

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**



CITY OF PERRY

FLORIDA



CITY OF PERRY, FLORIDA

COUNCIL-MANAGER FORM OF GOVERNMENT

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

CITY COUNCIL
SHIRLIE HAMPTON, MAYOR
WARD KETRING, VICE MAYOR
DIANE LANDRY
VENITA WOODFAULK,
BILL BRYNES

CITY MANAGER
JOHN HART II

PREPARED BY:
FINANCE DEPARTMENT

PENNY STAFFNEY
Director of Finance

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June 20, 2024

Honorable Mayor, City Council and Citizens of the City of Perry, Florida
Perry, Florida

Annual Comprehensive Financial Report of the City of Perry, Florida, for the fiscal year ended September 30, 2023, is submitted herewith pursuant to Section 5.12 of the City Charter, State of Florida Statutes Section 218.39 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. This Annual Financial Report was prepared by the Finance Department and represents the official report of the City's financial condition and results of operations to the citizens, City Council, City administrative personnel, investment firms, rating agencies and other interested parties.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of the City's operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

The City Charter, Section 5.12, requires an annual audit of the books of account, financial records, and transactions of all City administrative departments by independent certified public accountants selected by the City Council. This requirement has been fulfilled and the auditor's report from the certified public accounting firm Powell and Jones CPAs has been included in the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

The City was incorporated in 1903 and is located in the Big Bend area near the Gulf coast in northern Florida. Manufacturing and industry are the economical mainstays for the residents of Perry. It operates under the Council-Manager form of government. The City Council is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing members to various statutory and advisory boards, the City Manager, City Attorney, City Auditor, and City Engineer. As chief administrative officer, the City Manager is responsible for enforcement of laws and ordinances and appoints and supervises the City's department heads.

The City provides a range of municipal services. These services include public safety (police and fire), building and maintenance of streets and sidewalks, storm water management, parks, planning and zoning, general administrative services, inventory and four utilities (water, gas, solid waste, and sewer). The four utilities are also known as enterprise funds. These enterprise funds are used to finance and account for the acquisitions, operations, and maintenance of City facilities and services that are entirely or predominately self-supported by user charges. Operations are accounted for in such a manner to show a profit or loss on a basis comparable with industries in the private sector. For detailed information on the proprietary fund functions, see the Management's Discussion and Analysis contained in this report.

FINANCIAL INFORMATION

The City's accounting records for general governmental operations and agency funds are maintained on the modified accrual basis with the revenues recorded when available and measurable and expenditures recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's proprietary funds and pension trust funds are maintained on the accrual basis.

In developing and altering the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition; and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within this framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the department level. All purchase orders are compared to available line-item amounts and necessary significant budgetary adjustments are made before issuing purchase orders.

By resolution approved by the City Council, the City Manager may transfer any appropriation balance or portion thereof from one office or department to another.

The financial reporting entity includes all the funds and account groups of the City of Perry, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The City provides a full range of municipal services normally associated with a municipality including police and fire, street construction and maintenance, and planning and zoning. Gas, water, and sewer utilities, as well as solid waste collection, parks and inventory services are provided under an Enterprise Fund concept with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debts.

In addition to these services, the City is financially accountable for the Police Officers' Retirement Trust and the Firefighters' Pension Trust, which are reported as blended component units. Blended component units, although legally separate entities are, in substance, part of the City's operations and are included as part of the City's reporting entity. This is found in Note 1 (A) to the Financial Statements which lists the specific criteria used for establishing financial accountability.

The City's Trust Funds are established to account for assets held by the governmental unit in a trustee capacity or an agent for employees. In accordance with Florida law, the City's general employees participate in the Florida Retirement System Pension Plan, which presently covers all City employees except for law enforcement and fire fighters whose pension plan was covered in the paragraph above. This plan was created by the Florida Legislature and is administered by the State of Florida, Department of Management Services, Division of Retirement, and is available to the State's governmental units. The funding methods and the determinations of benefits payable are provided in various acts of the State Legislature. These acts required employers to contribute 13.57% as of July 1, 2023, of regular covered employee's gross wages. This is a multi-employer plan and actuarial information with respect to an individual participating entity is not available.

The debts held by the City include USDA bonds payable, several low interest loans from the EPA for water and sewer related capital projects.

The City's cash management policy is that any cash temporarily idle during the year was invested in interest bearing accounts in local banks.

The property, plant and equipment used in governmental activities are not reported in the fund financial statements because they are not financial resources. They are, however, reported in the governmental activities' column of the government-wide financial statements. The proprietary funds property, plant and equipment are reported in the fund financial statements and in the business-type activities column of the government-wide financial statements.

Overall, the costs of public safety, running of utilities and expenses in general continue to increase not only in amount but in percentage of total expenditures. The millage rate, due to the State of Florida legislation, is still lower than in most previous years.

LOCAL ECONOMIC OUTLOOK

The City of Perry's economic climate is closely tied to various manufacturing concerns located throughout the county. Georgia Pacific is the largest employer in Taylor County but has stated that it will close its mill. The effects of their leaving have not been determined. Besides the City of Perry, other major employers within the City are Super Pufft, a large chip manufacturer, the Taylor County School Board, Doctors' Memorial Hospital, which provides healthcare services for city and county residents. There are also several aluminum fabrication shops and service-type businesses, such as department stores and fast-food restaurants. Taylor County rates as an economically challenged area, however industry continues to seek our area as well as many families and retirees who buy residential property where hunting, fishing, and nature are readily accessible. Our downtown continues to renovate buildings, so shops and eateries have moved in and remain busy. Our City Council has several offerings, one to entice building renovation in our downtown, and several other programs to bring business into our area. We welcome inquiries.

LONG TERM FINANCIAL PLANNING

The City of Perry's Charter Section 5.05 requires that the City Manager shall prepare and submit for the City Council's adoption a Five – Year Capital Improvements Program on an annual basis. These items may be budgeted either through current revenues or from reserves in the investment funds. Many of the projects identified in this Five-Year Plan have been carried forward from previous years' plans. The needs have been identified in earlier years; however, due to funding limitations or changes in priority ranking, their funding time frame may change.

For the 2022-23 budget year the projects that made it were the new Water Filter, vehicles for several departments, and heavy equipment. This particular budget year the outlook was lean so capital outlay was kept to a minimum. The budget years beyond that include various street, sewer, water, flood areas, and sidewalk improvements.

Strategic revenue planning is an area the City Council has entrusted to the City Manager to tackle. The challenge is for the City Manager to streamline expenditures without decreasing services. Utility rates rarely are raised, so each budget year is a challenge. The State of Florida has enacted legislation to cap millage rates and further cut property taxes, thus decreasing tax revenue. Revenues are hard to come by, so we are just holding the line at status quo. Our Council is aware some tough choices may be forthcoming in subsequent years.

MAJOR INITIATIVES

The City is working on a new water plant. Due to limited funding, we have no other major initiatives planned for this year.

DEPARTMENT FOCUS

Each year the City selects a department for its efforts and accomplishments. However, in August of 2023, we were hit with Hurricane Idalia which has created a challenge all of its own. All the departments proceeded to shine. During the hurricane the offices were fully manned, and the utilities continued running despite power outages, thousands of trees down, and all sorts of challenges that accompany these types of storms. At this writing, 10 months later, we are still dealing with FEMA and struggling to have all these items repaired, just as the citizenry is doing.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Perry for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. This was the thirty-third consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

The timely preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express appreciation to all members of the departments who assisted and contributed to its preparation. We express appreciation to the Mayor and members of the City Council for their continued interest and support in planning and conducting the City's financial operations in a responsible and progressive manner.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to be "P. J. Hoff", written in a cursive style.

Finance Director

A handwritten signature in dark ink, appearing to be "D. R. Hart II", written in a cursive style.

