	146,850
Mowat				
	Architect	296,585	249,994	46,591
	Contractor	5,977,567	1,953,857	4,023,710
	Architect	891,076	128,207	762,869
Northside				
	Contractor	733,872	507,995	225,877
Oakland Terrace				
	Contractor	595,966	29,775	566,191
Patterson				
	Contractor	354,744	90,523	264,221
Parker				
	Contractor	1,288,543	269,191	1,019,352
Rosenwald				
	Contractor	1,858,287	80,796	1,777,491
Rutherford				
	Architect	459,990	453,640	6,350
	Contractor	5,022,928	4,038,897	984,031
	Architect	18,500	16,791	1,709
	Contractor	534,705	481,234	53,471
Southport				
	Contractor	825,009	778,170	46,839
Surfside				
	Contractor	1,468,987	38,289	1,430,698
Tommy Smith				
	Contractor	643,930	610,574	33,356
Tyndall				
	Architect	24,035	-	24,035
	Architect	657,617	445,948	211,669
	Contractor	881,985	528,347	353,638

(Continued)

Bay County District School Board
Notes to Financial Statements

Note 17: CONSTRUCTION CONTRACTS AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Project	Total Contract Amount	Completed to Date	Balance Committed
Waller			
Contractor	\$ 552,276	\$ 35,722	\$ 516,554
Walsingham			
Architect	2,226,860	2,121,759	105,101
Contractor	33,568,890	19,910,459	13,658,431
Contracts under \$250,000	3,289,322	1,780,807	1,508,515
Total	\$ 128,613,081	\$ 73,005,276	\$ 55,607,805

Encumbrances - Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered. The above construction contracts are identified as assigned fund balance on the balance sheet unless they are related to a fund which is already restricted.

Note 18: RISK MANAGEMENT PROGRAMS

The District 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. Workers' compensation, automobile liability, and general liability coverage are being provided on a self-insured basis up to specified limits. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts not recorded, if any, to be immaterial.

Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past three fiscal years except for the claim made in regards to Hurricane Michael which exceeded the \$100,000,000 maximum.

Bay County District School Board Notes to Financial Statements

Note 18: RISK MANAGEMENT PROGRAMS (Continued)

General and Workers' Compensation Claims

A liability in the amount of \$11,198,536 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2021 related to general and workers' compensation claims. The loss estimates include legal and certain other expenses associated with claims settlements (allocated loss adjustment expenses). These estimates do not include provisions for unallocated loss adjustment expenses, such as fees for the claim administrators or other miscellaneous costs associated with claims settlements.

The following schedule represents the changes in claims liability for the past three fiscal years for the District's self-insurance program:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2018-2019	\$ 13,822,209	\$ 262,096	\$ (2,284,198)	\$ 11,800,107
2019-2020	11,800,107	3,975,973	(1,557,676)	14,218,404
2020-2021	14,218,404	-	(3,019,868)	11,198,536

Health Insurance Claims

Health prescription drug coverage is being provided through purchased commercial insurance with minimum deductibles for each line of coverage.

Effective January 1, 2016, the District became partially self-insured with respect to employee health insurance coverage. The plan covers all eligible active and retired employees and their dependents. Blue Cross Blue Shield of Florida provides claims processing and administrative services for the plan.

Health benefits were self-insured up to a specific stop loss amount of \$150,000 per participant and a maximum aggregate benefit of \$1,000,000. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop loss amount.

Additionally, the District has entered into a contract with a vendor to operate a wellness center. All District full-time employees, in addition to retirees and dependents ages 6 and older, who have district health insurance may see a licensed clinician and receive sick care, access to health coaching services, and wellness programs free of charge.

Settled claims resulting from the health insurance risks described above have not exceeded commercial insurance coverage since the program's inception in January 2016.

The District reports a liability when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. This amount includes an amount for claims that have been incurred, but not

Bay County District School Board Notes to Financial Statements

Note 18: RISK MANAGEMENT PROGRAMS (Continued)

reported. The District reevaluates the claims liability periodically and the claims liability totaled \$8,051,790 as of June 30, 2021.

Funding for health insurance premiums is derived from three sources:

- City contribution for active employees
- Active employee contributions for dependent coverage
- Retired employee contributions

The following schedule represents the changes in claims liability for the past 3 fiscal years for the District's self-insurance program:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2018-2019	\$ 2,385,494	\$ 19,732,401	\$ (17,151,287)	\$ 4,966,608
2019-2020	4,966,608	19,467,824	(14,569,519)	9,864,913
2020-2021	9,864,913	20,314,240	(22,127,363)	8,051,790

Note 19: UNCERTAINTIES

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 District. 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 20: SUBSEQUENT EVENTS

On September 30, 2021, the Community Disaster Loan for \$5,000,000 was forgiven through "The Extended Government Funding and Delivering Emergency Assistance Act" passed by the federal government.

In March 2022, the District approved a transfer from the general fund to capital projects – other fund for \$5,910,988.

In March 2022, the District received approval for \$56,003,154 in additional Elementary and Secondary School Emergency Relief funds. This grant allows the recipient to identify expenditures for reimbursement retroactively to March 13, 2020.

