Town of Bascom, Florida

ANNUAL FINANCIAL REPORT

September 30, 2025

Town of Bascom, Florida, Florida

September 30, 2025

MAYOR

Billy James

COUNCIL MEMBERS

Tony Pelham
Roxie Anderson
Betty James
Kelly Hewett

TOWN CLERK

Crystal Martin

AUDITORS

Grimsley & Associates, P.A.
Certified Public Accountants

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INDEPENDENT AUDITOR’S REPORT

GRIMSLEY & ASSOCIATES
Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Town Council
Town of Bascom, Florida
Bascom, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Bascom, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Bascom, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Bascom, Florida, as of September 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Bascom, Florida, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bascom, Florida's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Bascom, Florida's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-7 and 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2026, on our consideration of the Town of Bascom, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide on opinion on the effectiveness of the Town of Bascom, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bascom, Florida's internal control over financial reporting and compliance.

Grimsley & Associates

Marianna, Florida
October 16, 2026

Grimsley & Associates, P.A.
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Bascom's (the "Town") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Since the Management Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Town's financial statement.

Financial Highlights

The assets of the Town of Bascom, Florida exceeded its liabilities at September 30, 2025 by $366,443 (net position). Of this amount, $154,599 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

As of September 30, 2025 the Town of Bascom, Florida's governmental fund reported an ending fund balance of $154,599, of this amount $154,599 is unassigned.

Using This Annual Report

The financial statement's focus is on both the Town as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Town's accountability.

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements, which are comprised of three components: 1) government-wide financial statement, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements

Government-wide financial statements provide both long-term and short-term information about the Town's overall financial conditions. Changes in the Town's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the Town's net assets changed during the fiscal year is presented in the Statement of Activities.

Fund financial statements

Fund financial statements focus on individual parts of the Town, reporting the Town's operations in more detail than the government-wide financial statements. Fund Financial statements include the statements for governmental funds.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Refer to Note 2 of the financial statements for more detailed information on the elements of the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by approximately $366,443 at the close of the fiscal year ended September 30, 2025.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Totals	
	2025	2024	2025	2024
Current and other assets	$ 117,611	$ 118,341	$ 117,611	$ 118,341
Non-current assets	358,186	371,287	358,186	371,287
Total Assets	475,797	489,628	475,797	489,628
Current and other liabilities	-	-	-	-
Long Term Liabilities	-	-	-	-
Total liabilities	-	-	-	-
Invested in capital assets, net of related debt	358,186	371,287	358,186	371,287
Unrestricted	117,611	118,341	117,611	118,341
Total net position	$ 475,797	$ 489,628	$ 475,797	$ 489,628

Statement of Activities

The following table reflects the condensed Statement of Activities for the current year:

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Totals	
	2025	2024	2025	2024
Revenues				
Program Revenues				
Charges for services	$ 5,700	$ 7,150	$ 5,700	$ 7,150
Operating grants and contributions	51,500	32,000	51,500	32,000
Capital grants and contributions	187,372	-	187,372	-
Property taxes	-	-	-	-
Other taxes	39,316	15,754	39,316	15,754
Interest and investment earnings	-	-	-	-
Miscellaneous	3,002	20,053	3,002	20,053
Total revenues	286,890	74,957	286,890	74,957
Expenses				
Program activities:				
General government	55,897	36,911	55,897	36,911
Public Safety	573	-	573	
Highways and streets	59,421	10,723	59,421	10,723
Culture and recreation	17,230	50,600	17,230	50,600
Interest on Long -term Debt	3,322	-	3,322	-
Total expenses	136,443	98,234	136,443	98,234
Change in net assets	150,447	(23,277)	150,447	(23,277)
Net assets - beginning	325,350	512,905	325,350	512,905
Net assets - ending	$ 475,797	$ 489,628	$ 475,797	$ 489,628

Financial Analysis of the Town's Funds

This section provides an analysis of the balances and transactions of individual funds. As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund Budgetary Highlights

There were no differences between the original and final budget of the Town.

Capital Assets and Long-Term Debt

Detailed information about the Town's capital assets can be obtained in Notes of the Town's financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all of those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town of Bascom, Florida, P.O. Box 98, Bascom, Florida 32423.