City Manager

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Perry Florida

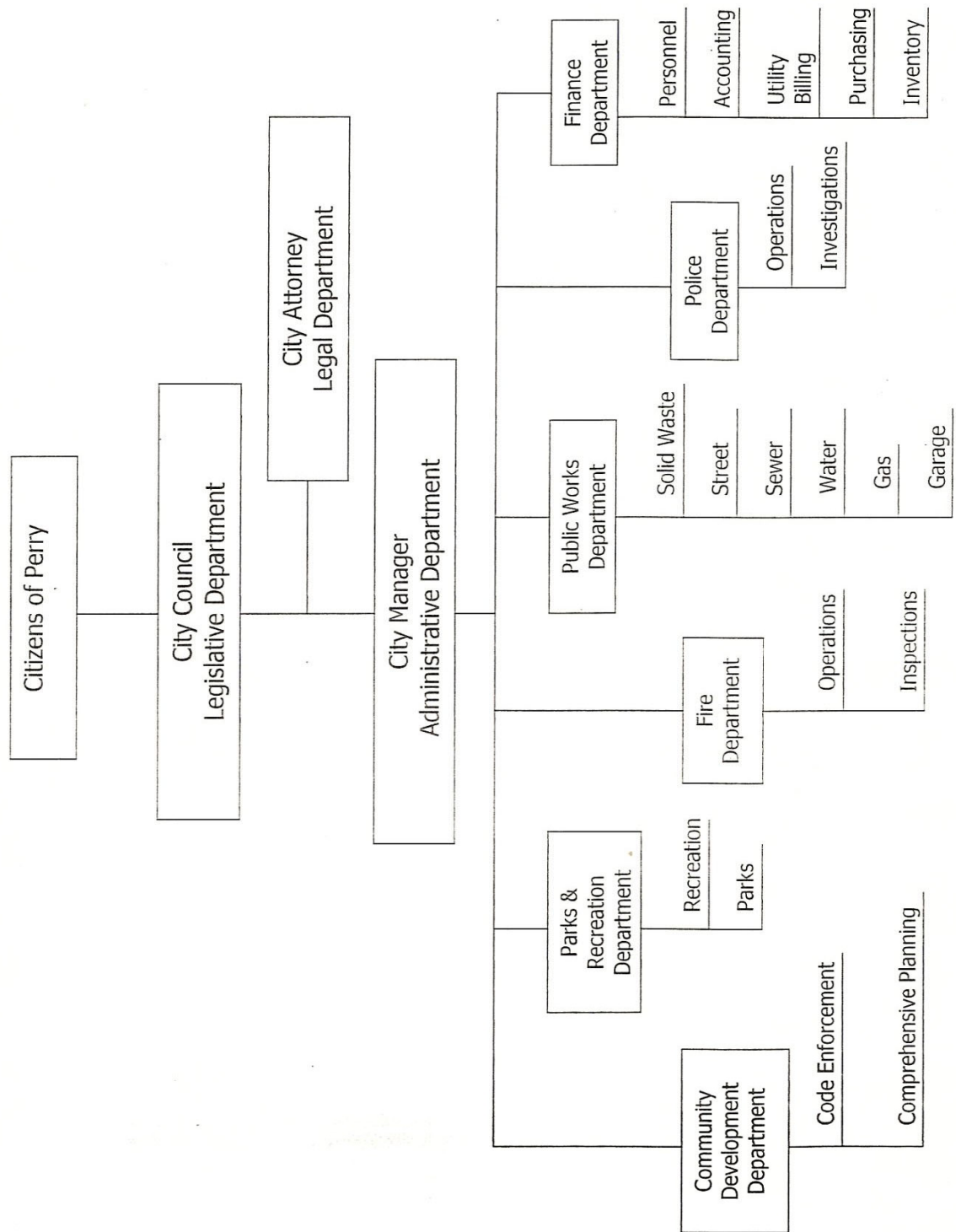
**For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended**

September 30, 2022

Christopher P. Morrell

Executive Director/CEO

CITY OF PERRY ORGANIZATIONAL CHART



CITY OF PERRY, FLORIDA
LISTING OF CITY OFFICIALS
As of September 30, 2023

CITY OFFICIALS

Mayor	Shirley Hampton
Vice Mayor/Council Member	Ward Ketring
Council Members	Venita Woodfaulk Diane Landry Bill Brynes

APPOINTED OFFICIALS

City Manager/ Director of Community Development	John Hart II
City Attorney	Hope Demps
Personnel Technician	Stephanie Bailey
Director of Finance	Penny Staffney
Chief of Police	Jamie Cruse

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FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Required Supplemental Information
Combining Financial Statements

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Powell and Jones CPA

1359 S.W. Main Blvd.
Lake City, FL 32025
Phone 386.755.4200
Fax 386.719.5504

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Honorable Mayor and City Council City of Perry
Perry, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perry, Florida (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City'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 City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States and Governmental Auditing Standards, 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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 Governmental 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 City'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 aggregate, that raise substantial doubt about the City'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 comparisons, and retirement and other post-employment benefits (OPEB) plan schedules accompanying these financial statements 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial

statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as governed by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Additionally, the introductory section, additional pension schedules, combining financial statements and statistical sections have been presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance, the combining financial statements, and the additional pension schedules have been fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024, on our consideration of the City'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL and JONES CPA

Lake City, Florida
June 20, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis

This section of the City of Perry's (the City) Annual Comprehensive Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

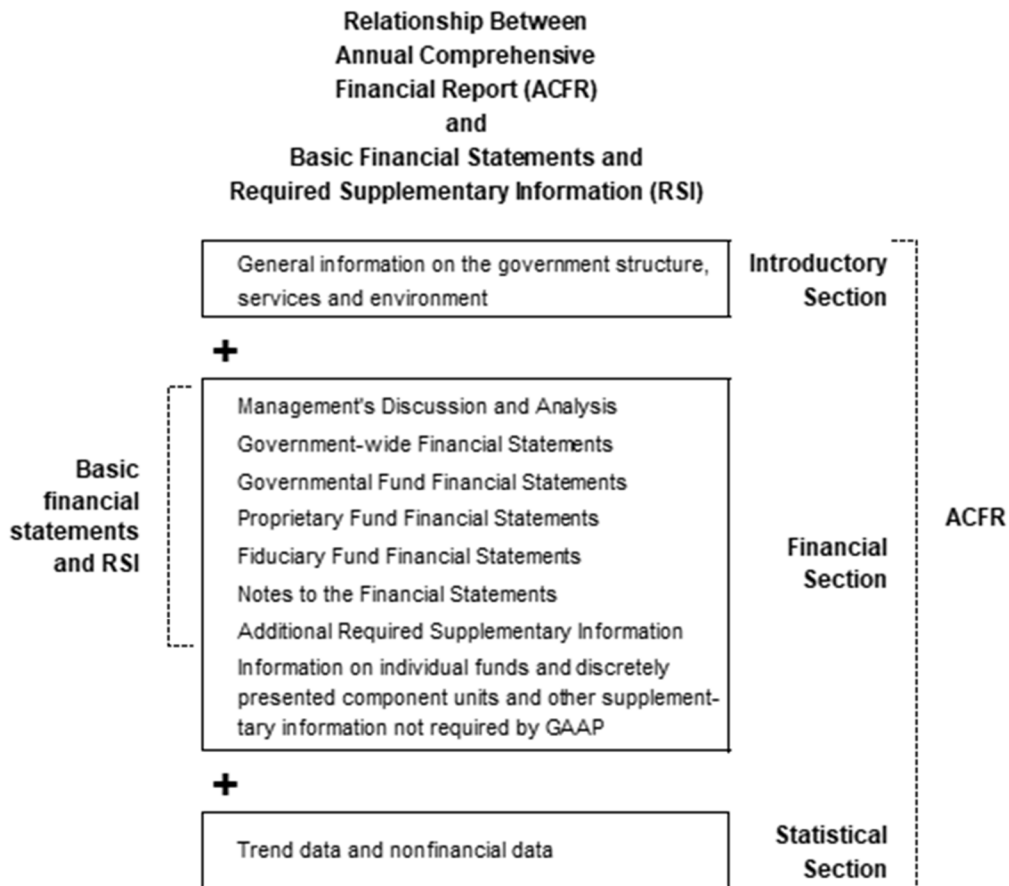
- At the close of the fiscal year the City's total assets and deferred outflows exceeded its liabilities and deferred inflows by \$34.9 million ("net position"). Of this amount, \$6.0 million ("unrestricted net position") may be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by 1.3% during the current fiscal year.
- Net position of the City's business-type activities increased by approximately \$560 thousand as the governmental activities decreased by approximately \$127 thousand.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$5.7 million, an increase of \$174 thousand in comparison with the prior year mainly due to the level of tax receipts and net incoming transfers as compared to the general expenditures. Approximately \$2.2 million, or 39%, of the ending fund balances amount, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the general fund was \$2.3 million or 32.9% of total general fund expenditures. The unassigned fund balance for the general fund was \$2.2 million or 34.1% of total general fund expenditures. The non-spendable fund balance was \$84 thousand (3.6% of general fund ending fund balance). These designations follow the City's fund balance and financial policies as explained in the notes to the financial statements.
- The City's cash amount of \$14.6 million is held in two banks insured as government funds as per the State Statute.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components:

- (1) Government-wide financial statements
- (2) Fund financial statements, and
- (3) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.



Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The **statement of net position** presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other 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 City include general government, garage, fire, community development, police, and transportation. The business-type activities of the City include parks, water, gas, solid waste, sewer, and inventory.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 City can be divided into the following three categories: **governmental** funds, **proprietary** funds, and **fiduciary** 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 useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). 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, utility tax revenue fund, local option gas tax fund, and community development fund, which are considered to be major funds.

Proprietary Funds

Proprietary funds are generally used to account for services for which the City charges customers-either outside customers, or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. Proprietary funds are classified as one of the following two types:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

The City uses enterprise funds to account for the operations of the parks, water, gas, solid waste, sewer, and inventory departments. All enterprise funds are considered to be major funds of the City.

Internal Service funds are used to report activities that provide supplies and services for certain City programs and activities. The City does not have any internal service funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City maintains two pension trust funds, which are reported under the fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its public safety employees. The City adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund and for the special revenue funds to demonstrate compliance with this budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, the ending net position in the current fiscal year is \$34.9 million.

The largest portion of the City's net position is its investment in capital assets (e.g., land, buildings, machinery, and equipment) net of the amount used to acquire those assets that is still outstanding, the total of which is approximately \$27.1 million. The City of Perry uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. It should be noted that resources needed to repay any debt must be provided from other sources because the capital assets cannot be used to liquidate the liability.

An additional portion of the City of Perry's net position, totaling approximately \$6.0 million, represents resources that are unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

The remaining balance of \$1.77 million, (5.1%), represents resources that are subject to external restrictions on how they may be used.

Statement of Net Position As of September 30, 2023 and 2022

	Governmental Activities		Business- Type Activities		Total		Total % Change
	2023	2022	2023	2022	2023	2022	2023-22
Assets							
Current and other assets	\$9,485,507	\$9,339,271	\$ 6,982,046	\$ 5,281,258	\$16,467,553	\$14,620,529	12.6%
Capital assets, net of depreciation	3,116,933	3,176,827	30,158,201	31,137,933	33,275,134	34,314,760	-3.0%
Total Assets	12,602,440	12,516,098	37,140,247	36,419,191	49,742,687	48,935,289	1.6%
Deferred outflows	3,001,945	1,337,606	148,938	88,295	3,150,883	1,425,901	11.0%
Liabilities							
Long-term liabilities outstanding	5,464,250	1,801,895	6,980,313	7,042,369	12,444,563	8,844,264	40.7%
Other liabilities	3,821,011	3,773,452	1,201,683	903,702	5,022,694	4,677,154	7.4%
Total Liabilities	9,285,261	5,575,347	8,181,996	7,946,071	17,467,257	13,521,418	29.2%
Deferred inflows	495,617	2,328,098	48,779	62,792	544,396	2,390,890	2.9%
Net Position							
Net investment in capital assets	3,116,933	3,176,827	23,996,994	24,870,772	27,113,927	28,047,599	-3.3%
Restricted	1,774,981	1,769,757	-	90,930	1,774,981	1,860,687	-4.6%
Unrestricted	931,593	1,003,675	5,061,416	3,536,921	5,993,009	4,540,596	32.0%
Total Net Position	\$5,823,507	\$5,950,259	\$29,058,410	\$28,498,623	\$34,881,917	\$34,448,882	1.3%

Analysis of Change in Net Position

The City's net position, overall, increased by approximately \$433 thousand, or 1.3%, during the current fiscal year.

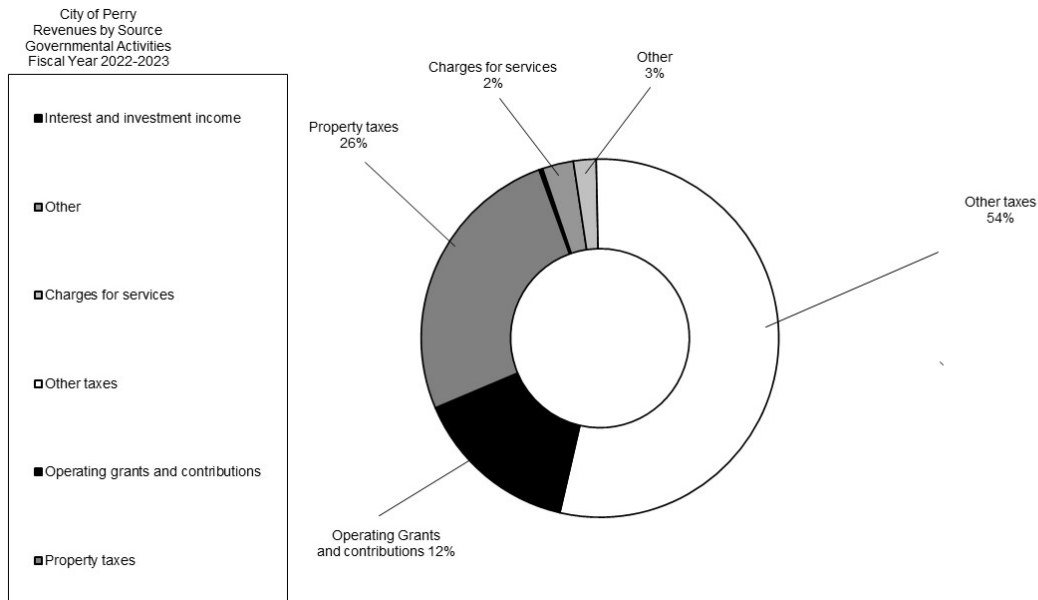
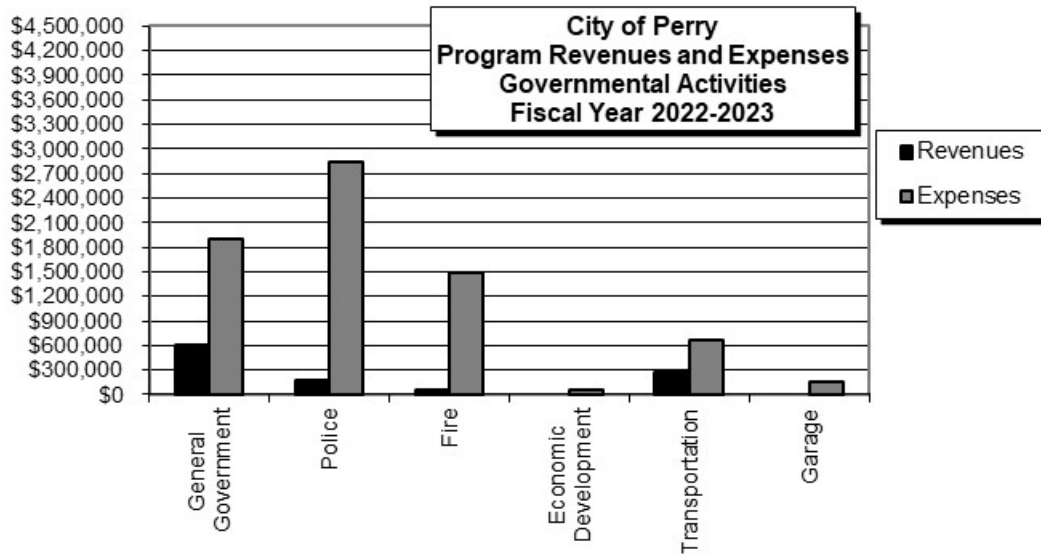
Statement of Changes in Net Position							
Fiscal Years Ended							
September 30, 2023 and 2022							
	Governmental Activities		Business-Type Activities		Total		Total % Change
	2023	2022	2023	2022	2023	2022	2022-23
Revenues							
Program revenues:							
Charges for services	\$ 132,346	\$ 92,153	\$ 7,947,089	\$ 7,981,743	\$ 8,079,435	\$ 8,073,896	0.1%
Operating grants and contributions	563,865	511,198	-	-	563,865	511,198	100.0%
Capital grants and contributions	406,261	193,620	113,355	317,470	519,616	511,090	0.0%
General revenues:							
Property taxes	1,665,028	1,888,634	-	-	1,665,028	1,888,634	-11.8%
Business taxes	994,773	1,017,320	-	-	994,773	1,017,320	-2.2%
Other taxes and revenues	2,484,947	2,202,807	-	-	2,484,947	2,202,807	12.8%
Interest and investment income	23,012	7,359	16,447	2,437	39,459	9,796	302.8%
Other	181,260	84,245	300,962	98,454	482,222	182,699	163.9%
Total revenues	6,451,492	5,997,336	8,377,853	8,400,104	14,829,345	14,397,440	3.0%
Expenses							
General Government	1,908,188	1,459,004	-	-	1,908,188	1,459,004	30.8%
Garage	149,506	142,165	-	-	149,506	142,165	5.2%
Public Safety	4,325,861	3,999,614	-	-	4,325,861	3,999,614	8.2%
Economic Development	47,494	16,052	-	-	47,494	16,052	195.9%
Transportation	668,461	532,287	-	-	668,461	532,287	25.6%
Parks	-	-	370,997	368,756	370,997	368,756	0.6%
Water	-	-	1,227,429	1,175,023	1,227,429	1,175,023	4.5%
Gas	-	-	1,510,368	1,882,504	1,510,368	1,882,504	-19.8%
Solid Waste	-	-	1,085,167	797,300	1,085,167	797,300	36.1%
Sewer	-	-	2,606,921	2,661,749	2,606,921	2,661,749	-2.1%
Inventory	-	-	473,670	502,729	473,670	502,729	-5.8%
Total expenses	7,099,510	6,149,122	7,274,552	7,388,061	14,374,062	13,537,183	6.2%
Increase (decrease) in net position before transfers and losses	(648,018)	(151,786)	1,103,301	1,012,043	455,283	860,257	-47.1%
Transfers	543,514	1,417,027	(543,514)	(1,417,027)	-	-	0.0%
Loss on disposal of assets	(22,248)	-	-	-	(22,248)	-	-100.0%
Change in net position	(126,752)	1,265,241	559,787	(404,984)	433,035	860,257	-49.7%
Net position at beginning of year	5,950,259	4,685,018	28,498,623	28,903,607	34,448,882	33,588,625	2.6%
Net position at end of year	\$ 5,823,507	\$ 5,950,259	\$ 29,058,410	\$ 28,498,623	\$ 34,881,917	\$ 34,448,882	1.3%