Required Supplementary Information

Bay County District School Board
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
Year ended June 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental				
Federal direct	\$ 460,181	\$ 583,808	\$ 686,037	\$ 102,229
Federal through state and local	28,233,724	60,764,788	54,138,739	(6,626,049)
State	112,978,328	115,056,033	115,005,576	(50,457)
Local				
Property taxes	80,722,282	80,722,282	81,544,219	821,937
Payments in lieu of taxes	-	-	101,412	101,412
Charges for services	1,986,860	2,470,694	2,957,277	486,583
Rental income	-	37,205	37,205	-
Interest income	750,000	750,000	142,054	(607,946)
Miscellaneous	631,500	1,668,734	2,637,604	968,870
Total revenues	225,762,875	262,053,544	257,250,123	(4,803,421)
Expenditures				
Current - education				
Instructional services	165,788,018	172,327,446	144,760,852	27,566,594
Pupil services	20,689,451	21,190,375	15,065,645	6,124,730
Instructional media services	2,450,052	2,920,411	2,174,684	745,727
Instructional and curriculum development services	4,030,838	4,518,454	3,984,563	533,891
Instructional staff training services	1,874,730	2,702,868	2,183,684	519,184
Instruction related technology	122,250	313,279	68,946	244,333
School board	1,004,756	1,276,996	1,090,905	186,091
General administrative services	5,322,920	16,538,839	3,054,987	13,483,852
School administrative services	14,275,045	15,605,505	14,034,212	1,571,293
Facilities acquisition and construction	1,769,606	6,223,518	5,343,955	879,563
Fiscal services	1,789,388	1,993,729	1,850,798	142,931
Food services	-	107,539	77,100	30,439
Central services	2,680,835	3,070,230	2,165,334	904,896
Pupil transportation services	8,869,373	9,080,986	8,189,334	891,652
Plant operations	18,571,976	19,100,763	17,112,778	1,987,985
Maintenance services	5,236,593	5,614,796	5,210,473	404,323
Administrative technology services	4,826,652	4,060,351	3,765,997	294,354
Community services	2,012,913	1,811,308	1,579,722	231,586
Capital outlay	22,206,348	42,066,811	14,332,972	27,733,839
Total current	283,521,744	330,524,204	246,046,941	84,477,263
Excess (deficit) of revenues over (under) expenditures	(57,758,869)	(68,470,660)	11,203,182	79,673,842
Other financing sources (uses)				
Debt proceeds	-	5,000,000	5,000,000	-
Transfers in	1,780,642	4,576,539	4,499,503	(77,036)
Total other financing sources (uses)	1,780,642	9,576,539	9,499,503	(77,036)
Net changes in fund balance	(55,978,227)	(58,894,121)	20,702,685	79,596,806
Fund balance - beginning	67,804,320	67,804,320	67,804,320	-
Fund balance - ending	\$ 11,826,093	\$ 8,910,199	\$ 88,507,005	\$ 79,596,806

See independent auditors' report and notes to required supplementary information.

Bay County District School Board
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Federal Education Stabilization Fund
Year ended June 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental				
Federal through state and local	\$ 6,102,207	\$ 12,238,367	\$ 11,332,828	\$ (905,539)
Total revenues	6,102,207	12,238,367	11,332,828	(905,539)
Expenditures				
Current - education				
Instructional services	3,272,157	4,997,883	7,151,067	(2,153,184)
Pupil services	114,837	72,725	171,807	(99,082)
Instructional media services	-	521	65,378	(64,857)
Instructional and curriculum development services	176,987	249,258	210,534	38,724
Instructional staff training services	45,000	129,988	49,706	80,282
Instruction related technology	-	17,917	11,305	6,612
General administrative services	143,429	146,871	123,879	22,992
School administrative services	73,563	91,903	233,827	(141,924)
Facilities acquisition and construction	-	1,138,258	-	1,138,258
Fiscal services	-	-	8,670	(8,670)
Central services	-	13,800	31,764	(17,964)
Pupil transportation services	32,274	235,992	200,138	35,854
Plant operations	1,044,028	1,461,818	1,491,553	(29,735)
Maintenance services	-	19,176	46,896	(27,720)
Community services	-	2,579,506	314,974	2,264,532
Capital outlay	1,199,932	1,082,751	1,150,994	(68,243)
Total current	6,102,207	12,238,367	11,262,492	975,875
Excess (deficit) of revenues over (under) expenditures	-	-	70,336	70,336
Other financing sources (uses)				
Transfers out	-	-	(70,336)	(70,336)
Total other financing sources (uses)	-	-	(70,336)	(70,336)
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and notes to required supplementary information.

Bay County District School Board
Schedule of Changes in the Total Other Postemployment
Benefits Liability and Related Ratios
Year ended June 30, 2021

June 30,	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 428,578	\$ 412,095	\$ 517,021	\$ 492,401
Interest	125,009	141,984	153,279	146,872
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	(1,931,783)	-	-
Changes in assumptions	-	1,109,156	-	-
Benefit payments/refunds	(386,070)	(371,221)	(448,904)	(415,652)
Net change in OPEB liability	167,517	(639,769)	221,396	223,621
Total OPEB liability - beginning	4,657,088	5,296,857	5,075,461	4,851,840
Total OPEB liability - ending (a)	\$ 4,824,605	\$ 4,657,088	\$ 5,296,857	\$ 5,075,461
Plan fiduciary net position				
Contributions - employer	\$ 386,070	\$ 371,221	\$ 448,904	\$ 415,652
Benefit payments/refunds	(386,070)	(371,221)	(448,904)	(415,652)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-
Net OPEB liability - ending (a) - (b)	\$ 4,824,605	\$ 4,657,088	\$ 5,296,857	\$ 5,075,461
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%
Covered-employee payroll	\$ 91,326,813	\$ 87,814,243	\$ 95,658,624	\$ 91,979,446
Net OPEB liability as a percentage of covered-employee payroll	5.3%	5.3%	5.5%	5.5%

This schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, this data prior to 2018 is not available. Additional years will be included as they become available.

See independent auditors' report and notes to required supplementary information.

Bay County District School Board
Schedule of Employer Contributions for the Retirees' Health Insurance –
Other Postemployment Benefits

June 30,	2021	2020	2019	2018
Contractually required contribution	\$ 790,716	\$ 745,377	\$ 873,223	\$ 820,456
Contributions in relation to the contractually required contribution	(386,070)	(371,221)	(448,904)	(415,652)
Contribution deficiency/(excess)	\$ 404,646	\$ 374,156	\$ 424,319	\$ 404,804
District's covered-employee payroll	\$ 91,326,813	\$ 87,814,243	\$ 95,658,624	\$ 91,979,446
Contributions as a percentage of covered-employee payroll	0.4%	0.4%	0.5%	0.5%

This schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, this data prior to 2018 is not available. Additional years will be included as they become available.

