

**TOWN OF GLEN ST. MARY, FLORIDA**

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITORS' REPORT**

**SEPTEMBER 30, 2023**

**LYONS AND LYONS**

**CERTIFIED PUBLIC ACCOUNTANTS**

**TOWN OF GLEN ST. MARY, FLORIDA**  
**SEPTEMBER 30, 2023**  
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**TOWN OF GLEN ST. MARY, FLORIDA**  
**TOWN OFFICIALS**  
**SERVING AS OF SEPTEMBER 30, 2023**

**MAYOR**

**Juanice Padgett**

**TOWN COUNCIL**

**Lola Chandler**

**Terry Clardy**

**Diana Reneau**

**Andrew Vetter**

**TOWN CLERK**

**Todd Norman**

**TOWN ATTORNEY**

**Jonathan S. Bense, P.A.**

# LYONS AND LYONS

## CERTIFIED PUBLIC ACCOUNTANTS

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Macclenny, Florida 32063

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### INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and  
Members of the Town Council  
Town of Glen St. Mary, Florida

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

##### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, its major fund and the aggregate remaining fund information of the Town of Glen St. Mary, Florida, (the Town) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United State 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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 these 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'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.

##### **Auditors' Responsibility 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 auditors' 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

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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'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'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, budgetary comparison information, pension schedules of proportionate share of pension liability and schedule of contributions listed in the table of contents as "required supplementary information" on pages 5-8 and 34-36 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 June 13, 2024, on our consideration of the Town'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 Town'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 Town's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lyons and Lyons, CPAs". The signature is written in black ink and is positioned above the date and location text.

June 13, 2024  
Macclenny, Florida

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Town of Glen St. Mary's financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the Town's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2022-23.

- The Town's overall net position increased by approximately \$364,370.
- Total ending unrestricted net position was approximately \$222,550.

### OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report contains government-wide financial statements that report on the Town's activities as a whole and fund financial statements that report on the Town's individual funds.

#### Government-wide Financial Statements

The first financial statement is the Statement of Net Position. This statement includes all of the Town's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenditures are recorded, regardless of when cash is received or paid. Net position – the difference between assets and liabilities – can be used to measure the Town's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the Town's financial health is improving or deteriorating. However, other non-financial factors, such as street conditions or changes in the tax base, must also be considered when assessing the overall health of the Town.

Both of the government-wide financial statements distinguish between functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) and from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government and administration, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The business-type activities of the Town include water and sewer operations.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be used in evaluating a government's near-term financial 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 financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

The Town maintains two governmental funds; the General Fund is considered a major fund, while the Capital Improvement Fund is not. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Improvement Fund.

Proprietary funds – The Town maintains one type of proprietary fund, the Enterprise Fund. The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the Enterprise Fund to account for its water and sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

### 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.

### Other Information

In addition to the basic financial statements, and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the General Fund.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

#### Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town of Glen St. Mary, assets exceeded liabilities by \$3,265,341 at the close of the fiscal year ended September 30, 2023.

#### Town of Glen St. Mary's Net Position

	Governmental Activities		Business-Type Activities		Total	
	Fiscal Year 2022-23	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2021-22
Non Capital Assets	\$ 444,057	\$ 427,673	\$ 196,130	\$ 157,300	\$ 640,187	\$ 584,973
Capital Assets	154,486	120,181	3,618,468	3,368,544	3,772,954	3,488,725
Total Assets	<u>598,543</u>	<u>547,854</u>	<u>3,814,598</u>	<u>3,525,844</u>	<u>4,413,141</u>	<u>4,073,698</u>
Deferred Outflows	<u>46,229</u>	<u>58,079</u>	-	-	<u>46,229</u>	<u>58,079</u>
Current and Other Liabilities	157,233	225,665	88,658	66,511	245,891	292,176
Long-Term Liabilities	<u>156,861</u>	<u>145,901</u>	<u>747,000</u>	<u>770,000</u>	<u>903,861</u>	<u>915,901</u>
Total Liabilities	314,094	371,566	835,658	836,511	1,149,752	1,208,077
Deferred Inflows	<u>44,277</u>	<u>22,729</u>	-	-	<u>44,277</u>	<u>22,729</u>
Net Position:						
Invested in Capital Assets	154,486	120,181	2,845,742	2,573,740	3,000,228	2,693,921
Restricted	15,146	15,144	27,417	40,853	42,563	55,997
Unrestricted	<u>116,769</u>	<u>76,313</u>	<u>105,781</u>	<u>74,740</u>	<u>222,550</u>	<u>151,053</u>
Total Net Position	<u>\$ 286,401</u>	<u>\$ 211,638</u>	<u>\$ 2,978,940</u>	<u>\$ 2,689,333</u>	<u>\$ 3,265,341</u>	<u>\$ 2,900,971</u>

## Changes in Net Position

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>2022-23</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2021-22</u>
Revenues:						
Program Revenues:						
Charges For Services	\$ 49,110	\$ 36,291	\$ 225,801	\$ 212,953	\$ 274,911	\$ 249,244
Capital Grants and Contributions	78,100	22,973	337,041	4,860	415,141	27,833
General Revenues:						
Taxes	184,922	168,819	-	-	184,922	168,819
Shared Revenues	21,239	22,501	-	-	21,239	22,501
Other	18,742	21,138	358	73	19,100	21,211
Total Revenues	<u>352,113</u>	<u>271,722</u>	<u>563,200</u>	<u>217,886</u>	<u>915,313</u>	<u>489,608</u>
Expenses:						
General Government	153,367	116,345	-	-	153,367	116,345
Public Safety	665	665	-	-	665	665
Physical Environment	113,058	106,923	273,593	246,507	386,651	353,430
Transportation	6,806	11,469	-	-	6,806	11,469
Economic Environment	-	-	-	-	-	-
Culture and Recreation	3,454	3,500	-	-	3,454	3,500
Human Services	-	-	-	-	-	-
Total Expenses	<u>277,350</u>	<u>238,902</u>	<u>273,593</u>	<u>246,507</u>	<u>550,943</u>	<u>485,409</u>
Transfers and Capital Contributions	-	5,000	-	(5,000)	-	-
Changes in Net Position	74,763	37,820	289,607	(33,621)	364,370	4,199
Net Position - Beginning of Year	<u>211,638</u>	<u>173,818</u>	<u>2,689,333</u>	<u>2,722,954</u>	<u>2,900,971</u>	<u>2,896,772</u>
Net Position - End of Year	<u>\$ 286,401</u>	<u>\$ 211,638</u>	<u>\$ 2,978,940</u>	<u>\$ 2,689,333</u>	<u>\$ 3,265,341</u>	<u>\$ 2,900,971</u>

## OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

### Governmental Activities and Business-type Activities

The governmental activities generated \$127,210 of program revenues and \$224,903 of general revenues, and incurred \$277,350 of program expenses. This resulted in a \$74,763 increase in net position.