FINANCIAL STATEMENTS

Town of Bascom, Florida
Statement of Net Position
September 30, 2025

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and Cash Equivalents	$ 27,574	$ 27,574
Certificates of Deposit	90,037	90,037
Capital Assets:		
Land, Improvements, and Construction In Progress	212,116	212,116
Other Capital Assets, Net of Depreciation	146,070	146,070
Total Capital Assets	358,186	358,186
Total Assets	475,797	475,797
NET POSITION		
Invested in Capital Assets, Net of Related Debt	358,186	358,186
Unrestricted	117,611	117,611
Total Net Position	$ 475,797	$ 475,797

The notes to the financial statements are an integral part of this statement.

Town of Bascom, Florida
Statement of Activities
For the Year Ending September 30, 2025

Functions/Programs	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Governmental Activities:						
General Government	$ 55,897	$ -	$ 51,500	187,372	$ 182,975	$ 182,975
Public Safety	573	-	-	-	(573)	(573)
Transportation	59,421	-	-	-	(59,421)	(59,421)
Culture/Recreation	17,230	5,700	-	-	(11,530)	(11,530)
Interest on Long-Term Debt	3,322	-	-	-	(3,322)	(3,322)
Total governmental activities	136,443	5,700	51,500	187,372	108,129	108,129
Total primary government	$ 136,443	$ 5,700	$ 51,500	$ 187,372	108,129	108,129
General Revenues:						
Taxes:						
Taxes - Other					39,316	39,316
Miscellaneous					3,002	3,002
Total General Revenues and Transfers					42,318	42,318
Change in Net Position					150,447	150,447
Net Position - beginning					325,350	325,350
Net Position - ending					$ 475,797	$ 475,797

The notes to the financial statements are an integral part of this statement.

Town of Bascom, Florida
Balance Sheet
Governmental Funds
September 30, 2025

	General Fund	Total Governmental Funds
ASSETS		
Cash	$ 27,574	$ 27,574
Certificates of Deposit	90,037	90,037
Total Assets	$ 117,611	$ 117,611
Fund Balances:		
Unassigned	117,611	117,611
Total Fund Balances	117,611	117,611
Total Liabilities, Deferred Inflows of Resources & Fund Balances	$ 117,611	$ 117,611

The notes to the financial statements are an integral part of this statement.

Town of Bascom, Florida
Reconciliation of Balance Sheet
To the Statement of Net Position
September 30, 2025

Total Fund Balances - Total Governmental Fund	$ 117,611
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	358,186
Total Net Position	$ 475,797

The notes to the financial statements are an integral part of this statement.

Town of Bascom, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ending September 30, 2025

	General Fund	Total Governmental Funds
REVENUES		
Taxes	$ 16,980	$ 16,980
Permits, Fees and Licenses	4,430	4,430
Intergovernmental Revenues	255,166	255,166
Charges for Services	5,700	5,700
Miscellaneous Revenues	5,114	5,114
Total Revenues	287,390	287,390
EXPENDITURES		
Current:		
General Government	149,202	149,202
Transportation	7,921	7,921
Culture/Recreation	5,860	5,860
Debt Service		
Principal	120,058	120,058
Interest	3,322	3,322
Capital Outlay	140,000	140,000
Total Expenditures	426,363	426,363
Excess (deficiency) of revenues over expenditures	(138,973)	(138,973)
OTHER FINANCIAL SOURCES (USES)		
Debt Proceeds	119,558	119,558
Net Change in Fund Balances	(19,415)	(19,415)
Fund Balances - beginning	137,026	137,026
Fund Balances - ending	$ 117,611	$ 117,611

The notes to the financial statements are an integral part of this statement.

Town of Bascom, Florida
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ending September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (19,415)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay $187,372 exceeded depreciation $17,510	169,862
Change in Net Position of Governmental Activities	$ 150,447

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

The Town of Bascom, Florida (the "Town") is a political subdivision of the State of Florida located in Jackson County, Florida. The Town was established in 1961, by an Act of the Florida legislature in Section 134 of the Act.