See independent auditors' report and notes to required supplementary information.

Bay County District School Board
Schedule of the District's Proportionate Share of the Net Pension Liability –
Florida Retirement System
June 30, 2021

June 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012 *	2011 *
District's proportion of the net pension liability	0.238762281%	0.259251435%	0.273873916%	0.277793791%	0.288077399%	0.313827488%	0.317902372%	0.310217062%	N/A	N/A
District's proportionate share of the net pension liability	\$103,483,091	\$ 89,282,585	\$ 82,492,243	\$ 82,197,743	\$ 72,739,769	\$ 40,535,029	\$ 19,396,720	\$ 53,402,163	N/A	N/A
District's covered payroll	\$116,142,935	\$121,280,909	\$125,344,151	\$124,140,536	\$123,114,770	\$122,615,413	\$119,580,531	\$115,355,362	N/A	N/A
District's proportionate share of the net pension liability as a percentage of its covered payroll	89.10%	73.62%	65.81%	66.21%	59.08%	33.06%	16.22%	46.29%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	88.54%	N/A	N/A

* Disclosures for 2011 and 2012 are N/A because comparable information is not available at this time.

See independent auditors' report and notes to required supplementary information.

Bay County District School Board
Schedule of the District's Contributions – Florida Retirement System
Year ended June 30, 2021

Year ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013 *	2012 *
Contractually required	\$ 10,708,045	\$ 8,025,549	\$ 8,127,318	\$ 7,805,187	\$ 7,231,656	\$ 7,025,227	\$ 7,651,381	\$ 6,963,411	N/A	N/A
Contributions in relation to the contractually required contribution	(10,708,045)	(8,025,549)	(8,127,318)	(7,805,187)	(7,231,656)	(7,025,227)	(7,651,381)	(6,963,411)	N/A	N/A
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
District's covered payroll	\$128,809,588	\$116,142,935	\$121,280,909	\$125,344,151	\$124,140,536	\$123,114,770	\$122,615,413	\$119,580,531		
Contributions as a percentage of covered payroll	8.31%	6.91%	6.70%	6.23%	5.83%	5.71%	6.24%	5.82%	N/A	N/A

* Disclosures for 2012 and 2013 are N/A because comparable information is not available at this time.

See independent auditors' report and notes to required supplementary information.

Bay County District School Board
Schedule of the District's Proportionate Share of the Net Pension
Liability – Health Insurance Subsidy Program
June 30, 2021

June 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012 *	2011 *
District's proportion of the net pension liability	0.334628812%	0.362602063%	0.383751553%	0.389354110%	0.398717000%	0.404026266%	0.402468985%	0.396940621%	N/A	N/A
District's proportionate share of the net pension liability	\$ 40,857,633	\$ 40,571,542	\$ 40,616,695	\$ 41,631,538	\$ 46,468,815	\$ 41,204,324	\$ 37,631,832	\$ 34,558,900	N/A	N/A
District's covered payroll	\$116,142,935	\$121,280,909	\$125,344,151	\$124,140,536	\$123,114,770	\$122,615,413	\$119,580,531	\$115,355,362	N/A	N/A
District's proportionate share of the net pension liability as a percentage of its covered payroll	35.18%	33.45%	32.40%	33.54%	37.74%	33.60%	31.47%	29.96%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	1.78%	N/A	N/A

* Disclosures for 2011 and 2012 are N/A because comparable information is not available at this time.

See independent auditors' report and notes to required supplementary information.

Bay County District School Board
Schedule of the District's Contributions – Health
Insurance Subsidy Program
Year ended June 30, 2021

Year ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013 *	2012 *
Contractually required	\$ 2,138,239	\$ 1,927,973	\$ 2,013,263	\$ 2,081,094	\$ 2,060,574	\$ 2,043,679	\$ 1,544,440	\$ 1,378,723	N/A	N/A
Contributions in relation to the contractually required contribution	(2,138,239)	(1,927,973)	(2,013,263)	(2,081,094)	(2,060,574)	(2,043,679)	(1,544,440)	(1,378,723)	N/A	N/A
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
District's covered payroll	\$128,809,588	\$116,142,935	\$121,280,909	\$125,344,151	\$124,140,536	\$123,114,770	\$122,615,413	\$119,580,531		
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%	1.15%	N/A	N/A

* Disclosures for 2012 and 2013 are N/A because comparable information is not available at this time.

See independent auditors' report and notes to required supplementary information.

Bay County District School Board

Notes to Required Supplementary Information

Note 1: BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The District follows procedures established by state statutes and SBE rules in establishing budget balances for governmental funds, as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental funds in accordance with procedures and time requirements prescribed by Florida Statutes and SBE rules.

Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year appropriations.

Note 2: SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS AND SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR THE RETIREES' HEALTH INSURANCE – OTHER POSTEMPLOYMENT BENEFITS

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. OPEB is funded on a pay-as-you-go system.

Changes of Assumptions. The discount rate decreased from 2.98 percent to 2.66 percent, the healthcare cost trend rate decreased from 8 percent grading uniformly down to 5 percent over 10 years to 7.5 percent grading uniformly down to 6.75 percent over 3 years and following the Getzen model thereafter, and the medical claims aging table and mortality rates were updated.

Note 3: SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM

Changes of Assumptions. In 2020, the long-term expected rate of return was decreased from 6.9 percent to 6.8 percent.

Note 4: SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PROGRAM

Changes of Assumptions. In 2020, The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.50% to 2.21%.