The business-type activities generated \$225,801 charges for services, \$337,041 from grant revenues and received \$358 of interest and incurred \$273,593 of program expenses. This resulted in a \$289,607 increase in net position.

### THE TOWN'S INDIVIDUAL FUNDS

The General Fund's fund balance increased by \$63,470 from \$186,888 to \$250,358; the Capital Improvement Fund's fund balance increased \$2 from \$15,144 to \$15,146. The Proprietary Fund's net position increased by \$289,607 from \$2,689,333 to \$2,978,940 and net cash decreased \$2,395.

### BUDGETARY HIGHLIGHTS

General Fund revenues received were greater than budgeted amounts by \$58,165. General Fund expenditures were less than the budgeted amount by \$1,789.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Please refer to Note 4 to the accompanying financial statements entitled Changes in Capital Assets for more detailed information about the Town's capital asset activity.

### Debt Administration

The Town issued revenue bonds on December 16, 2004, referred to as Water and Sewer Revenue Bonds Series 2004A and 2004B, in the amounts of \$670,000 and \$370,214, respectively. The purpose of the bonds was to provide permanent financial resources for the Town's water and sewer projects. Revenues from the related facility, a portion of sales tax, franchise tax and communication service tax revenues are pledged as collateral for the bonds. No bonds were issued during the year. The net change in the Town's long-term liabilities for the year was a decrease of \$22,000. Please refer to Notes 5 and 7 in the notes to financial statements for more detailed information.

### ECONOMIC FACTORS

We are not currently aware of any conditions that are expected to have a significant effect on the Town's financial position or results of operations.

### CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Town of Glen St. Mary at PO Box 519, 10046 N. Glen Avenue, Glen St. Mary, FL 32040.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and Equivalents	\$ 241,320	\$ 75,878	\$ 317,198
Accounts Receivable (Net Where Applicable of Allowance for Uncollectible)	-	15,600	15,600
Due From Other Agencies	14,479	39,231	53,710
Due From Other Funds	22,067	-	22,067
Interest Receivable	79	-	79
Prepaid Expenses	-	4,772	4,772
Lease Receivable	5,047	-	5,047
Total Current Assets	282,992	135,481	418,473
Noncurrent Assets:			
Restricted Assets			
Cash and Equivalents	144,546	60,649	205,195
Lease Receivable	16,519	-	16,519
Capital Assets:			
Non-Depreciable Assets	73,258	300,061	373,319
Depreciable Assets, Net	81,228	3,318,407	3,399,635
Total Capital Assets, Net of Accumulated Depreciation	154,486	3,618,468	3,772,954
Total Noncurrent Assets	315,551	3,679,117	3,994,668
<b>TOTAL ASSETS</b>	<b>598,543</b>	<b>3,814,598</b>	<b>4,413,141</b>
<b><u>DEFERRED OUTFLOWS</u></b>			
Pension Related	46,229	-	46,229
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	11,781	2,954	14,735
Accrued Interest on Bonds Payable	-	2,726	2,726
Customer Deposits	-	37,911	37,911
Due to Other Agencies	5,715	-	5,715
Due to Other Funds	-	22,067	22,067
Revenue Bonds Payable, Current Portion	-	23,000	23,000
Net Pension Liability, Current Portion	325	-	325
Unearned Revenue	139,412	-	139,412
Total Current Liabilities	157,233	88,658	245,891
Noncurrent Liabilities			
Net Pension Liability	156,861	-	156,861
Revenue Bonds Payable	-	747,000	747,000
Total Noncurrent Liabilities	156,861	747,000	903,861
<b>TOTAL LIABILITIES</b>	<b>314,094</b>	<b>835,658</b>	<b>1,149,752</b>
<b><u>DEFERRED INFLOWS</u></b>			
Lease	21,566	-	21,566
Pension Related	22,711	-	22,711
Total Deferred Inflows	44,277	-	44,277
<b><u>NET POSITION</u></b>			
Invested In Capital Assets, Net of Related Debt	154,486	2,845,742	3,000,228
Restricted	15,146	27,417	42,563
Unrestricted	116,769	105,781	222,550
<b>TOTAL NET POSITION</b>	<b>\$ 286,401</b>	<b>\$ 2,978,940</b>	<b>\$ 3,265,341</b>

See accompanying notes to financial statements.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

<b>Functions/Programs</b>	<b>Program Revenues</b>			<b>Net (Expenses) Revenue and Changes in Net Position</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Governmental Activities:</b>						
General Government	\$ 153,367	\$ 49,110	\$ 78,100	\$ (26,157)	\$ -	\$ (26,157)
Public Safety	665	-	-	(665)	-	(665)
Physical Environment	113,058	-	-	(113,058)	-	(113,058)
Transportation	6,806	-	-	(6,806)	-	(6,806)
Culture and Recreation	3,454	-	-	(3,454)	-	(3,454)
<b>Total Governmental Activities</b>	<b>277,350</b>	<b>49,110</b>	<b>78,100</b>	<b>(150,140)</b>	<b>-</b>	<b>(150,140)</b>
<b>Business-type Activities:</b>						
Water and Sewer	273,593	225,801	337,041	-	289,249	289,249
<b>Total Business-type Activities</b>	<b>273,593</b>	<b>225,801</b>	<b>337,041</b>	<b>-</b>	<b>289,249</b>	<b>289,249</b>
<b>Total</b>	<b>\$ 550,943</b>	<b>\$ 274,911</b>	<b>\$ 415,141</b>	<b>(150,140)</b>	<b>289,249</b>	<b>139,109</b>
<b>General Revenues:</b>						
Discretionary Sales Tax				57,060	-	57,060
Half Cent Sales Tax				24,593	-	24,593
Local Option Gas Tax				11,855	-	11,855
Electric Service Tax				46,332	-	46,332
Communication Service Tax				45,082	-	45,082
State Shared Revenue				21,239	-	21,239
Interest Income				2,069	358	2,427
Miscellaneous Income				16,173	-	16,173
Rental Income				500	-	500
<b>Total General Revenues</b>				<b>224,903</b>	<b>358</b>	<b>225,261</b>
<b>Change in Net Position</b>				<b>74,763</b>	<b>289,607</b>	<b>364,370</b>
<b>Net Position, October 1, 2022</b>				<b>211,638</b>	<b>2,689,333</b>	<b>2,900,971</b>
<b>Net Position, September 30, 2023</b>				<b>\$ 286,401</b>	<b>\$ 2,978,940</b>	<b>\$ 3,265,341</b>