The Town is a Florida municipality governed by an elected five-member Town Council. The Town provides general government services.

As outlined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity,* the Financial reporting entity consists of the primary government, and its component units, for which the primary government is considered to be financially accountable.

As required by generally accepted accounting principles, the accompanying financial statements present the Town as a primary government. A primary government is financially accountable for the organizations that made up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The primary government may also be financially accountable for governmental organizations that fiscally depend on it. In applying the above criteria, management has determined that there are no component units to be included within the reporting entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units, if any, for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, b) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Government-wide and Fund Financial Statements - continued
Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided from governmental funds. The Town has no proprietary funds.

The Town reports the following major governmental fund:

General Fund – The General Fund is the Town's primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. All of the current operating expenditures of the Town are financed through revenues received by the General Fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgements are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Insurance of long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Budgets and Budgetary Accounting

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a budgetary accounting system in accordance with various legal requirements which govern the Town's operations. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund level. All budget changes that affect the total of a fund's budget must be approved by the Town Council.

The budgetary information presented for the General Fund is prepared on the modified accrual basis. Encumbrances are not recorded. Unexpended items at year-end must be re-appropriated in the subsequent year.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the data acquired by the government.

Investments

Investments consist of those certificates of deposit made locally in commercial banks with a maturity date greater than three months of the date acquired by the government. As the certificates of deposit are non-negotiable, they are recorded at cost which approximates fair value.

Receivables

All accounts receivable are deemed by management to be fully collectible; therefore, an allowance for doubtful account has not been established.

Due from (to) Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, stormwater system, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets - Continued

Property, plant, and equipment with initial, individual costs that exceed $1,000 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs exceed $25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extended its useful life are not capitalized.

GASB Statement No. 34 requires the Town to report and depreciate new infrastructure assets effective October 1, 2003. The retroactive reporting of infrastructure is not required by the Town. These infrastructure assets are likely to be the largest asset class of the Town. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives.

Assets	Years
Buildings	40
Inprovements other than buildings	15
Machinery and equipment	5-10
Infrastructure	25

Major outlays for capital assts and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

Compensated Absences

The town has no employees. There is no personnel policy that addresses the issue of vacation or sick pay. No amounts have been accrued as of September 30, 2025.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Designations of Fund Equity

For governmental funds, fund balances should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on specific purposes for which amount in those funds can be spent.

- Nonspendable Fund Balance – amounts cannot be spent because either they are not in a spendable form or legally or contractually required to be maintained intact.
- Restricted Fund Balance – amounts that are restricted for specific purposes.
- Committed Fund Balance – amounts can only be used for specific purposes pursuant to constrains imposed by formal action of the government's highest level of decision-making authority.
- Assigned Fund Balance – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned Fund Balance – amounts that are not otherwise reserved or designated.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classification, fund balance is generally depleted in order of restricted, committed, assigned and unassigned. At September 30, 2025 the Town has no Nonspendable, Restricted, Committed or Assigned Fund Balances.

Use of Estimates

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

Use of Restricted Assets

It is generally the practice of the Town to utilize restricted net assets before unrestricted net assets when possible.

Long-term Obligations

In the government-wide financial statement long-term obligations are reported as liabilities.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report which is the date the financial statements were available to be issued.

NOTE 3 – CASH AND INVESTMENTS

At September 30, 2025, the carrying amount of the Town's cash and cash equivalents and investments in certificates of deposit was $117,611 and the bank balance was $154,184. The bank balance was covered by federal depositor insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act Requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Credit Risk

At September 30, 2025, the Town did not hold any deposits or investment that were considered to have credit risk.

Interest Rate Risk

At September 30, 2025, the Town did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2025, the Town did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2025, the Town did not hold any investments that were considered to have concentration of credit risk.

Foreign Currency Risk

At September 30, 2025, the Town did not hold any investments that were considered to have foreign currency risk.

The Town invested funds in three certificates of deposit with six to twelve month maturities. At September 30, 2025, the carrying value of these funds was $112,096 which approximates fair value. The certificates of deposit are considered investments and reported as "certificates of deposit" on the statement of net position at September 30, 2025.