Combining Statements

Bay County District School Board
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Capital Projects - Local Capital Improvement Fund	Food Service Fund	Miscellaneous Special Revenue Fund	Other Federal Programs Fund	Total Other Governmental Funds
Assets							
Cash and cash equivalents	\$ 29,685	\$ 1,905,848	\$ 15,670,645	\$ 2,764,024	\$ 3,665,692	\$ 8,897	\$ 24,044,791
Accounts receivable, net	-	-	-	-	56,550	-	56,550
Due from other agencies	-	-	695,556	283,551	-	174,654	1,153,761
Due from other funds	-	850,028	446,887	230,759	-	709,102	2,236,776
Inventories	-	-	-	95,118	58,242	-	153,360
Total assets	\$ 29,685	\$ 2,755,876	\$ 16,813,088	\$ 3,373,452	\$ 3,780,484	\$ 892,653	\$ 27,645,238
Liabilities and fund balance							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 553,833	\$ 181,948	\$ 116,672	\$ 133,675	\$ 986,128
Accrued expenses	-	-	-	3,312	-	189,651	192,963
Construction contracts payable - retainage	24,007	-	58,489	-	-	-	82,496
Due to other agencies	-	-	-	-	-	33,212	33,212
Due to other funds	-	-	103,434	684,634	163,615	536,115	1,487,798
Unearned revenue	-	-	-	30,996	44,021	-	75,017
Total liabilities	24,007	-	715,756	900,890	324,308	892,653	2,857,614
Fund balance							
Nonspendable							
Inventories	-	-	-	95,118	58,242	-	153,360
Restricted							
Food service	-	-	-	2,377,444	3,397,934	-	5,775,378
Capital projects	5,678	2,755,876	16,097,332	-	-	-	18,858,886
Total fund balances	5,678	2,755,876	16,097,332	2,472,562	3,456,176	-	24,787,624
Total liabilities and fund balances	\$ 29,685	\$ 2,755,876	\$ 16,813,088	\$ 3,373,452	\$ 3,780,484	\$ 892,653	\$ 27,645,238

See independent auditors' report.

Bay County District School Board
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2021

	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Capital Projects - Local Capital Improvement Fund	Food Service Fund	Miscellaneous Special Revenue Fund	Other Federal Programs Fund	Total Other Governmental Funds
Revenues							
Intergovernmental							
Federal direct	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,124,236	\$ 1,124,236
Federal through state and local	-	-	-	7,781,177	-	17,490,309	25,271,486
State	2,695,897	850,968	-	99,252	-	-	3,646,117
Local							
District local capital improvement taxes	-	-	27,370,142	-	-	-	27,370,142
Payment in lieu of taxes	-	-	34,046	-	-	-	34,046
Charges for services	-	-	-	428,447	-	-	428,447
Interest income	-	1	44,438	7,433	11,653	-	63,525
Miscellaneous	-	-	5,149	91,803	2,971,451	-	3,068,403
Total revenues	2,695,897	850,969	27,453,775	8,408,112	2,983,104	18,614,545	61,006,402
Expenditures							
Current - education							
Instructional services	-	-	-	-	2,976,033	10,586,139	13,562,172
Pupil services	-	-	-	-	-	2,273,722	2,273,722
Instructional media services	-	-	-	-	-	62,688	62,688
Instructional and curriculum development services	-	-	-	-	-	2,923,429	2,923,429
Instructional staff training services	-	-	-	-	-	1,240,818	1,240,818
Instruction related technology	-	-	-	-	-	97,692	97,692
General administrative services	-	-	-	-	-	424,046	424,046
Facilities acquisition and construction	1,865	-	2,443,699	-	-	-	2,445,564
Central services	-	-	-	-	-	7,206	7,206
Food services	-	-	-	8,554,339	-	-	8,554,339
Pupil transportation services	-	-	-	-	-	5,671	5,671
Plant operations	-	-	-	-	-	2,284	2,284
Community services	-	-	-	-	-	708,173	708,173

(Continued)

See independent auditors' report.

Bay County District School Board
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2021

	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Capital Projects - Local Capital Improvement Fund	Food Service Fund	Miscellaneous Special Revenue Fund	Other Federal Programs Fund	Total Other Governmental Funds
Capital outlay	\$ 258,955	\$ 57,444	\$ 5,134,484	\$ 1,120,891	\$ 56,397	\$ 282,677	\$ 6,910,848
Debt service							
Interest and fiscal charges	-	940	-	-	-	-	940
Total expenditures	260,820	58,384	7,578,183	9,675,230	3,032,430	18,614,545	39,219,592
Excess (deficit) of revenues over (under) expenditures	2,435,077	792,585	19,875,592	(1,267,118)	(49,326)	-	21,786,810
Other financing uses							
Transfers out	(2,695,897)	-	(14,611,220)	-	-	-	(17,307,117)
Total other financing uses	(2,695,897)	-	(14,611,220)	-	-	-	(17,307,117)
Net changes in fund balances	(260,820)	792,585	5,264,372	(1,267,118)	(49,326)	-	4,479,693
Fund balances - beginning (as originally reported)	266,498	1,963,291	10,832,960	3,739,680	-	-	16,802,429
Prior period adjustment	-	-	-	-	3,505,502	-	3,505,502
Fund balances - beginning (as restated)	266,498	1,963,291	10,832,960	3,739,680	3,505,502	-	20,307,931
Fund balances - ending	\$ 5,678	\$ 2,755,876	\$ 16,097,332	\$ 2,472,562	\$ 3,456,176	\$ -	\$ 24,787,624

See independent auditors' report.

Compliance Section

INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Superintendent and members
of the Bay County District School Board
Panama City, Florida

Report on the Financial Statements

We have audited the financial statements of the Bay County District School Board (District), as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated March 31, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.800, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 31, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)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

2020-21 FY	2019-20 FY	2018-19 FY
Finding No.	Finding No.	Finding No.
2021-001	2020-001	2019-001

Financial Condition and Management

Section 10.804(1)(f)2., Rules of the Auditor General, requires us to communicate whether or not the Bay County District School Board has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Bay County District School Board did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.804(1)(f)5.a. and 10.805(7), Rules of the Auditor General, we applied financial condition assessment procedures for the Bay County District School Board. It is management's responsibility to monitor the Bay County District School Board'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 10.804(1)(f)3., 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.

Transparency

Section 10.804(1)(f)6., Rules of the Auditor General, requires that we communicate the results of our determination as to whether the Bay County District School Board maintains on its website the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the Bay County District School Board maintained on its website the information specified in Section 1011.035, Florida Statutes.