See accompanying notes to financial statements.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**BALANCE SHEET-GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2023**

	<u>GENERAL</u>	<u>NON- MAJOR FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b><u>ASSETS</u></b>			
Cash	\$ 370,720	\$ 15,146	\$ 385,866
Due From Other Agencies	14,479	-	14,479
Due From Other Funds	<u>22,067</u>	<u>-</u>	<u>22,067</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 407,266</u></b>	<b><u>\$ 15,146</u></b>	<b><u>\$ 422,412</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>LIABILITIES</u></b>			
Accounts Payable and Accrued Liabilities	\$ 11,781	\$ -	\$ 11,781
Due To Other Agencies	5,715	-	5,715
Unearned Revenue	<u>139,412</u>	<u>-</u>	<u>139,412</u>
<b>TOTAL LIABILITIES</b>	<b><u>156,908</u></b>	<b><u>-</u></b>	<b><u>156,908</u></b>
<b><u>FUND BALANCES:</u></b>			
Fund Balances:			
Assigned to:			
Capital Improvements	-	15,146	15,146
Unassigned	<u>250,358</u>	<u>-</u>	<u>250,358</u>
<b>TOTAL FUND BALANCES</b>	<b><u>250,358</u></b>	<b><u>15,146</u></b>	<b><u>265,504</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 407,266</u></b>	<b><u>\$ 15,146</u></b>	<b><u>\$ 422,412</u></b>

See accompanying notes to financial statements.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**RECONCILIATION OF BALANCE SHEET TO STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2023**

<b>FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	\$ 265,504
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital Assets - Net	154,486
Assets not reported in the governmental funds:	
Interest Receivable on Lease	79
Lease Receivable	21,566
Deferred outflows and inflows associated with pensions are not reported in the governmental funds.	
Deferred Outflows	46,229
Deferred Inflows	(44,277)
Net pension liability is not reported in the governmental funds	
Net Pension Liability	<u>(157,186)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 286,401</u></b>

See accompanying notes to financial statements.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2023**

	<u>GENERAL</u>	<u>NON-MAJOR</u>	<u>TOTAL</u>
<b><u>REVENUES</u></b>			
Taxes	\$ 184,922	\$ -	\$ 184,922
Charges for Services	49,110	-	49,110
Intergovernmental	99,339	-	99,339
Interest Earnings	1,990	2	1,992
Miscellaneous Revenues	16,173	-	16,173
Rental Income	500	-	500
<b>TOTAL REVENUES</b>	<u>352,034</u>	<u>2</u>	<u>352,036</u>
<b><u>EXPENDITURES</u></b>			
General Government	128,604	-	128,604
Physical Environment	153,154	-	153,154
Transportation	6,806	-	6,806
<b>TOTAL EXPENDITURES</b>	<u>288,564</u>	<u>-</u>	<u>288,564</u>
<b>NET CHANGE IN FUND BALANCES</b>	63,470	2	63,472
<b>FUND BALANCES - OCTOBER 1, 2022</b>	<u>186,888</u>	<u>15,144</u>	<u>202,032</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ 250,358</u>	<u>\$ 15,146</u>	<u>\$ 265,504</u>

See accompanying notes to financial statements.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO STATEMENT OF ACTIVITIES-GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 63,472

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 depreciated over their estimated useful lives.

Acquisition of Capital Assets	44,163
Current Year Depreciation Expense	(9,858)
Interest Accrued on Lease	79

Deferred outflows and inflows associated with pensions are not reported in the governmental funds.

Change in Pension Liability	(11,261)
Change in Deferred Outflows Related to Pensions	(16,078)
Change in Deferred Inflows Related to Pensions	18
Deferred Outflows for Contributions Subsequent to the Measurement Date	<u>4,228</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 74,763**

See accompanying notes to financial statements.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**STATEMENT OF NET POSITION-PROPRIETARY FUND**  
**SEPTEMBER 30, 2023**

**ASSETS**

Current Assets:	
Cash and Equivalents	\$ 75,878
Accounts Receivable (Net Where Applicable of Allowance For Uncollectables)	15,600
Due From Other Agencies	39,231
Prepaid Expenses	4,772
Total Current Assets	<u>135,481</u>
Noncurrent Assets:	
Restricted Assets	
Cash and Equivalents	60,649
Capital Assets:	
Construction in Progress	300,061
Equipment	3,681
Infrastructure	4,380,929
Accumulated Depreciation	<u>(1,066,203)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>3,618,468</u>
Total Noncurrent Assets	<u>3,679,117</u>
<b>TOTAL ASSETS</b>	<b><u>3,814,598</u></b>

**LIABILITIES**

Current Liabilities:	
Accounts Payable and Accrued Expenses	2,954
Accrued Interest on Bonds Payable	2,726
Customer Deposits	37,911
Due to Other Funds	22,067
Bonds Payable, Current Portion	<u>23,000</u>
Total Current Liabilities	<u>88,658</u>
Noncurrent Liabilities:	
Revenue Bonds Payable	<u>747,000</u>
Total Noncurrent Liabilities	<u>747,000</u>
<b>TOTAL LIABILITIES</b>	<b><u>835,658</u></b>

**NET POSITION**

Invested In Capital Assets, Net of Related Debt	2,845,742
Restricted	27,417
Unrestricted	<u>105,781</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 2,978,940</u></b>

See accompanying notes to financial statements.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

<b><u>OPERATING REVENUES</u></b>	
Charges for Services	\$ 225,801
<b>TOTAL OPERATING REVENUES</b>	225,801
<b><u>OPERATING EXPENSES</u></b>	
Materials, Supplies and Other Expenses	151,265
Depreciation	87,117
<b>TOTAL OPERATING EXPENSES</b>	238,382
<b>OPERATING INCOME</b>	(12,581)
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>	
Capital Grant	337,041
Interest Income	358
Interest Expense	(35,211)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	302,188
<b>CHANGE IN NET POSITION</b>	289,607
<b>NET POSITION - OCTOBER 1, 2022</b>	2,689,333
<b>NET POSITION - SEPTEMBER 30, 2023</b>	\$ 2,978,940

See accompanying notes to financial statements.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**STATEMENT OF CASH FLOWS-PROPRIETARY FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received From Customers	\$ 225,638
Cash Payments to Suppliers For Goods and Services	<u>(153,938)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>71,700</u>

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

Acquisition of Capital Assets	(57,840)
Cost Associated with Water & Sewer Expansion	(257,134)
Interest Paid on Bonds	(35,289)
Proceeds from Grant Funds	297,810
Principal Payment on Bonds	<u>(22,000)</u>
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(74,453)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on Cash and Cash Equivalents	<u>358</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>358</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (2,395)