Governmental activities decreased the City's net position by \$127 thousand. The business-type activities had an increase of \$560 thousand in net position. Key factors related to the changes were as follows:

Property tax revenue decreased from the prior year, which was due to a substantial rebate being extended to Super Pufft Snacks Corp. related to the initial valuation of the property on which the company operates in the City. Additionally, the occurrence of Hurricane Idalia in August 2023 resulted in greater than expected spending in governmental activities. These factors were partially mitigated by the year over year increases in tax revenues from the State of Florida which helped to lower the resulting decrease in net position to a level that was substantially reduced further by net transfers into the governmental funds.

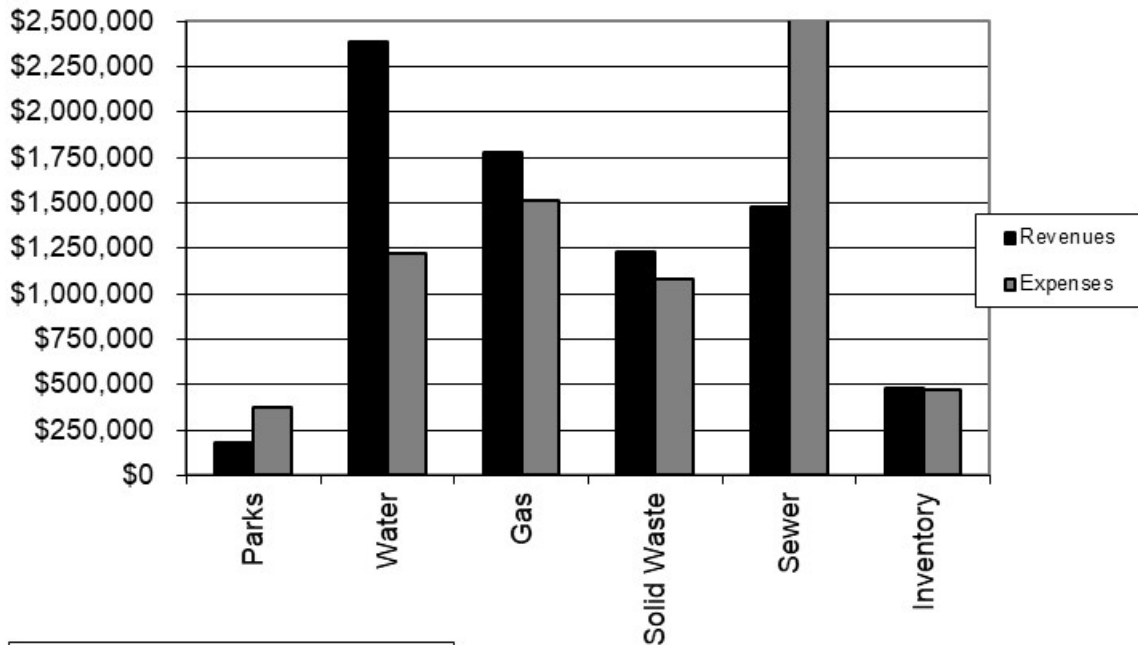
Operational gains in the gas, water, and solid waste funds lead to an overall increase in net position before transfers of approximately \$317 thousand for business-type activities. Charges for utility services are generally set to cover the individual funds' operating expenses and transfers to the general fund. There was a decrease in these net transfers out of the enterprise funds, which along with proceeds from the settlement agreement with Super-Pufft resulted in the observed increase in Net Position.

Governmental Activities Operating Statistics



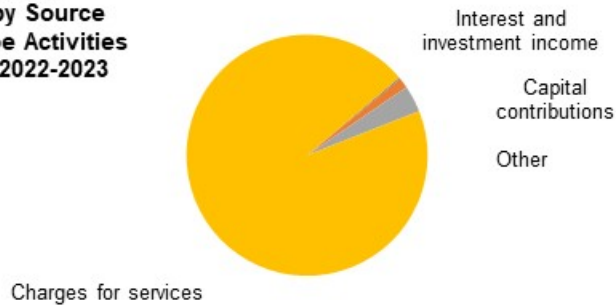
The charts above illustrate the City's governmental expenses and revenues by function, and its revenues by source. As shown, Police is the largest function in expense (40%), followed by General Government (27%) and then Fire (21%). General revenues such as property, business, and privilege taxes are not shown by program but are effectively used to support citywide program activities. For governmental activities overall, without regard to program, Other taxes is the largest single source of funds (54%), followed by Property taxes (26%) and Operating grants and contributions (12%).