NOTE 3 – CASH AND INVESTMENTS – Continued

Fair Value Measurement and Application

Governmental entities are required to record investment at fair value unless exception applies and disclose the fair value measurement and hierarchy. Paragraph 69 of GASB 72 list several investments that should be measured as described in GASB Statement 31 which includes investments in nonparticipating interest-earning investment contracts (certificates of deposit) and money market investments that have a maturity at the time of purchase of one year or less. At September 30, 2025, the Town's investment consisted of non-negotiable certificates of deposit which are recorded at cost and are excluded from fair value measurement.

The Town's depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposit Act" provides procedures for public depositories to ensure monies in banks and savings institutions are collateralized with the Treasurer as an agent for the public entities. All Town cash consists of checking accounts and interest-bearing time deposits in a local bank.

NOTE 4 – ACCOUNTS RECEIVABLE

There were no accounts receivable at September 30, 2025.

No allowances for uncollectible accounts are considered necessary.

Accounts receivable arise primarily from utility franchise fees of the Town of Bascom, Florida. The Town grants credit to customers, substantially all of whom are local residents.

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Due from other governments consists of funds earned as of September 30, 2025 but not year received by the Town. The majority of these amounts were received in October and November 2025. At September 30, 2025 there were no due from other governments.

NOTE 6 – CAPITAL ASSETS

Governmental asset activity for the year ending September 30, 2025 was as follows:

	Beginning Balance	Increases	Deletions	Ending Balances
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 13,244	$ 15,825	$ -	$ 29,069
Construction in Progress	11,500	171,547	-	183,047
Total capital assets not being depreciated:	$ 24,744	$ 187,372	$ -	$ 212,116
Capital assets, being depreciated:				
Buildings	151,430	-	-	151,430
Improvements other than buildings	161,318	-		161,318
Equipment	33,795	-	-	33,795
Total capital assets being depreciated:	346,543	-	-	346,543
Buildings	(69,863)	(4,782)	-	(74,645)
Improvements other than buildings	(103,511)	(9,007)	-	(112,518)
Equipment	(9,589)	(3,721)	-	(13,310)
Total accumulated depreciation	(182,963)	(17,510)	-	(200,473)
Total Governmental Capital Assets	$ 175,080	$ 154,037	$ -	$ 358,186

Depreciation expense was charged to governmental activities as follows:

General government	$ 5,567
Public Safety	573
Culture/Recreation	11,370
Total governmental depreciation expense	$ 17,510

NOTE 7 – FUND BALANCE

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.

Spendable fund balances are classified based on a hierarchy of the Town's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2025, the Town reports net assets as committed and unassigned. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws, or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the Town's intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed, or assigned to specific purposes within the general fund.

Spendable fund balances are classified based on a hierarchy of the Town's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2025, the Town reports net assets as unassigned. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the Town's intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed, or assigned to specific purposes within the general fund. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

NOTE 8 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to sorts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others; and natural disasters for which the town carries commercial insurance. Insurance against losses are provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage

The Town's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost-to-date of the Town experience for this type of risk.

NOTE 9 – LITIGATION AND CONTINGENT LIABILITIES

Litigation:

The Town had no litigation ongoing at year end.

Intergovernmental Grants:

Amounts received or receivable from grantors are subject to audit and adjustments by the grantor agencies, principally federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information
Town of Bascom, Florida
Budgetary Comparison Schedule – General Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts
	Original	Final	(GAAP Basis)
REVENUES			
Taxes	$ 16,500	$ 16,500	$ 16,980
Permits, Fees and Licenses	4,500	4,500	4,430
Intergovernmental Revenues	1,225,962	1,225,962	255,166
Charges for Services	7,000	7,000	5,700
Miscellaneous Revenues	2,815	2,815	5,114
Total Revenues	1,256,777	1,256,777	287,390
EXPENDITURES			
Current:			
General Government	64,500	64,500	149,202
Transportation	4,000	4,000	7,921
Culture/Recreation	7,500	7,500	5,860
Debt Service			
Principal	240,762	240,762	120,058
Interest	-	-	3,322
Capital Outlay	973,000	973,000	140,000
Total Expenditures	1,289,762	1,289,762	426,363
Excess (deficiency) of revenues over expenditures	(32,985)	(32,985)	(138,973)
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	32,985	32,985	119,558
Net Change in Fund Balances	-	-	(19,415)
Fund Balances - beginning	137,026	137,026	137,026
Fund Balances - ending	$ 137,026	$ 137,026	$ 117,611

Note: This schedule is prepared on the modified accrual basis of accounting.