**CASH AND CASH EQUIVALENTS - OCTOBER 1, 2022** 138,922

**CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2023** \$ 136,527

**CASH AND CASH EQUIVALENTS CLASSIFIED AS:**

Cash and Cash Equivalents - Unrestricted	\$ 75,878
Cash and Cash Equivalents - Restricted	<u>60,649</u>
<b>TOTAL CASH AND CASH EQUIVALENTS CLASSIFIED</b>	<u>\$ 136,527</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO  
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (12,581)
Adjustments to Reconcile Operating Income to Net Cash Provided	
By Operating Activities:	
Depreciation Expense	87,117
Change in Assets and Liabilities:	
Increase in Accounts Receivables	(1,723)
Increase in Prepaid Expenses	(270)
Decrease in Accounts Payables	(2,403)
Increase in Customer Deposits	<u>1,560</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 71,700</u>

See accompanying notes to financial statements.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

The accounting policies of the Town of Glen St. Mary, Florida, (“the Town”) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

**Reporting Entity**

The Town is a unit of local government, incorporated June 29, 1957, under Special Legislative Act House Bill #1512. The Town operates under a Manager-Town Council form of government. As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the Town as a primary government.

The Town uses the criteria established in GASB Statement Number 14 to define the reporting entity and identify component units. Component units are entities for which the Town, as primary government, is considered to be financially accountable. Component units, if any, are included in the reporting entity because of the significance of their operational or financial relationships with the primary government.

The Town is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent on it.

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

Discretely presented component units, on the other hand, would be reported in separate columns to emphasize that they are legally separate from the Town. There are no discretely presented component units included in the Town’s financial reporting entity.

There were no additional entities for which there were positive responses to specific criteria used for establishing oversight responsibility that were excluded from the Town’s financial statements. The Town did not participate in any joint ventures during the 2022-23 fiscal year.

**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 activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

**Government-wide Financial Statements (concluded)**

requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported as general revenues.

**Fund Financial Statements**

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds. The Town has presented the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Town also has presented the Capital Improvement Fund, a non-major fund, in a separate column.

The Proprietary Fund, specifically identified as the Water and Sewer Fund, is used to account for the provision of water and sewer to the residents of the Town. The Water and Sewer Fund is also considered a major fund. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds. The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. Operating expenses for the proprietary fund include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Fund Balance**

The Town follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise of a hierarchy, based primarily, on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

**Fund Balance (concluded)**

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

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

*Committed Fund Balance* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Town's highest level of decision-making authority, which is a policy of the Town. Committed amounts cannot be used for any other purpose unless the Town removes those constraints by taking the same type action.

*Assigned Fund Balance* – Assigned fund balances are amounts that are constrained by the Town's interest to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the mayor or (b) a body of official to which the mayor has delegated the authority to assign amounts to be used for specific purposes.

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

The Town's policy is to expend resources in the following order: restricted, committed, assigned and unassigned.

**Measurement Focus and Basis of Accounting**

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

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year. Expenditures are generally recognized when the related liability is incurred. However, debt service expenditures, and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

**Budgets and Budgetary Accounting**

The Town adopts an annual budget for the General Fund. The following procedures are used in establishing the budgetary data reflected in the financial statements:

On or before the first part of September, the Mayor submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.

A public hearing is conducted to obtain taxpayer comments.

Usually prior to October 1<sup>st</sup>, the budget is legally enacted by Council approval.

Any revision that alters total expenditures of any fund or to transfer budgeted amounts between departments within any fund must be approved by the Town Council. Budgetary control is maintained at the department level. The fund is the legal level of control. Budgetary data presented in the accompanying financial statements represent the “final” budget data; i.e., the effects of budget amendments have been applied to “original” budgetary data.

The budget amounts presented in the accompanying financial statements were prepared on the modified accrual basis of accounting.

All budget changes during the fiscal year are approved by the Town Council.

Appropriations lapse at the end of the fiscal year.

Budgets are adopted for the General and Enterprise Funds on a basis that does not differ materially from accounting principles generally accepted in the United States. In accordance with Section 166.241, Florida Statutes, expenditures did not exceed budget appropriations for the 2022-2023 fiscal year.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized by the Town.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the enterprise fund considers all highly liquid investments, including restricted assets to be cash equivalents. Restricted cash for governmental activities consists of \$129,400 for the American Rescue Plan Act and \$15,146 for capital improvements. Restricted cash for enterprise activities consists of \$37,911 for customer deposits, \$22,645 for bond reserves and \$93 for grant use. Unrestricted resources are used first when expense is incurred for both restricted and unrestricted purposes.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

**Deposits with Financial Institutions**

All deposits are placed in banks that qualify as public depositories, as required by law (Florida Security for Public Deposits Act). Accordingly, all deposits are insured by federal depository insurance and/or collateralized pursuant to Chapter 280, Florida Statutes.

**Prepaid Expenses**

Prepaid balances for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

**Capital Assets**

Capital assets are valued at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date donated. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	30-50 years
Water & Sewer Systems	30-50 years
Improvements	20-25 years
Equipment	5-20 years

**Compensated Absences**

The Town has a policy allowing employees to earn 40 hours of personal/sick leave per year; unused personal leave may be carried forward and accumulated up to a maximum of 480 hours. Personal leave time remaining upon termination of employment is not paid. Personal leave compensation will be awarded at the time of retirement at the hourly rate at twenty-five percent of accumulated hours. Town policy also allows employees to be eligible for vacation time based on years of service. The policy is summarized as follows:

<u>Years of service</u>	<u>Amount of Vacation</u>
0-5 years	2.6 weeks
5-10 years	3.25 weeks
11 years & up	3.9 weeks

A maximum of one week of earned vacation may be carried forward to the following year to be used within the first three months of the following fiscal year. A liability for accrued compensated absences of employees has been accrued in the Government-wide financial statements. Compensated absences are recorded as expenditures in Governmental Funds to the extent of the amount of the liability that would normally be liquidated with expendable available financial resources (the current portion).

**Capitalization of Interest Costs**

When applicable, the Town follows the guidelines of Statement of Financial Accounting Codification No. 835-20 to determine if interest costs related to construction of fixed assets should be capitalized.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Town to make various estimates and assumptions. Actual results could vary from estimates used.

**Net Position**

Net position represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowing used for acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either by through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net position reports \$57,829 of restricted net position, which is restricted by enabling legislation. Governmental restricted net position in the consists of \$15,146 for capital improvements. Proprietary restricted net position in the amount of \$27,417 consists of prepaid expenses in the amount of \$4,772 and bond reserves in the amount of \$22,645.