Additional Matters

Section 10.804(1)(f)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of This Letter

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

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

Certified Public Accountants
Panama City Beach, Florida
March 31, 2022

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Superintendent and members
of the Bay County District School Board
Panama City, Florida

We have examined the Bay County District School Board's (District) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended June 30, 2021. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District'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 District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the District's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk 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 of the District's compliance with the specified requirements.

In our opinion, the District complied in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended June 30, 2021.

This report is intended solely for the information and use of the Bay County District School Board, 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
March 31, 2022

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

Honorable Superintendent and members
of the Bay County District School Board
Panama City, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Bay County District School Board (District) as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 31, 2022. Our report on the District's financial statements includes a reference to other auditors who audited the financial statements of Palm Bay Preparatory Academy, Palm Bay Preparatory Elementary Academy, Central High School (charter schools under the Palm Bay Education Group, Inc.), Chautauqua Charter School, Inc., Community Charter Academy, Inc., Rising Leaders Academy, Inc., and the Bay Education Foundation, Inc. This report does not include the results of the other auditors' testing of internal control over financial reporting or on compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 the 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 controls, described in the accompanying schedule of findings and questioned costs as financial statement finding 2021-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*.

District's Response to Finding

The views of responsible officials related to the finding identified in our audit is included in the accompanying schedule of findings and questioned costs and was not subjected to the auditing procedures applied in the audit of the financial statements. 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 organization'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Certified Public Accountants
Panama City Beach, Florida
March 31, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Superintendent and members
of the Bay County District School Board
Panama City, Florida

Report on Compliance for Each Major Federal Program

We have audited the Bay County District School Board's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Bay County District School Board's basic financial statements include the operations of its discretely presented component units which are not included in the Bay County District School Board's schedule of expenditures of federal awards for the year ended June 30, 2021. Our audit, described below, did not include the operations of the discretely presented component units because the component units engaged other auditors to perform the audits of compliance as applicable.

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 District's major federal programs 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). Those standards and the Uniform Guidance 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 occurred. An audit includes examining, on a test basis, evidence about the District'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. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District 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 for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 District'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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-002, that we considered to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and was not subjected to the auditing procedures applied in the audit of compliance. Accordingly, we express no opinion on the response.

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

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

Certified Public Accountants

Panama City Beach, Florida

March 31, 2022

Bay County District School Board
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal Awards Programs	Assistance Listing Number	Contract/ Grant Number	Expenditures	Passed Through to Subrecipients
U. S. Department of Agriculture				
Indirect				
Child Nutrition Cluster				
Passed through the Florida Department of Agriculture and Consumer Services				
School Breakfast Program	10.553	20002	\$ 1,337,171	\$ -
National School Lunch Program	10.555	20001, 20003	5,238,593	-
Summer Food Service Program for Children	10.559	19006, 19007, 20006, 20007	788,861	-
Total Child Nutrition Cluster			7,364,625	-
Passed through the Florida Department of Agriculture and Consumer Services				
USDA - Fresh Fruits and Vegetables Program	10.582	20004	26,826	-
Child and Adult Care Food Program	10.558	A-4504	389,726	-
Total U.S. Department of Agriculture			7,781,177	-
U.S. Department of Education				
Direct				
Student Financial Assistance Cluster				
Federal Pell Grant Program	84.063	N/A	708,173	-
Total Student Financial Assistance Cluster			708,173	-
Impact Aid	84.041	N/A	377,898	-
School Safety National Activities (formerly, Safe and Drug- -Free Schools and Communities-National Programs)	84.184	N/A	416,063	-
Total Direct			1,502,134	-
Indirect				
Passed through the Florida Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027	262, 263	6,295,546	-
Special Education - Preschool Grants	84.173	266, 267	236,245	-
Total Special Education Cluster			6,531,791	-
Adult Education - Basic Grants to States	84.002	191	232,032	-
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	7,948,582	-
Career and Technical Education - Basic Grants to States	84.048	161	412,590	-
Education for Homeless Children and Youth	84.196	127	385,014	-
Charter schools	84.282	N/A	250,450	-
English Language Acquisition Grants	84.365	102	179,129	-
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	224	929,367	-
Student Support and Academic Enrichment Program	84.424	241	621,355	-
Disaster Recovery Assistance for Education	84.938	105	19,829,466	-
Total Indirect			37,319,776	-

(Continued)

See independent auditors' report and notes to the schedule of expenditures of federal awards.

Bay County District School Board
Schedule of Expenditures of Federal Awards (Continued)
Year ended June 30, 2021

Federal Awards Programs	Assistance Listing Number	Contract/ Grant Number	Expenditures	Passed Through to Subrecipients
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act				
Direct				
COVID-19 - Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act	84.425E	N/A	\$ 145,200	\$ -
COVID-19 - Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act	84.425F	N/A	543,698	-
Total Direct			688,898	-
Indirect				
Passed through the Florida Department of Education				
COVID-19 - Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act	84.425C	123 - GEERS	1,327,112	-
COVID-19 - Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act	84.425D	124 - ESSER	9,316,319	-
Total Indirect			10,643,431	-
Total Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act			11,332,329	-
Total U.S. Department of Education			50,154,239	-
U.S. Department of Health and Human Services				
Direct				
COVID-19 - Provider Relief Fund	93.498	N/A	497	-
Indirect				
Passed through the Florida Department of Children and Families				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	BDZ02	150,000	-
Total U.S. Department of Health and Human Services			150,497	-
U.S. Department of Homeland Security				
Direct				
Community Disaster Loans	97.030	EMA-2020-LF- 4399FL05	5,000,000	-
Indirect				
Passed through Florida Executive Office of the Governor				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0887	34,140,368	-
Total U.S. Department of Homeland Security			39,140,368	-

(Continued)

See independent auditors' report and notes to the schedule of expenditures of federal awards.