Business -Type Activities Operating Statistics



**City of Perry
Program Revenues and Expenses
Business-Type Activities
Fiscal Year 2022-2023**

**City of Perry
Revenues by Source
Business-Type Activities
Fiscal Year 2022-2023**



As shown in the charts above, the sewer department reported the largest amount in expenditures, \$2.5 million (35%), followed by the gas department, \$1.5 million (21%), and the water department, \$1.2 million (17%). Fees for water provided the largest amount of revenues \$2.4 million (32%), followed by gas \$1.8 million (24%) and sewer \$1.5 million (20%). For business-type activities overall, charges for services are the largest sources of funds (95%).

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund and Special Revenue Funds.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5.7 million, an increase of \$174 thousand in comparison with the prior year. This increase is primarily due to transfers that are received from other funds and are utilized to fund governmental operations that are not able to be covered by the general revenues. Approximately 39% of the fund balances, \$2.2 million, constitutes unassigned fund balances, which are available for spending at the City's discretion. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it is restricted for specific uses.

Revenues for governmental functions overall totaled \$6.45 million for the current fiscal year. Expenditures totaled \$6.8 million, which means that expenditures exceeded revenues before transfers by approximately \$370 thousand or 5%.

The general fund is the chief operating fund of the City. At the close of the current fiscal year, the unassigned fund balance of the general fund was approximately \$2.2 million, and total fund balance was \$2.3 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 33% of total general fund expenditures of \$6.8 million, while total fund balance represents 34.2% of that same amount.

The fund balance of the City's general fund increased by \$394 thousand during the current fiscal year. This is mainly due to transfers.

The utility tax fund and local option gas tax fund are special revenue sources. The utility tax is not legally restricted and may be budgeted as needed. The local option gas tax is reserved for street expenditures and the departments that maintain them.

The utility tax revenues are slightly less than \$1 million, which is 15.4% of total governmental revenue and is used to supplement needs in other areas such as other proprietary funds and the General fund; and the local option gas tax revenue is \$327 thousand, which is 5% of the total governmental revenue. The proceeds supported the street department and paving projects.

The utility tax fund's fund balance decreased by \$228 thousand. Revenues remained largely consistent with the prior year in the utility tax fund; the current year's decrease in fund balance was related to the increased transfer to other funds of \$1.2 million. The local option gas tax fund's fund balance decreased by \$4.3 thousand. This was also due to budgeted transfers exceeding the revenues that were brought in.

The community redevelopment fund increased by \$12 thousand due to a higher tax and rental revenues.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position for the Gas Fund was \$1.8 million, the Sewer Revenue Fund was \$608 thousand, the Water Revenue Fund was \$1.9 million, the Solid Waste Fund was \$66 thousand, the Parks Fund was \$67 thousand, and the Inventory Fund was \$639 thousand.

The total change in net position for the enterprise funds was an increase of \$560 thousand.

Factors concerning the finances of these funds show the largest increase was the Gas Fund where it was discovered in the prior year that the City was underbilling its largest customer and corrected the bill, increasing the net position through proceeds from the settlement agreement between the City and Super Pufft. The Sewer Fund showed the greatest decrease. This was due primarily to the large depreciation expense from a high balance of capital assets. In all, the equity in these funds remains healthy.

Fiduciary Fund

The City maintains fiduciary funds for the assets of the Police Officers' and Firefighters' Pension Funds. As of the end of the current fiscal year, the net position of the Police Officers' and Firefighters' Pension Funds totaled \$14.2 million, which represents an increase of \$1.2 million over the prior fiscal year. This increase is primarily due to an increase in the fair value of plan investments. The note sections 3 and 4 and Required Supplementary Information contain additional statements, clarifications, and actuarial information on these funds.

General Fund budgetary highlights

The City's final budget was unchanged from the original budget.

During the year actual revenues and transfers in were over budgetary estimates by \$885 thousand. Actual expenditures and other uses were below their budgetary estimates by \$186 thousand. The total of these two factors represents a favorable variance with the budget of \$1.1 million. Higher than budgeted revenues from grants, the discretionary sales tax and franchise fees contributed to the favorable outcome regarding revenues and transfers, while lower than anticipated spending by the police department and on capital projects netted against higher than anticipated expenditures in finance resulted in the favorable outcome pertaining to expenditures. In summation, The City reported budgeted expenditures of \$6.96 million and actual expenditures of \$6.77 million.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2023, amount to \$33.3 million (net of accumulated depreciation). Capital assets include land, buildings, improvements, equipment, and infrastructure. The overall total decrease in the City's capital assets (net of accumulated depreciation) for the current fiscal year was 3.03%, a 1.89% decrease for governmental activities and 3.15% decrease for business-type activities. The decreases were primarily related to disposal of aged assets and a reduction in capital spending in relationship to the rate of depreciation. Balances as of September 30, 2023 are shown in the table below.

Capital Assets, Net of Depreciation

September 30, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 388,041	\$ 2,264,256	\$ 2,652,297
Buildings	302,901	252,460	555,361
Improvements	1,131,695	1,085,158	2,216,853
Equipment	1,294,296	1,102,671	2,396,967
Infrastructure	-	25,453,656	25,453,656
Total	<u>\$ 3,116,933</u>	<u>\$ 30,158,201</u>	<u>\$ 33,275,134</u>

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 3 to the Financial Statements for further information regarding capital assets.

Debt Administration

The following table below illustrates the City's outstanding debt as of September 30, 2023:

Outstanding Debt

September 30, 2023

	Governmental Activities	Business-Type Activities	Total
SRF Pre Construction Loan	\$ -	\$ 142,117	\$ 142,117
SRF Sewer Loan	-	2,689,196	2,689,196
SRF Water Loan	-	541,894	541,894
USDA Bond Payable	-	2,788,000	2,788,000
Compensated Absences	362,608	87,397	450,005
OPEB Payable	585,568	228,513	814,081
Net Pension Liability	4,697,378	746,503	5,443,881
Total long-term liabilities	<u>\$ 5,645,554</u>	<u>\$ 7,223,620</u>	<u>\$ 12,869,174</u>

At the end of the current fiscal year, the City had total long-term obligations outstanding of approximately\$ 12.9 million. A pre-construction loan for sewer plant development is \$142 thousand and was utilized for engineering plans. In fiscal year 2018 the City closed on a USDA bond, this loan calls for annual payments of principal and interest, which began in September 2021. At year-end, \$2.79 million remained outstanding on this bond. Over the past few years, the City has closed on a number of SRF loan for sewer and water, their outstanding amounts in this fiscal year total \$3.23 million. The GASB requires the recording of a liability balance for future retiree benefits. This OPEB liability was actuarially determined and recorded in the amount of \$814 thousand. The GASB requires the recording of a liability for the estimated future unfunded balances of employee pension plans. This net pension liability was actuarially determined and recorded in the amount of \$5.44 million. The remainder consists of compensated absences in the amount of \$450 thousand.

Additional information on the City's long-term liabilities can be found in Note 5 to the Financial Statements.

Economic Factors and Next Year's Budget and Rates

Impact on governmental activities

Funding for the City's governmental activities comes from property and business taxes, and fees (franchise, occupational license). Some funding is also received from state-shared revenues and other intergovernmental revenues. During the 2022-2023 budget process the overall economy was looked at, and inflation and supply chain issues were rearing their ugly heads, so we built increases in any petroleum products or parts costs. We did increase a few revenues for the replacement costs of infrastructure. We were very conservative on expenditures and only necessary capital outlay was considered. In addition, estimated revenues from the State may be on the low side due to decreased customer spending.

Impact on business-type activities

Revenues for the business-type activities come from user fees or service charges. The consumption of the City's utilities is impacted by local weather patterns, which are constantly changing.

Purchased gas represents almost 58% of the gas utility budget. A gas supply agreement was made and helps stabilize the prices for our natural gas customers.

Fiscal Year 2024's Budget and Rates

The City's operating budget for fiscal year 2024 totals \$12 million, \$6.6 million for the Governmental Funds and \$5.4 million for the Enterprise Funds. The General Fund consists of general government activities as well as police, fire, economic development, transportation, and garage. The Enterprise Funds are expected to be self-supporting from user fees and charges for services. The Enterprise Funds consist of parks, water, gas, sewer, solid waste, and inventory.