**Deferred Outflows/Inflows of Resources**

A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period.

A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period.

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES**

During the fiscal year ended September 30, 2023, the Town adopted GASB Statement No. 87, *Leases*. The statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial statements. Under this statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the Town's leasing activities.

**NOTE 3 – INVESTMENTS**

Section 218.415, Florida Statutes, authorizes the Town to invest in the Local Government Investment Pool; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposits in qualified public depositories; and direct obligations of the U.S. Treasury.

Historically, the Town's investments have consisted of certificates of deposits. During the current fiscal year, the Town did not utilize any investment accounts. These investments are entirely insured (Level 1 category of credit risk). The Town would be exposed to the following risks associated with its investments:

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 3 – INVESTMENTS (concluded)**

Credit Risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Interest Rate Risk – the risk that changes in interest rate will adversely affect the fair value of an investment.

The Town does not have a formal investment policy relating to the aforementioned risks, other than Section 218.415 Florida Statutes, for investing public funds. That statute limits the Town’s exposure to credit risk and interest rate risk by limiting authorized investment option as previously described.

**NOTE 4 – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets for the fiscal-year ending September 30, 2023, follows:

	Balance <u>October 1,</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>September 30,</u>
<b><u>Governmental Activities</u></b>				
Capital Assets Not Being Depreciated				
Land	\$ 73,258	\$ -	\$ -	\$ 73,258
Total Capital Assets Not Being Depreciated	<u>73,258</u>	<u>-</u>	<u>-</u>	<u>73,258</u>
Capital Assets Being Depreciated				
Buildings	94,699	-	-	94,699
Improvements Other Than Buildings	200,514	29,413	-	229,927
Machinery & Equipment	135,424	14,750	-	150,174
Total Capital Assets Being Depreciated	<u>430,637</u>	<u>44,163</u>	<u>-</u>	<u>474,800</u>
Less Accumulated Depreciation For				
Buildings	78,341	2,259	-	80,600
Improvements Other Than Buildings	169,949	5,668	-	175,617
Machinery & Equipment	135,424	1,931	-	137,355
Total Accumulated Depreciation	<u>383,714</u>	<u>9,858</u>	<u>-</u>	<u>393,572</u>
Total Capital Assets Being Depreciated, Net	<u>46,923</u>	<u>(9,858)</u>	<u>-</u>	<u>81,228</u>
Governmental Activities Total Capital Assets, Net	<u>\$ 120,181</u>	<u>\$ 34,305</u>	<u>\$ -</u>	<u>\$ 154,486</u>
<b><u>Business-type Activities</u></b>				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 20,860	\$ 279,201	\$ -	\$ 300,061
Total Capital Assets Not Being Depreciated	<u>20,860</u>	<u>279,201</u>	<u>-</u>	<u>300,061</u>
Capital Assets Being Depreciated				
Improvements Other Than Buildings	4,320,442	57,840	-	4,378,282
Machinery & Equipment	6,328	-	-	6,328
Total Capital Assets Being Depreciated	<u>4,326,770</u>	<u>57,840</u>	<u>-</u>	<u>4,384,610</u>
Less Accumulated Depreciation For				
Improvements Other Than Buildings	972,758	87,117	-	1,059,875
Machinery & Equipment	6,328	-	-	6,328
Total Accumulated Depreciation	<u>979,086</u>	<u>87,117</u>	<u>-</u>	<u>1,066,203</u>
Total Capital Assets Being Depreciated, Net	<u>3,347,684</u>	<u>(29,277)</u>	<u>-</u>	<u>3,318,407</u>
Business-type Activities Total Capital Assets, Net	<u>\$ 3,368,544</u>	<u>\$ 249,924</u>	<u>\$ -</u>	<u>\$ 3,618,468</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities:</b>	
General Government	\$ 1,673
Public Safety	665
Physical Environment	4,066
Culture and Recreation	3,454
Total Depreciation Expense Governmental Activities	<u>\$ 9,858</u>
<b>Business-type Activities:</b>	
Physical Environment	\$ 87,117
Total Depreciation Expense Business-type Activities	<u>\$ 87,117</u>

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 5 – LONG-TERM DEBT**

**Government-type Activities**

The Government-type activities long-term debt at September 30, 2023, consists of the following:

Net pension liability for employer’s proportionate share of the net pension liability for the Florida Retirement System.	\$ 122,114
Net pension liability for employer’s proportionate share of the net pension liability for the Health Insurance Subsidy Program.	<u>35,072</u>
Total Net Pension Liability	<u>\$ 157,186</u>

A summary of changes in long-term liabilities follows:

	<u>Balance</u> <u>October 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30</u>	<u>Due Within</u> <u>One Year</u>
Net pension liability - FRS	\$ 123,429	\$ -	\$ 1,315	\$ 122,114	\$ -
Net pension liability - HIS	<u>22,496</u>	<u>12,576</u>	<u>-</u>	<u>35,072</u>	<u>325</u>
Total	<u>\$ 145,925</u>	<u>\$ 12,576</u>	<u>\$ 1,315</u>	<u>\$ 157,186</u>	<u>\$ 325</u>

During 2015, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the calculation of changes in long-term liabilities presented above.

**Business-type Activities**

The Business-type activities debts of the Town at September 30, 2023, consist of the following:

\$670,000 Water and Sewer Revenue Bonds, Series 2004A, dated December 16, 2004, due in annual principal installments of \$10,000 to \$34,000 plus accrued interest at 4.5% due September 1<sup>st</sup> each year through 2044. The revenues from the related facility, a portion of sales tax, franchise tax and communication service tax revenues are pledged as collateral. \$ 497,000

\$370,214 Water and Sewer Revenue Bonds, Series 2004B, dated December 16, 2004, due in annual principal installments of \$6,000 to \$19,000 plus accrued interest at 4.375%, due September 1<sup>st</sup> of each year through 2044. The revenues from the related facility, a portion of sales tax, franchise tax and communication service tax revenues are pledged as collateral. 273,000

Total Bonds Payable \$ 770,000

A summary of changes in long-term liabilities follows:

	<u>Balance</u> <u>October 1</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>September 30</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Business-type Activities:					
Water & Sewer Revenue Bonds Payable	\$792,000	\$ -	\$ 22,000	\$770,000	\$ 23,000
Total Business-type Activities	<u>792,000</u>	<u>-</u>	<u>22,000</u>	<u>770,000</u>	<u>23,000</u>
Total Government	<u>\$792,000</u>	<u>\$ -</u>	<u>\$ 22,000</u>	<u>\$770,000</u>	<u>\$ 23,000</u>