Bay County District School Board
Schedule of Expenditures of Federal Awards (Continued)
Year ended June 30, 2021

Federal Awards Programs	Assistance Listing Number	Contract/ Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Defense				
Direct				
Army Junior Reserve Officers Training Corps	12.U01	N/A	\$ 65,192	\$ -
Marine Corps Junior Reserve Officers Training Corps	12.U02	N/A	73,223	-
Navy Junior Reserve Officers Training Corps	12.U03	N/A	75,887	-
Air Force Junior Reserve Officers Training Corps	12.U04	N/A	93,837	-
Total U.S. Department of Defense			308,139	-
Total expenditures of federal awards			\$ 97,534,420	\$ -

See independent auditors' report and notes to the schedule of expenditures of federal awards.

Bay County District School Board
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2021

1. Basis of Presentation - The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Bay County District School Board under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in financial position, or cash flows of the District.
2. Summary of significant accounting policies - Expenditures are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
3. Indirect cost rate - The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
4. Noncash assistance - The schedule includes \$548,829 of donated food received during the fiscal year under the National School Lunch Program. Donated food is valued at fair value at the time of donation. The District has no other types of federal assistance to be reported that includes, endowments, insurance, noncash assistance, personal protective equipment, other donated property, or free rent.
5. Loan/loan guarantee outstanding balances - In November 2019, the District was awarded \$5,000,000 loan from the Federal Emergency Management Agency under the Community Disaster Loan program with the funds drawn down in October 2020. This award is identified under Assistance Listing number 97.030, Community Disaster Loans. The principal and interest, less any amounts that may be cancelled by the government pursuant to Section 417 of the Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, are due in November 2024.
6. Included in the National School Lunch Program is \$230,635 of funding for Emergency Operational Cost Reimbursements for March - May 2020 to be applied against 2021 food service expenses.
7. Impact Aid - The schedule includes expenditures of \$127,662 and \$250,236 related to grant number/program FL-2021-190003 and FL-2020-190003, respectively.
8. Disaster Grants - The District incurred expenditures for Disaster Grants – Public Assistance (Presidentially Declared Disasters) in prior fiscal years.
9. Charter schools - The schedule includes \$250,450 that was subsequently passed down to Palm Bay Education Group, Inc.

Bay County District School Board
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Section I – Summary of Auditors' Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting | |
| a. Material weakness(es) identified? | Yes |
| b. Significant deficiency(ies) identified not considered to be material weaknesses? | None reported |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|------------|
| 1. Type of auditors' report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified not considered to be material weaknesses? | Yes |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Yes |

4. Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Award</u>
84.010	Title I Grants to Local Educational Agencies
84.425 C/D/E/F	COVID-19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act
84.938	Disaster Recovery Assistance for Education
97.030	Community Disaster Loans

- | | |
|---|-------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$2,926,033 |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | No |

(Continued)

Bay County District School Board
Schedule of Findings and Questioned Costs (Continued)
Year ended June 30, 2021

Section II – Financial Statement Findings

2021-001 Financial Reporting (prior year 2020-001) (initially reported in 2017)

Finding: The District's financial reporting needs improvement to ensure financial statement account balances and transactions, including the schedule of expenditures of federal awards, are properly reported.

Criteria: State Board of Education Rule 6A-1.0071, Florida Administrative Code, and related instructions from the Florida Department of Education prescribe the exhibits and schedules that should be prepared as part of the District's annual financial report (AFR).

Section 1010.01, Florida Statutes, requires that these exhibits and schedules be prepared in accordance with generally accepted accounting principles (GAAP).

Condition: Various adjustments were identified during the audit which were required to properly report activity in accordance with GAAP. Summarized below are the more significant adjustments identified.

- Accounts receivable and unavailable revenue were understated by \$410 thousand related to a local grant expended in fiscal year 2021 and before.
- Cash of \$400 thousand held in escrow was not properly reported as restricted cash.
- Expenditures were overstated in the Federal Education Stabilization fund and understated in the general fund due to the reclassification of expenditures from a previous period between funds.
- Misstatements were noted in two balances reported on the schedule of expenditures of federal awards.

Cause: District personnel responsible for preparing and reviewing the AFR in the accounting department were unaware of the specific situations that resulted in the above adjustments and there was no subsequent review of the financial statements that identified these issues.

- Accounting personnel were not involved with the request for reimbursement from the local grant to identify the amount to be received from the grantor in the future.
- Accounting personnel were not involved in the disbursements from the escrow account to realize the funds had not been disbursed as of June 30, 2021.
- The grants reported in the Federal Education Stabilization fund can reimburse expenditures from a previous period back to March 13, 2020. The District did not intend to go back to fiscal year 2020 to simplify reporting. However, errors in calculation and reclassification adjustments resulted in inadvertently reclassifying expenditures accrued as of June 30, 2020 which is allowable under the grant but should not be reported as a current expenditure of the fund.

Effect: Reporting errors, such as these, may cause financial statement users to misunderstand the District's financial activities and incorrectly assess their financial position.

Bay County District School Board
Schedule of Findings and Questioned Costs (Continued)
Year ended June 30, 2021

Recommendation: The District should improve internal control procedures to ensure that financial statement account balances and transactions are properly reported and reviewed throughout the year and at year-end. The District should also implement a documented review process throughout the year and at year-end.

Views of Responsible Officials of the Auditee: The district has corrected the items noted in prior findings and will correct the noted deficiencies for the 2022 fiscal year. While this findings is classified as a repeat finding, the deficiencies are anything but repetitive errors. Almost all of this year's deficiencies are related to first time funding sources from the Federal Emergency Management Agency or the Coronavirus Aid, Relief, and Economic Security Act. The District will continue to hire new staff and train existing staff on these ever-changing guidelines.