For the 2024 fiscal year, the millage rate is 5.94%. Ad valorem taxes provide 39.08% of total tax revenues for the City's General Fund.

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Personnel expenditures account for 60.36% of the City's operating budget. The City had 91 full-time positions at the end of fiscal year 2023.

The City's Capital Outlay Budget totals \$2.6 million with \$1.2 million budgeted in the General Fund and \$1.4 million in the Enterprise Funds. Some of the capital projects include miscellaneous items for building and street repair, police and fire equipment and water and sewer plant upgrades. The City will be getting grants from federal and state sources to fund capital improvement projects. Also, the City will use capital improvement funds or unrestricted reserves. The City has a five-year plan for capital improvements for all projects through 2028 that totals \$33.5 million with appropriations of funding made on an annual basis.

For more information on the City's capital projects, see the City Manager's Recommended Five-Year Capital Improvements Program Report, which is published by the administrative department under separate cover.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. If you have questions about this report or need additional financial information, contact:

City of Perry Administrative Department
224 S. Jefferson Street
Perry, Florida 32347
(850) 584-7161

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BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements
Governmental Funds Financial Statements
Proprietary Funds Financial Statements
Fiduciary Funds Financial Statements
Notes to the Financial Statements

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CITY OF PERRY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,153,818	\$ 5,714,979	\$ 12,868,797
Receivables (net of allowance for uncollectibles)	110,674	878,484	989,158
Due from other governments	354,986	-	354,986
Inventories	-	388,583	388,583
Restricted cash and cash equivalents	1,745,678	-	1,745,678
Lease receivable	120,351	-	120,351
Capital assets (net of accumulated depreciation:			
Non-depreciable	388,041	2,264,256	2,652,297
Depreciable, net	2,728,892	27,893,945	30,622,837
Internal balances	-	-	-
Total Assets	<u>12,602,440</u>	<u>37,140,247</u>	<u>49,742,687</u>
DEFERRED OUTFLOWS			
	<u>3,001,945</u>	<u>148,938</u>	<u>3,150,883</u>
LIABILITIES			
Accounts payable and accrued liabilities	719,952	709,638	1,429,590
Customer deposits	1,500	248,738	250,238
Unearned revenue, grants	2,918,255	-	2,918,255
Noncurrent Liabilities:			
Due within one year:			
Compensated absences	181,304	43,697	225,001
SRF loans	-	135,689	135,689
USDA loan	-	48,000	48,000
Preconstruction loan	-	15,921	15,921
Due in more than one year:			
SRF loans	-	3,095,401	3,095,401
Preconstruction loan	-	126,196	126,196
USDA loan	-	2,740,000	2,740,000
OPEB payable	585,568	228,513	814,081
Compensated absences	181,304	43,700	225,004
Net pension liability	4,697,378	746,503	5,443,881
Total liabilities	<u>9,285,261</u>	<u>8,181,996</u>	<u>17,467,257</u>
DEFERRED INFLOWS			
	<u>495,617</u>	<u>48,779</u>	<u>544,396</u>
NET POSITION			
Net investment in capital assets	3,116,933	23,996,994	27,113,927
Restricted for:			
Pay station	10,885	-	10,885
Local option gas tax	1,651,006	-	1,651,006
Law enforcement	72,812	-	72,812
Revitalization	40,278	-	40,278
Unrestricted	931,593	5,061,416	5,993,009
Total net position	<u>\$ 5,823,507</u>	<u>\$ 29,058,410</u>	<u>\$ 34,881,917</u>

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

CITY OF PERRY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Function/Program Activities							
Primary Government:							
Governmental Activities:							
General government	\$ 1,908,188	\$ 99,582	\$ 346,782	\$ 150,688	\$ (1,311,136)	\$ -	\$ (1,311,136)
Public works transportation	668,461	-	87,127	187,973	(393,361)	-	(393,361)
Community redevelopment	47,494	-	-	-	(47,494)	-	(47,494)
Public safety	4,325,861	32,764	129,956	67,600	(4,095,541)	-	(4,095,541)
Public works city garage	149,506	-	-	-	(149,506)	-	(149,506)
Total Governmental Activities	7,099,510	132,346	563,865	406,261	(5,997,038)	-	(5,997,038)
Business-type Activities:							
Gas	1,510,368	1,775,938	-	-	-	265,570	265,570
Sewer	2,606,921	2,193,266	-	25,855	-	(387,800)	(387,800)
Water	1,227,429	2,379,701	-	87,500	-	1,239,772	1,239,772
Solid waste	1,085,167	1,108,218	-	-	-	23,051	23,051
Parks	370,997	5,899	-	-	-	(365,098)	(365,098)
Inventory	473,670	484,067	-	-	-	10,397	10,397
Total business-type activities	7,274,552	7,947,089	-	113,355	-	785,892	785,892
Total Primary Government	\$ 14,374,062	\$ 8,079,435	\$ 563,865	\$ 519,616	(5,997,038)	785,892	(5,211,146)
General Revenues							
Property taxes					1,665,028	-	1,665,028
Discretionary tax					502,812	-	502,812
Franchise tax					710,362	-	710,362
Telecommunications tax					243,285	-	243,285
Motor fuel tax					412,667	-	412,667
Sales tax					615,821	-	615,821
Utility taxes					994,773	-	994,773
Interest					23,012	16,447	39,459
Miscellaneous					181,260	300,962	482,222
Loss on disposal of capital assets					(22,248)	-	(22,248)
Transfers					543,514	(543,514)	-
Total Revenues & Transfers					5,870,286	(226,105)	5,644,181
Change in net position					(126,752)	559,787	433,035
Net position - beginning					5,950,259	28,498,623	34,448,882
Net position - ending					\$ 5,823,507	\$ 29,058,410	\$ 34,881,917

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

CITY OF PERRY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023

	General	Community Redevelopment	Utility Tax Revenue	Local Option Gas Tax	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,544,098	\$ -	\$ 1,609,720	\$ -	\$ 7,153,818
Receivables (net of allowance for uncollectibles)	67,607	-	43,067	-	110,674
Due from other funds	-	-	53,913	-	53,913
Due from other governments	323,502	-	-	31,484	354,986
Cash - Restricted	83,697	42,459	-	1,619,522	1,745,678
Total Assets	<u>6,018,904</u>	<u>42,459</u>	<u>1,706,700</u>	<u>1,651,006</u>	<u>9,419,069</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	490,443	681	-	-	491,124
Accrued Liabilities	228,828	-	-	-	228,828
Deposits	-	1,500	-	-	1,500
Unearned revenues	2,918,255	-	-	-	2,918,255
Due to other funds	53,913	-	-	-	53,913
Total Liabilities	<u>3,691,439</u>	<u>2,181</u>	<u>-</u>	<u>-</u>	<u>3,693,620</u>
Fund Balances:					
Restricted	83,697	40,278	-	1,651,006	1,774,981
Assigned	-	-	1,706,700	-	1,706,700
Unassigned	2,243,768	-	-	-	2,243,768
Total Fund Balances	<u>2,327,465</u>	<u>40,278</u>	<u>1,706,700</u>	<u>1,651,006</u>	<u>5,725,449</u>
Total Liabilities and Fund Balances	<u>\$ 6,018,904</u>	<u>\$ 42,459</u>	<u>\$ 1,706,700</u>	<u>\$ 1,651,006</u>	<u>\$ 9,419,069</u>

The accompanying notes are an integral part of these financial statements

CITY OF PERRY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2023

Fund Balances - Total governmental funds	\$ 5,725,449
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	3,116,933
Lease receivable, valued as net present value of future cashflows	120,351
Net Pension Liability (Police, Fire, FRS, HIS)	(4,697,378)
Deferred outflows (Police, Fire, FRS, HIS)	3,001,945
Deferred inflows (Police, Fire, FRS, HIS Lease)	(495,617)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.	
OPEB Liability	(585,568)
Compensated absences	(362,608)
Net Position of governmental activities	<u>\$ 5,823,507</u>