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 5 – LONG-TERM DEBT (concluded)**

The annual aggregate maturities for revenue bonds for the years subsequent to September 30, 2023, are as follows:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2024	23,000	34,309	57,309
September 30, 2025	24,000	33,284	57,284
September 30, 2026	25,000	32,215	57,215
September 30, 2027	26,000	31,101	57,101
September 30, 2028	28,000	29,943	57,943
September 30, 2029-2033	156,000	130,244	286,244
September 30, 2034-2038	195,000	92,063	287,063
September 30, 2039-2043	244,000	44,436	288,436
September 30, 2044	<u>49,000</u>	<u>2,186</u>	<u>51,186</u>
Totals	<u>\$770,000</u>	<u>\$429,781</u>	<u>\$1,199,781</u>

**NOTE 6 – ALLOWANCE FOR UNCOLLECTIBLES**

Accounts receivables have been reported in the funds net of allowance for uncollectibles. The allowance for uncollectibles is as follows:

Enterprise Fund	<u>\$ 370</u>
Total	<u>\$ 370</u>

The allowance is based upon a moving average of the collection experience relating to these receivables.

**NOTE 7 – DEBT RESTRICTIONS AND COVENANTS**

Water and Sewer Revenue Bonds, Series 2004A and 2004B, requires the establishment of a Bond and Interest Sinking Fund to be used exclusively by the Town to pay all interest on the Bonds as the same shall come due and the principal of the bonds at the respective maturity dates thereof. On or before the fifteenth day of each month, the Town shall transfer and deposit to the credit of the Sinking Fund the following amounts:

1. A sum equal to 1/12 of the amount of one year's interest on all the Bonds then outstanding, together with the amount of any deficiency in prior deposits for interest on the Bonds.
2. Beginning on September 15, 2006, a sum equal to 1/12 of the principal of the Bonds maturing on the next succeeding September 1, together with the amount of any deficiency in prior deposits for principal on the Bonds.
3. To the credit of a Reserve Account in the Sinking Fund a sum equal to 1/120 of the Maximum Bond Service Requirement until such time as the funds therein shall equal the Maximum Bond Service Requirement.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 7 – DEBT RESTRICTIONS AND COVENANTS (concluded)**

In February 2006, the Town passed a resolution to set aside and reserve a certificate of deposit in the General Fund of \$65,000 to satisfy the reserve requirements. On June 19, 2018, the council voted to use the \$65,000 to pay for additional sewer expansion. The certificate of deposit was withdrawn on August 19, 2019, and deposited into the proprietary fund. The USDA issued a letter on July 9, 2018, granting the Town the authority to use the funds for additional sewer expansion. The USDA also stipulated that the Town must replenish the reserve fund by making annual deposits of \$5,660 until the balance reaches \$56,600. The balance in the reserve account at September 30, 2023, is \$22,645. The Town began the annual deposits in the fiscal year ending September 30, 2020.

**NOTE 8 – CONTINGENT LIABILITIES**

The Town is sometimes involved in litigation arising from the normal operations of a local government. It is the opinion of management that such litigation will not have a material financial impact on the financial statements of the Town.

**NOTE 9 – STATE OF FLORIDA PENSION PLANS**

***Defined Benefit Plans***

The Town participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Department of Management Services, Division of Retirement, Research and Education Section, PO Box 9000, Tallahassee, Florida, 32315-9000, by calling (844) 377-1888 or website [http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a non-qualified, cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries of the state-administered retirement systems in paying their health insurance costs. Per Chapter 2023-193, Laws of Florida, the level of monthly benefits increased from \$5 times years of service to \$7.50, with an increased minimum of \$45 and maximum of \$225. This change applies to all years of service for both members currently in pay and members not yet in pay.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 9 – STATE OF FLORIDA PENSION PLANS (continued)**

To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

***Benefits Provided***

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes.

***Contributions***

The contribution requirements of plan members and the Town are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Town's contribution rates as of September 30, 2023, were as follows:

	FRS	HIS
Regular Class	11.57%	2.00%
Special Risk Class	30.67%	2.00%
Senior Management Service Class	32.52%	2.00%
Elected Officials	56.68%	2.00%
DROP from FRS	19.13%	2.00%

The Town's contributions for the year ended September 30, 2023, were \$15,160 to the FRS and \$1,659 to the HIS.

***Pension Liabilities and Pension Expense***

In its financial statements for the year ended September 30, 2023, the Town reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2023. The Town's proportions of the net pension liabilities were based on the Town's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$122,114	\$35,072
Proportion at:		
Current measurement date	0.00%	0.00%
Prior measurement date	0.00%	0.00%
Pension expense (benefit)	\$27,063	\$12,846

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 9 – STATE OF FLORIDA PENSION PLANS (continued)**

*Deferred Outflows/Inflows of Resources Related to Pensions*

At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,465	\$ -	\$ 513	\$ 82
Changes of assumptions	7,960	-	922	3,039
Net difference between projected and actual earnings on pension plan investments	5,100	-	18	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,358	15,395	2,665	4,194
Employer contributions subsequent to the measurement date	3,752	-	476	-
<b>Total</b>	<b>\$ 41,635</b>	<b>\$ 15,395</b>	<b>\$ 4,594</b>	<b>\$ 7,315</b>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2024	\$ 5,938	\$ (600)
2025	449	(219)
2026	16,132	(947)
2027	(170)	(1,085)
2028	139	(368)
Thereafter	-	22
<b>Total</b>	<b>\$ 22,488</b>	<b>\$ (3,197)</b>

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 9 – STATE OF FLORIDA PENSION PLANS (continued)**

*Actuarial Assumptions*

The total pension liability for each cost-sharing defined benefit plan was measured as of June 30, 2023. The actuarial assumptions that determined the total pension liability for the FRS Pension Plan was determined by a valuation dated July 1, 2023. For the HIS Program, the actuarial assumptions that determined the total pension liability was determined by a valuation dated July 1, 2022. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.65%

Mortality assumptions for both plans were based on the PUB2010 with Scale MP-2018.