The notes to the financial statements are an integral part of this statement.

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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Honorable Mayor and Town Council
Town of Bascom
Bascom, Florida

We have examined Town of Bascom, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management is responsible for Town of Bascom, Florida's compliance with those requirements. Our responsibility is to express an opinion on Town of Bascom, Florida's compliance based on our examination.

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

Our examination does not provide a legal determination on Town of Bascom, Florida's compliance with specified requirements.

In our opinion, Town of Bascom, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

This report is intended solely for the information and use of 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.

Grimsley & Associates

Marianna, Florida
October 16, 2026

Grimsley and Associates, P.A.
Certified Public Accountants

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OWEN W. GRIMSLEY, C.P.A.

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

Honorable Mayor and Town Council
Town of Bascom
Bascom, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bascom, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Bascom, Florida's basic financial statements and have issued our report thereon dated October 16, 2026.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

Honorable Mayor and Town Council
Town of Bascom
Bascom, Florida

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2022-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings as item 2022-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bascom, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.*

Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Bascom, Florida's response to the findings identified in our audit and described in the accompanying Schedule of Findings. The Town of Bascom, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Grimsley & Associates

Marianna, Florida
October 16, 2026

Grimsley and Associates, P.A.
Certified Public Accountants

Town of Bascom, Florida
Schedule of Findings
For the Year Ended September 30, 2025

2022-001

Criteria – An entity's system of internal control over financial reporting should include controls over the prevention, detection, and correction of misstatements in the audited financial statements.

Condition – The Town relies on the external auditor to assist with preparing and explaining financial statements in conformity with generally accepted accounting principles.

Effect – The fact the Town does not have someone on staff to prepare the financial statements in accordance with generally accepted accounting principles and to record complex accounting transactions results in a material weakness under professional standards.

Cause – The Town has a capable individual providing bookkeeping services; however, the Town does not have an individual on staff with accounting education and experience to properly record more complex accounting transactions and prepare financial statements in accordance with generally accepted accounting principles.

Recommendation – We understand the cost-benefit of hiring someone with this experience is not practical, therefore, we recommend the Town continue to request outside assistance in recording more complex transactions.

Management Response – Mayor and Town Council will continue to be active and involved in the day-to-day operations of the Town's finances.

2022-002

Criteria – Custody of assets, record keeping and recording of assets should have adequate separation.

Condition – Due to the size of the organization, proper separation of duties may not be feasible.

Effect – Internal controls lack proper checks and balances due to the size of the organization.

Cause – This is a small bookkeeping system.

Recommendation – Management should remain very active and involved in the day-to-day operations. Controls should be established to provide checks and balances.

Management Response – The Town does not consider it const effective to prepare financial statements in accordance with generally accepted accounting principles or maintain internal staff effective to develop and maintain a system of internal controls sufficient o prepare financial statements.

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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT TO TOWN MANAGEMENT

Honorable Mayor and Town Council
Town of Bascom
Bascom, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Bascom, Florida, Florida as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated October 16, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated October 16, 2026, should be considered in conjunction with this management letter.

Honorable Mayor and Town Council
Town of Bascom
Bascom, Florida

Prior Audit Findings

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

Prior Year Findings and Recommendations

The management letter items are as follows:

None

The schedule of findings items are as follows:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2023-2024 Finding #	2022-2023 Finding #
2022-001	2022-001	2022-001
2022-002	2022-002	2022-002

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town of Bascom, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Town of Bascom, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Property Assessed Clean Energy (PACE) Programs

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

Additional Matters

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

Purpose of this Letter

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

Grimsley & Associates

Marianna, Florida
October 16, 2026

Grimsley and Associates, P.A.
Certified Public Accountants