Section III – Federal Awards Findings and Questioned Costs

2021-002 Lack of Documented Review of Reporting

Assistance Listing Number: 84.425E

Program Title: COVID-19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act

Compliance Requirement: Reporting

Pass-through Entity: N/A

Federal Grant/Contract Number and Grant Year: N/A

Finding Type: Significant Deficiency in Internal Control

Known Questioned Costs: \$0

Condition: The District did not have procedures in place to review the quarterly public reporting for the student aid portion of the grant for accuracy or a process in place to verify reports were publicly available on their website in a timely manner. Ultimately, the reports were completed with no material errors noted and provided to the District's Information Systems department to be uploaded as required in a timely manner. However, due to a technical error the appropriate information submitted by the District personnel was not uploaded appropriately and links on the site accessed incorrect information. In addition, only reports starting from March 31, 2021 were purportedly available on Tom P. Haney Technical College's website instead of through the beginning of the reporting requirements.

Criteria: The U.S. Department of Education requires institutions that received Higher Education Emergency Relief Funds (HEERF) to publicly post certain information on their website related to the student aid portion of the funds.

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

Effect: By not having a review process in place to verify the reports were uploaded timely and accurately the reports were not available to the public as required.

Bay County District School Board
Schedule of Findings and Questioned Costs (Continued)
Year ended June 30, 2021

Cause: The District had limited employees involved in the disbursement of the student aid resulting in only one person being ultimately able to prepare and review the report. It is unclear what happened within the information system department to result in erroneous links on the District's website. The reports were only available from March 2021 due to Haney's website being moved and updated in the middle of fiscal year 2021.

Recommendation: We recommend implementing a process for a secondary review the reports being prepared as well as a process for verifying reports are uploaded to the website accurately and in a timely manner. We also recommend adding to the updated website all reports required back to the beginning of the reporting requirements in fiscal year 2020.

Views of Responsible Officials and Planned Corrective Action: The District will implement new procedures to verify reports are accurate and uploaded appropriately in a timely manner in the future. The District has corrected the links on their website to reference to appropriate reports for those already available and will add the previous reports required back to fiscal year 2020 as well.

Bay County District School Board
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2021

The District has taken corrective action for findings included in the prior year audit report, except as noted in finding 2021-001 in the financial statement findings section above.

Prior Year/ Current Year Finding No.	Program/Area	Brief Description	Status	Comments
2020-001/ 2021-001	Financial Statement/Financial Reporting	District financial reporting procedures continue to need improvement to ensure that account balances and transactions are properly reported and required supplementary information (RSI) is properly included in the annual financial report (AFR) submitted to the Florida Department of Education (FDOE).	Partial	The District continues to work on improving their financial reporting processes. The District did appropriately report RSI in the AFR submitted to FDOE for fiscal year 2021.
2020-002	Financial Statement/ Aggregate Discretely Presented Component Units	As of March 24, 2021, the 2019-20 fiscal year financial audit report for the Bay Education Foundation, Inc., a District direct-support organization (DSO) and discretely presented component unit (DPCU), had not been issued.	Corrected	The District verified the Bay Education Foundation, Inc. completed their 2020-2021 financial statement audit in a timely manner.



WILLIAM V. HUSFELT III

SUPERINTENDENT

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Board Members:

Jerry Register

District 1

Brenda Ruthven

District 2

Pamm Chapman

District 3

Winston Chester

District 4

Steve Moss

District 5

CORRECTIVE ACTION PLAN

March 31, 2022

Bay County District School Board Management's Corrective Action Plans For the Fiscal Year Ended June 30, 2021

Finding Number: 2021-001

Planned Corrective Action:

The District has corrected the items noted in prior findings and will correct the noted deficiencies for the 2022 fiscal year. While this finding is classified as a repeat finding, the deficiencies are anything but repetitive errors. Almost all of this year's deficiencies are related to first time funding sources from FEMA or the CARES Act. The District will continue to hire new staff and train existing staff on these ever-changing guidelines.

Anticipated Completion Date: 9/11/2022

Responsible Contact Person: Jim Loyed

Finding Number: 2021-002

Planned Corrective Action:

The District will implement new procedures to verify reports are accurate and uploaded appropriately in a timely manner in the future. The District has corrected the links on their website to reference to appropriate reports for those already available and will add the previous reports required back to fiscal year 2020 as well.

Anticipated Completion Date: 3/31/2022

Responsible Contact Person: Jim Loyed

William V. Husfelt, III
Superintendent of Schools



**BAY DISTRICT SCHOOLS
SCHOOL BOARD POLICY MANUAL**

William V. Husfelt, III

Superintendent

Board Members

**Jerry Register, District 1
Brenda Ruthven, District 2
Pamm Chapman, District 3
Winston Chester, District 4
Steve Moss, District 5**

CHAPTER ONE THE DISTRICT SCHOOL BOARD

SCHOOL BOARD MEETINGS AND WORKSHOPS

1.102

All official meetings of the Board shall be open to the public and all informal meetings or workshops involving members of the Board shall be conducted as public meetings unless specifically exempted by law. No official action may be taken by the Board at any time other than an official meeting.

Regular Meetings. Regular meetings of the School Board will be held at least once during each calendar month. The time of such meetings will be established at the organizational meeting in November each year. The date of a regular meeting may be changed by action of the Board at any previous meeting provided that every member is notified either by letter or by the distribution of the minutes carrying a record of the change.

Special Meetings. Special meetings may be called at any time by the Superintendent, either upon his own initiative or upon the request of the Chairman or a majority of the membership of the Board. If the Superintendent should refuse to call such a meeting upon request of the Chairman or a majority of the Board, the Chairman or the majority may, by giving written notice to the Superintendent and all members of the Board in the manner prescribed by law, call a special meeting.

Emergency Meetings. The Superintendent may call an emergency meeting of the Board at any time for the purpose of acting upon emergency matters affecting the public health, safety or welfare.

Notice of Meetings.

Regular Meetings. The Superintendent shall give at least seven (7) days public notice of any regular meeting of the School Board. Such notice of meeting shall be in the following format:

"NOTICE OF PUBLIC MEETING

The Bay County School Board announces a public meeting to which all persons are invited.

Date and Time: _____
Place: _____
Purpose: _____

If a person intends to appeal the Board's decision with respect to any matter, or has any thought that an appeal may be taken, the person has the responsibility to insure that a verbatim (word for word) record of the proceeding is made, and that the verbatim record includes all testimony and evidence upon which the appeal is to be based.