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

CITY OF PERRY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2023

	General	Community Redevelopment	Utility Tax Revenue	Local Option Gas Tax	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 1,629,609	\$ 35,419	\$ -	\$ -	\$ 1,665,028
Discretionary sales tax	502,812	-	-	-	502,812
Telecommunications	243,285	-	-	-	243,285
Franchise	710,362	-	-	-	710,362
Motor fuel	85,233	-	-	327,434	412,667
Utility	-	-	994,773	-	994,773
Sales tax - 1/2 cent	615,821	-	-	-	615,821
Licenses and permits	104,937	-	-	-	104,937
Intergovernmental	563,865	-	-	-	563,865
Fines and forfeitures	32,764	-	-	-	32,764
Interest	16,447	-	-	-	16,447
Grants	406,260	-	-	-	406,260
Miscellaneous	157,114	24,146	-	-	181,260
Total revenues	<u>5,068,509</u>	<u>59,565</u>	<u>994,773</u>	<u>327,434</u>	<u>6,450,281</u>
EXPENDITURES					
Current:					
General government	1,691,719	-	2,322	-	1,694,041
Garage	146,152	-	-	-	146,152
Police	2,525,342	-	-	-	2,525,342
Fire	1,415,603	-	-	-	1,415,603
Public work transportation	614,759	-	-	-	614,759
Economic development	-	47,494	-	-	47,494
Capital outlay	376,463	-	-	-	376,463
Total expenditures	<u>6,770,038</u>	<u>47,494</u>	<u>2,322</u>	<u>-</u>	<u>6,819,854</u>
Excess (deficiency) of revenues over (under) expenditures	(1,701,529)	12,071	992,451	327,434	(369,573)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,997,275	-	-	-	1,997,275
Transfers out	-	-	(1,085,299)	(331,707)	(1,417,006)
Net interfund debt forgiveness	98,245	-	(135,000)	-	(36,755)
Total other financing sources and uses	<u>2,095,520</u>	<u>-</u>	<u>(1,220,299)</u>	<u>(331,707)</u>	<u>543,514</u>
Net change in fund balances	393,991	12,071	(227,848)	(4,273)	173,941
Fund balances - beginning	1,933,474	28,207	1,934,548	1,655,279	5,551,508
Fund balances - ending	<u>\$ 2,327,465</u>	<u>\$ 40,278</u>	<u>\$ 1,706,700</u>	<u>\$ 1,651,006</u>	<u>\$ 5,725,449</u>

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

CITY OF PERRY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES IN
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

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

Net change in fund balances -- total governmental funds	\$	173,941
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of 376,462 was less than depreciation of \$414,109 in the current period		(37,646)
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The capitalization of lease agreements in which the City is the lessor results in the recognition of a lease receivable and deferred inflow of resources being reported on the Government-wide statement of net position. In the current period, the amortization of such caused the following variances in the government-wide and fund financial statements:

a net change in lease revenues		(5,355)
an increase in interest revenues		6,565

Some revenues (expenses) reported in the statement of activities do not provide (require) the use of current financial resources, therefore, are not reported as revenues (expenditures) in governmental funds.

Net change in other post employment benefits (OPEB)		169,026
Net change in compensated absences		860
Net change in deferred inflows/outflows		3,365,397
Net change in pension liability		(3,777,292)
Loss on disposal of capital assets		(22,248)
Change in net position of governmental activities	\$	<u>(126,752)</u>

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

CITY OF PERRY, FLORIDA
STATEMENT OF NET POSITION,
PROPRIETARY FUNDS
September 30, 2023

	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Parks	Inventory	Total
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 1,495,934	\$ 1,051,103	\$ 2,555,601	\$ 267,280	\$ 101,589	\$ 243,472	\$ 5,714,979
Accounts receivable (net)	609,931	54,843	108,532	26,323	8,500	70,355	878,484
Inventories	-	-	-	-	-	388,583	388,583
Total Current Assets	<u>2,105,865</u>	<u>1,105,946</u>	<u>2,664,133</u>	<u>293,603</u>	<u>110,089</u>	<u>702,410</u>	<u>6,982,046</u>
Capital Assets:							
Land	-	547,530	1,505,410	-	211,316	-	2,264,256
Buildings and system	-	76,387	8,785	10,295	1,032,886	100,741	1,229,094
Machinery, equipment, and infrastructure	1,724,917	35,957,899	11,260,608	952,212	3,459,220	58,748	53,413,604
Less accumulated depreciation	(1,468,476)	(15,161,427)	(7,042,435)	(730,750)	(2,226,853)	(118,812)	(26,748,753)
Total Non-Current Assets	<u>256,441</u>	<u>21,420,389</u>	<u>5,732,368</u>	<u>231,757</u>	<u>2,476,569</u>	<u>40,677</u>	<u>30,158,201</u>
Total Assets	<u>2,362,306</u>	<u>22,526,335</u>	<u>8,396,501</u>	<u>525,360</u>	<u>2,586,658</u>	<u>743,087</u>	<u>37,140,247</u>
DEFERRED OUTFLOWS	<u>25,830</u>	<u>49,632</u>	<u>34,693</u>	<u>28,969</u>	<u>3,799</u>	<u>6,015</u>	<u>148,938</u>
LIABILITIES							
Current Liabilities:							
Accounts payable	15,907	140,258	411,087	41,264	18,719	25,876	653,111
Accrued liabilities	9,748	21,656	14,608	8,332	818	1,365	56,527
Compensated absences	8,766	22,108	8,404	3,239	510	670	43,697
SRF loans	-	99,600	36,089	-	-	-	135,689
USDA loan	-	48,000	-	-	-	-	48,000
Pre-construction loan	-	15,921	-	-	-	-	15,921
Utility deposits	107,421	-	139,886	1,431	-	-	248,738
Total Current Liabilities	<u>141,842</u>	<u>347,543</u>	<u>610,074</u>	<u>54,266</u>	<u>20,047</u>	<u>27,911</u>	<u>1,201,683</u>
Non-Current Liabilities:							
Compensated absences	8,766	22,109	8,405	3,239	510	671	43,700
SRF loans	-	2,589,596	505,805	-	-	-	3,095,401
USDA loan	-	2,740,000	-	-	-	-	2,740,000
Pre-construction loan	-	126,196	-	-	-	-	126,196
OPEB payables	39,646	76,117	53,241	44,449	5,861	9,199	228,513
Net pension liability	129,464	248,763	173,887	145,198	19,044	30,147	746,503
Total Non-Current Liabilities	<u>177,876</u>	<u>5,802,781</u>	<u>741,338</u>	<u>192,886</u>	<u>25,415</u>	<u>40,017</u>	<u>6,980,313</u>
Total Liabilities	<u>319,718</u>	<u>6,150,324</u>	<u>1,351,412</u>	<u>247,152</u>	<u>45,462</u>	<u>67,928</u>	<u>8,181,996</u>
DEFERRED INFLOWS	<u>8,460</u>	<u>16,255</u>	<u>11,362</u>	<u>9,488</u>	<u>1,244</u>	<u>1,970</u>	<u>48,779</u>
NET POSITION							
Net Investment Capital Assets	256,441	15,801,076	5,190,474	231,757	2,476,569	40,677	23,996,994
Unrestricted	1,803,517	608,312	1,877,946	65,932	67,182	638,527	5,061,416
Total Net Position	<u>\$ 2,059,958</u>	<u>\$ 16,409,388</u>	<u>\$ 7,068,420</u>	<u>\$ 297,689</u>	<u>\$ 2,543,751</u>	<u>\$ 679,204</u>	<u>\$ 29,058,410</u>