The FRS actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The following changes in key actuarial assumptions occurred in 2023:

HIS: The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

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

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

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

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 9 – STATE OF FLORIDA PENSION PLANS (concluded)**

***Discount Rate***

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS’ fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. 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, the depletion date is considered to be immediate. A municipal bond rate of 3.65% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

***Sensitivity Analysis***

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

	FRS			HIS		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	(5.70%)	(6.70%)	(7.70%)	(2.65%)	(3.65%)	(4.65%)
Employer's proportionate share of the net pension liability	\$ 208,595	\$ 122,114	\$ 49,762	\$ 40,012	\$ 35,072	\$ 30,977

***Pension Plans’ Fiduciary Net Position***

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

***Defined Contribution Plan***

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (“FRS Investment Plan”), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2023, totaled \$0.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 10 – OPERATING LEASE**

Lease agreement is summarized as follows:

Governmental Activities

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Receivable	Current Year	Balance
						Additional Inflows	September 30, 2023
Vystar ATM Machine	9/1/2023	5 years	\$ 6,000	4.42%	\$ 27,565		\$ 21,566

On July, 2013, the Town entered into a five-year, renewable lease with Vystar Credit Union for the rental of Town land for the use of a drive-up ATM Machine. The lease originally was renewable for two additional five-year terms. The original lease commencement date was on September 1, 2013. On August 31, 2023, the Town entered into its third renewal of the lease agreement. In accordance with the lease, the tenant shall pay rental annually, in advance, at the beginning of each lease year. The term of the lease is for a period of five years, commencing on September 1, 2023, and ending on August 31, 2028. Upon termination of the lease, the premises are to be surrendered to the Town. Because the Town did not have access to the rate implicit in the lease, the Town used the risk-free discount rate in effect at the date of lease commencement, 4.42%. During the year ended September 30, 2023, \$500 of lease revenue was recognized. As of September 30, 2023, future minimum rental revenue required under the lease is reported as a deferred inflow and is presented as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>
September 1, 2024	\$ 5,047	\$ 953
September 1, 2025	5,270	730
September 1, 2026	5,502	498
September 1, 2027	5,747	254
Total	<u>\$ 21,566</u>	<u>\$ 2,435</u>

**NOTE 11 – AMERICAN RESCUE PLAN ACT (ARPA) FUNDS**

The ARPA was signed into law on March 11, 2021, to provide \$350 billion in additional funding for state and local governments. There are certain restrictions on how the Town can utilize the funds. ARPA funds are earned as they are spent. In the current fiscal year, the Town recognized \$78,100 as revenue.

**NOTE 12- INTERFUND BALANCES**

At September 30, 2023, interfund balances consisted of:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 22,067	\$ -
Enterprise Fund	-	22,067
Totals	<u>\$ 22,067</u>	<u>\$ 22,067</u>

The interfund balances resulted from the normal course of operations and should be paid within one year.

**TOWN OF GLEN ST. MARY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 13 – SUBSEQUENT EVENTS**

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 13, 2024, the date which the financial statements were available to be issued. There were no subsequent events determined to occur that would have a material effect on the fair presentation of the financial statements taken as a whole through the date of the report, June 13, 2024.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF GLEN ST. MARY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL-GENERAL FUND**  
**FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<b><u>BUDGETED AMOUNTS</u></b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b><u>ORIGINAL</u></b>	<b><u>FINAL</u></b>	<b><u>AMOUNTS</u></b>	<b>WITH FINAL</b>
				<b>BUDGET</b>
<b><u>REVENUES</u></b>				
Taxes	\$ 150,785	\$ 142,666	\$ 184,922	\$ 42,256
Charges for Services	35,980	32,250	49,110	16,860
Intergovernmental	20,769	98,876	99,339	463
Interest Earnings	135	135	1,990	1,855
Miscellaneous Revenues	14,942	14,942	16,173	1,231
Rental Income	5,000	5,000	500	(4,500)
<b>TOTAL REVENUES</b>	<b>227,611</b>	<b>293,869</b>	<b>352,034</b>	<b>58,165</b>
<b><u>EXPENDITURES</u></b>				
Current:				
General Governmental	121,707	106,910	128,604	(21,694)
Physical Environment	68,495	162,043	153,154	8,889
Transportation	9,375	20,200	6,806	13,394
Human Services	1,200	1,200	-	1,200
<b>TOTAL EXPENDITURES</b>	<b>200,777</b>	<b>290,353</b>	<b>288,564</b>	<b>1,789</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>26,834</b>	<b>3,516</b>	<b>63,470</b>	<b>59,954</b>
<b>FUND BALANCES - October 1, 2022</b>	<b>186,888</b>	<b>186,888</b>	<b>186,888</b>	<b>-</b>
<b>FUND BALANCES - September 30, 2023</b>	<b>\$ 213,722</b>	<b>\$ 190,404</b>	<b>\$ 250,358</b>	<b>\$ 59,954</b>

**Notes to Budgetary Comparison Schedules**

The preparation, adoption and amendment of budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year end.

See accompanying notes to financial statements.

**TOWN OF GLEN ST MARY**  
**SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS (1)**

**Florida Retirement System**

<b>Fiscal Year Ending September 30</b>	<b>Employer's Proportion of the FRS Net Pension Liability</b>	<b>Employer's Proportionate of the FRS Net Pension Liability</b>	<b>Employer's Covered Payroll (2)</b>	<b>Employer's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2015	0.000441138%	\$ 56,979	\$ 70,141	81.23%	92.00%
2016	0.000292982%	73,978	73,198	101.07%	84.88%
2017	0.000234488%	69,384	74,808	92.75%	83.89%
2018	0.000219089%	65,991	70,118	94.11%	84.26%
2019	0.000236646%	81,495	90,399	90.15%	82.61%
2020	0.000390035%	169,047	88,291	191.47%	78.85%
2021	0.000360613%	27,240	85,855	31.73%	96.40%
2022	0.000331726%	123,429	75,864	162.70%	82.89%
2023	0.000306458%	122,114	87,501	139.56%	82.83%

**Health Insurance Subsidy Pension Plan**

<b>Fiscal Year Ending September 30</b>	<b>Employer's Proportion of the HIS Net Pension Liability</b>	<b>Employer's Proportionate of the HIS Net Pension Liability</b>	<b>Employer's Covered Payroll (2)</b>	<b>Employer's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2015	0.000231161%	\$ 23,575	\$ 70,141	33.61%	0.50%
2016	0.000237087%	27,631	73,198	37.75%	0.97%
2017	0.000234666%	25,092	74,808	33.54%	1.64%
2018	0.000211592%	22,395	70,118	31.94%	2.15%
2019	0.000270277%	30,241	90,399	33.45%	2.63%
2020	0.000253116%	30,905	88,291	35.00%	3.00%
2021	0.000242480%	29,744	85,855	34.64%	3.56%
2022	0.000212396%	22,496	75,864	29.65%	4.81%
2023	0.000220838%	35,072	87,501	40.08%	4.12%

**Notes to schedules:**

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

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

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

See accompanying notes to financial statements.