A copy of the agenda may be obtained by contacting the Superintendent of Schools at P.O. Drawer 820, Panama City, Florida 32402."

The notice of meeting shall be made:

- a. By posting at the Superintendent's office and by publication in a newspaper of general circulation in the County; and
- b. By mail to all persons who have made requests of the Board for advance notice of its meetings.

CHAPTER ONE THE DISTRICT SCHOOL BOARD

Special Meetings. The Superintendent shall give at least 48 hours public notice prior to any special meeting of the School Board. Notice of such meetings shall be in the format prescribed herein for regular meetings of the Board. The notice shall be given in the following manner:

- a. By posting at the at the office of the Superintendent of Schools; and
- b. By mail to all persons who have made requests of the Board for advance notice of its meetings.

Emergency Meetings. The Superintendent shall notify at least one (1) newspaper of general circulation in the District of the time, date, place and purpose of an emergency meeting.

Agenda for Meetings.

Regular Meetings. The Superintendent shall prepare and distribute an agenda for each regular meeting so that a copy may be received at least seven (7) days before the event by any person who has requested a copy and pays the reasonable cost per copy.

Special Meetings. The Superintendent shall prepare and distribute an agenda for each special meeting so that a copy may be received at least 48 hours before the meeting by any person who has requested a copy and pays the reasonable cost per copy.

Emergency Meetings. No advance distribution of an agenda will be required for emergency meetings of the School Board. However, following an emergency meeting the Superintendent shall publish in a newspaper of general circulation in the County the following information:

1. Time, date and place of the emergency meeting;
2. Reasons why an emergency meeting was necessary; and
3. A statement setting forth the action taken at the meeting.

Format of Agenda. The Superintendent and School Board Chairman shall prepare the agenda for regular and special meetings. The agenda shall be specific as to items to be considered. All matters involving the exercise of Board discretion and policymaking shall be listed and summarized on the agenda. Additions to agenda items such as "old business", "new business," "other business," or "other matters which may come before the Board" or similar terms shall be for consideration of solely ministerial, or internal-administrative matters which do not affect the interests of the public generally. The agenda shall be prepared in essentially the following format:

"BAY COUNTY SCHOOL BOARD

Time, Date, and Place of Meeting

This Meeting is Open to the Public

1. Call to Order
2. Public Hearings (if applicable)
3. Input from Public, Board Committees, and School-Related Organizations
4. Review of Agenda and Minutes
5. Superintendent's Report
6. Business Services Report
7. Instructional Services Report
8. Administrative Services Report
9. Reports from Chairman, Board Members and Attorney
10. Reports and Input from Employee Organizations"

CHAPTER ONE THE DISTRICT SCHOOL BOARD

PART TWO THE DISTRICT SCHOOL BOARD

DEFINITIONS

1.201

The following terms, wherever used or referred to in this compilation of Rules shall have the following meaning:

School District. Bay County shall constitute a school district and shall be known as "The School District of Bay County, Florida" and hereinafter referred to as "the District" or "the School District."

School Board. The governing body of the School District of Bay County is constituted a body corporate in the name of "The School Board of Bay County, Florida" and hereinafter referred to as "the Board" or "the School Board."

Superintendent. The responsibility for the administration of the schools and the supervision of instruction in the District is vested in the Superintendent who shall also be secretary and executive officer of the Board.

Principal. The term "principal" unless qualified, shall mean the administrative head of any school, and shall be synonymous with the term "building principal" as defined by Section 1012.01, Florida Statutes.

School. The term "school" shall mean any educational facility operated by the Board to which the Department of Education has assigned an administrative number.

Pupil or student. "Pupil" or "student" shall mean any person enrolled in an educational program operated by the Board.

He, his, or him. The terms "he," "his" or "him" as used herein shall be interpreted to include both the male and the female gender.

Authority: § 1001.41, Fla. Stat.
Law Implemented: § 1001.41, Fla. Stat.
History: New, June 12, 1989

CHAPTER ONE THE DISTRICT SCHOOL BOARD

MEMBERSHIP OF THE BOARD

1.202

The School Board of Bay County is composed of five (5) members elected by the qualified electors of the District. One (1) member is elected on a District-wide basis from each of the five School Board Member Residence Areas. Each member is elected for a term of four (4) years. Two (2) members are elected at the general election at the time of the presidential election and three (3) members are elected at the general election at the time of the gubernatorial election. The School Board Member Residence Areas are hereby established as follows:

Residence Area No. 1. As filed with the Clerk of the Circuit Court of Bay County. Such description is hereby adopted as a part of this rule by reference.

Residence Area No. 2. As filed with the Clerk of the Circuit Court of Bay County. Such description is hereby adopted as part of this rule by reference.

Residence Area No. 3. As filed with the Clerk of the Circuit Court of Bay County. Such description is hereby adopted as part of this rule by reference.

Residence Area No. 4. As filed with the Clerk of the Circuit Court of Bay County. Such description is hereby adopted as part of this rule by reference.

Residence Area No. 5. As filed with the Clerk of the Circuit Court of Bay County. Such description is hereby adopted as part of this rule by reference.

*Authority: § 1001.41, Fla. Stat.
Law Implemented: § 1001.36, Fla. Stat.
History: New, June 12, 1989*

AUTHORITY AND RESPONSIBILITY

1.203

The School Board is responsible for the organization and control of the public schools of the District and is empowered to determine the policies necessary for the effective operation and general improvement of the school system. The School Board will limit its actions to establishing policy and rules and to meeting the requirements prescribed by law and Rules of the State Board of Education. Board members have authority only when the Board is meeting in official session and a quorum is present. The School Board shall not be bound in any way by any action on the part of an individual Board member or an employee except when such action is taken in response to direction of or authorization of the Board.

*Authority: § 1001.41, Fla. Stat.
Law Implemented: §§ 1001.32, 1001.37(4), Fla. Stat.
History: New, June 12, 1989*