**TOWN OF GLEN ST MARY**  
**SCHEDULES OF EMPLOYER CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS**

**Florida Retirement System**

Fiscal Year Ending September 30	Contractually Required FRS Contribution	FRS Contributions In Relation to the			Town's Covered Payroll (1)	FRS Contributions as a Percentage of Covered Payroll
		Contractually Required Contribution	FRS Contribution Deficiency (Excess)			
2015	\$ 10,445	\$ (10,445)	\$ -	\$ 70,962	14.72%	
2016	6,429	(6,429)	-	73,198	8.78%	
2017	6,024	(6,024)	-	74,808	8.05%	
2018	6,516	(6,516)	-	70,118	9.29%	
2019	7,704	(7,704)	-	90,399	8.52%	
2020	13,606	(13,606)	-	88,291	15.41%	
2021	15,810	(15,810)	-	85,855	18.41%	
2022	12,661	(12,661)	-	67,199	18.84%	
2023	15,160	(15,160)	-	95,005	15.96%	

**Health Insurance Subsidy Pension Plan**

Fiscal Year Ending September 30	Contractually Required HIS Contribution	HIS Contributions In Relation to the			Town's Covered Payroll (1)	HIS Contributions as a Percentage of Covered Payroll
		Contractually Required Contribution	HIS Contribution Deficiency (Excess)			
2015	\$ 963	\$ (963)	\$ -	\$ 70,962	1.36%	
2016	1,257	(1,257)	-	73,198	1.72%	
2017	1,195	(1,195)	-	74,808	1.60%	
2018	1,203	(1,203)	-	70,118	1.72%	
2019	1,579	(1,579)	-	90,399	1.75%	
2020	1,350	(1,350)	-	88,291	1.53%	
2021	1,562	(1,562)	-	85,855	1.82%	
2022	1,115	(1,115)	-	67,199	1.66%	
2023	1,659	(1,659)	-	95,005	1.75%	

**Notes to schedules:**

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

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

See accompanying notes to financial statements.

**ADDITIONAL ELEMENTS REQUIRED**

**BY THE**

**RULES OF THE AUDITOR GENERAL**

# LYONS AND LYONS

## CERTIFIED PUBLIC ACCOUNTANTS

106 West Boulevard  
Macclenny, Florida 32063

Telephone (904) 259-4307  
Fax (904) 259-5102

### INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Mayor and  
Members of the Town Council  
Town of Glen St. Mary, Florida

We have audited the financial statements of the Town of Glen St. Mary, Florida (the "Town") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 13, 2024. We have also issued our report on compliance and on internal control over financial reporting, dated June 13, 2024. That report should be considered in conjunction with this management letter.

#### Auditors' Responsibility

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. Additionally, our audit was conducted in accordance with the provisions of Chapters 10.550, Rules of the Auditor General which governs the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

#### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent 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 June 13, 2024, should be considered in conjunction with this management letter.

#### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding financial audit report. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings that accompanies this letter. Accordingly, audit findings 2023-001 and 2023-002 are both repeated findings for the past two preceding audits.

#### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. There are no component units of the Town. The Town was established by a Special Act of the Legislature (House Bill Number 1512 –Laws of Florida) which became a law without the Governor's approval on June 29, 1957.

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 determinations as to whether or not the Town met one or more of the condition 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 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. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same. The application of such procedures did not reveal evidence of "deteriorating financial condition" as defined in Rule 10.554.

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

Additional Matters

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

Purpose of this Letter

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

We wish to take this opportunity to express our appreciation for the courtesies, which have once again, been extended to our staff. We have sincerely enjoyed our association with the Town and look forward to a continuing relationship. If you have any questions or comments concerning this letter, our accompanying reports, or any other matters, please do not hesitate to contact us.



June 13, 2024  
Macclenny, Florida

# LYONS AND LYONS

## CERTIFIED PUBLIC ACCOUNTANTS

106 West Boulevard  
Macclenny, Florida 32063

Telephone (904) 259-4307  
Fax (904) 259-5102

**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***

To the Honorable Mayor and  
Members of the Town Council  
Town of Glen St. Mary, Florida

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Glen St. Mary, Florida (the "Town") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 13, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 and 2023-002 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

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

**The Town's Response to Findings**

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

**Purpose of this Report**

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

A handwritten signature in cursive script that reads "Lyons and Lyons, CPAs".

June 13, 2024  
Macclenny, Florida

# LYONS AND LYONS

## CERTIFIED PUBLIC ACCOUNTANTS

106 West Boulevard  
Macclenny, Florida 32063

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Fax (904) 259-5102

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES, SECTION 218.415, FLORIDA STATUTES

To the Honorable Mayor and  
Members of the Town Council  
Town of Glen St. Mary, Florida

We have examined the Town of Glen St Mary's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town'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 complied, in all material respects, with the specified requirement referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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.



June 13, 2024  
Macclenny, Florida

**TOWN OF GLEN ST. MARY, FLORIDA**  
**SCHEDULE OF FINDINGS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

2023-001 **Condition** – Because of a limited number of personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be detected.

Similar findings were reported in previous audits as items 2021-001 and 2022-001.

**Recommendation** – To the extent possible, given available personnel, steps should be taken to segregate employee duties so no one individual has access to both physical assets and the related accounting records, or all phases of a transaction. A similar finding was noted in our prior report. Our audit did not reveal any significant errors or irregularities resulting from this lack of separation of duties and responsibilities. However, we feel it is important you are made aware of this condition.

2023-002 **Condition** – Statement of Auditing Standards No. 115, Communicating Internal Control Related Matters Identified in an Audit, requires auditors to prepare written communication if they identify misstatements during the audit process or if it was necessary to assist with the preparation of the financial statements. As part of the audit process, we proposed material adjustments to the Town’s financial statements. It was also necessary for us to assist with the preparation of the financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

Similar findings were reported in previous reports as items 2021-002 and 2022-002.

**Recommendation** – We recommend that you consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process. By improving the financial reporting process, the Town will have an enhanced ability to monitor its budget position on an ongoing basis.



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[glenstmary3777@glenstmary.org](mailto:glenstmary3777@glenstmary.org)

June 13, 2024

Sherrill F. Norman  
Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Ms. Norman,

In response to the audit performed by Lyons & Lyons CPA's for the fiscal year ending September 30, 2023 it is duly noted that the following items were found and are addressed as follows:

- 2023-001 During the audit period duties were segregated to the extent possible given available personnel. Compensating controls have been implemented to help alleviate the problem.
- 2023-002 The findings are duly noted. Due to budget constraints, it is not feasible to have someone on staff with the knowledge and experience to correctly prepare the financial statements.

Should you have any further questions, please feel free to contact me.

Sincerely,

  
Juanice Padgett  
Mayor