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

CITY OF PERRY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2023

	<u>Business-type Activities</u>						
	<u>Gas Revenue</u>	<u>Sewer Revenue</u>	<u>Water Revenue</u>	<u>Solid Waste</u>	<u>Parks</u>	<u>Inventory</u>	<u>Total</u>
Operating Revenues							
Charges for Sales and Services	\$ 1,775,938	\$ 1,473,085	\$ 2,379,701	\$ 1,108,218	\$ 5,899	\$ 484,067	\$ 7,226,908
Miscellaneous	-	2,500	5,464	119,198	173,800	-	300,962
Total Operating Revenues	<u>1,775,938</u>	<u>1,475,585</u>	<u>2,385,165</u>	<u>1,227,416</u>	<u>179,699</u>	<u>484,067</u>	<u>7,527,870</u>
Operating Expenses							
Personnel Services	325,122	613,311	400,831	332,318	47,850	63,303	1,782,735
Contractual Services	750	58,723	22,056	185,692	2,350	90	269,661
Supplies and Expenses	136,530	494,759	362,247	478,641	75,844	395,662	1,943,683
Utilities	4,275	250,049	98,246	3,746	30,194	7,452	393,962
Depreciation	28,609	1,130,410	340,063	84,770	214,759	7,163	1,805,774
Bad Debt Expense	-	-	-	-	-	-	-
Gas Resale Contract	1,015,082	-	-	-	-	-	1,015,082
Total Operating Expenses	<u>1,510,368</u>	<u>2,547,252</u>	<u>1,223,443</u>	<u>1,085,167</u>	<u>370,997</u>	<u>473,670</u>	<u>7,210,897</u>
Operating Income (Loss)	<u>265,570</u>	<u>(1,071,667)</u>	<u>1,161,722</u>	<u>142,249</u>	<u>(191,298)</u>	<u>10,397</u>	<u>316,973</u>
Non-Operating Revenues							
(Expenses)							
Interest Revenue	-	-	16,447	-	-	-	16,447
Interest Expense	-	(59,669)	(3,986)	-	-	-	(63,655)
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>(59,669)</u>	<u>12,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,208)</u>
Income (Loss) Before Contributions and Transfers	<u>265,570</u>	<u>(1,131,336)</u>	<u>1,174,183</u>	<u>142,249</u>	<u>(191,298)</u>	<u>10,397</u>	<u>269,765</u>
Transfers In/(Out)							
Interfund transfers	(96,896)	415,054	(1,081,633)	(114,407)	216,944	80,669	(580,269)
Net interest Debt forgiveness	-	44,070	-	-	(7,315)	-	36,755
Total Transfers	<u>(96,896)</u>	<u>459,124</u>	<u>(1,081,633)</u>	<u>(114,407)</u>	<u>209,629</u>	<u>80,669</u>	<u>(543,514)</u>
Capital Contributions	-	25,855	87,500	-	-	-	113,355
Total Capital Contributions	<u>-</u>	<u>25,855</u>	<u>87,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,355</u>
Extraordinary Items							
Proceeds from settlement agreement	720,181	-	-	-	-	-	720,181
Total extraordinary items	<u>720,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>720,181</u>
Change in Net Position	888,855	(646,357)	180,050	27,842	18,331	91,066	559,787
Net Position - Beginning	<u>1,171,103</u>	<u>17,055,745</u>	<u>6,888,370</u>	<u>269,847</u>	<u>2,525,420</u>	<u>588,138</u>	<u>28,498,623</u>
Net Position - Ending	<u>\$ 2,059,958</u>	<u>\$ 16,409,388</u>	<u>\$ 7,068,420</u>	<u>\$ 297,689</u>	<u>\$ 2,543,751</u>	<u>\$ 679,204</u>	<u>\$ 29,058,410</u>

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

CITY OF PERRY, FLORIDA
STATEMENT OF CASH FLOWS,
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2023

	Business-type Activities						
	<u>Gas</u>	<u>Sewer</u>	<u>Water</u>	<u>Solid</u>	<u>Parks</u>	<u>Inventory</u>	<u>Total</u>
	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Waste</u>			
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 2,519,975	\$ 1,548,927	\$ 2,524,840	\$ 1,247,587	\$ 171,199	\$ 413,975	\$ 8,426,503
Payments to Suppliers	(1,149,403)	(797,092)	(81,934)	(663,460)	(108,266)	(426,399)	(3,226,554)
Payments to Employees	(322,823)	(613,641)	(411,975)	(325,461)	(48,180)	(71,002)	(1,793,082)
Net Cash Provided by (Used in) Operating Activities	1,047,749	138,194	2,030,931	258,666	14,753	(83,426)	3,406,867
Cash Flows from Noncapital Financing Activities:							
Transfers (Out) In	(96,896)	415,054	(1,081,633)	(114,407)	216,944	80,669	(580,269)
Net Cash Flows Provided by (Used in) Noncapital Financing Activities	(96,896)	415,054	(1,081,633)	(114,407)	216,944	80,669	(580,269)
Cash Flows from Capital & Related Financing Activities							
Capital Contributions & Grants	-	25,855	87,500	-	-	-	113,355
Loan proceeds	-	-	87,500	-	-	-	87,500
Additions to Property, Plant & Equipment	(36,818)	(125,999)	(395,603)	(39,219)	(228,401)	-	(826,040)
Principal Paid	-	(139,408)	(32,115)	-	-	-	(171,523)
Interest Paid	-	(81,601)	(3,986)	-	-	-	(85,587)
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	(36,818)	(321,153)	(256,704)	(39,219)	(228,401)	-	(882,295)
Cash Flows From Investing Activities;							
Earnings on Investments	-	-	16,447	-	-	-	16,447
Net Cash Flows Provided by (Used in) Investing Activities	-	-	16,447	-	-	-	16,447
Net Increase (Decrease) in Cash & Cash Equivalents	914,035	232,095	709,041	105,040	3,296	(2,757)	1,960,750
Cash & Cash Equivalents at October 1, 2022	581,899	819,008	1,846,560	162,240	98,293	246,229	3,754,229
Cash & Cash Equivalents at September 30, 2023	\$ 1,495,934	\$ 1,051,103	\$ 2,555,601	\$ 267,280	\$ 101,589	\$ 243,472	\$ 5,714,979

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

CITY OF PERRY, FLORIDA
STATEMENT OF CASH FLOWS,
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2023

Reconciliation of Operating Income (Loss) to Net Cash
Provided by (used in) Operating Activities

	Business-type Activities						
	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Parks	Inventory	Total
Operating Income (Loss)	\$ 265,570	\$ (1,071,667)	\$ 1,161,722	\$ 142,249	\$ (191,298)	\$ 10,397	\$ 316,973
Adjustments:							
Depreciation	28,609	1,130,410	340,063	84,770	214,759	7,163	1,805,774
Proceeds from settlement agreement	720,181	-	-	-	-	-	720,181
Change in assets and liabilities:							
Decrease(Increase) in							
Inventory	-	-	-	-	-	(18,015)	(18,015)
Decrease (Increase)							
Accounts Receivable	25,890	73,342	138,844	20,247	(8,500)	(70,091)	179,732
Decrease (Increase) in							
Deferred Outflows	(10,922)	(19,972)	(13,281)	(12,661)	(1,620)	(2,187)	(71,565)
(Decrease) Increase in							
Accounts Payable	7,234	6,439	400,615	4,618	122	(886)	425,376
(Decrease) Increase in							
Customer Deposits	(2,035)	-	831	(75)	-	-	(3,314)
(Decrease) Increase in							
Accrued Payables	280	4,628	781	2,268	(141)	(1,557)	6,539
(Decrease) Increase in							
OPEB Payable	(10,815)	(24,278)	(19,237)	(10,752)	(1,513)	(3,759)	(81,169)
(Decrease) Increase in							
Compensated Absences	4,478	10,325	5,757	3,107	(6)	(6,142)	21,997
(Decrease) Increase in							
Net Pension Liability	21,421	33,805	18,702	27,005	3,255	2,403	128,012
(Decrease) Increase in							
Deferred Inflows	(2,142)	(4,838)	(3,866)	(2,110)	(305)	(752)	(16,155)
Total Adjustments	782,179	1,209,861	869,209	116,417	206,051	(93,823)	3,097,393
Net Cash Provided by (Used in)							
Operating Activities	\$ 1,047,749	\$ 138,194	\$ 2,030,931	\$ 258,666	\$ 14,753	\$ (83,426)	\$ 3,406,867

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

CITY OF PERRY, FLORIDA
STATEMENT OF NET POSITION,
FIDUCIARY FUNDS
September 30, 2023

	<u>Police Officers' and Firefighters' Pension Funds</u>
ASSETS	
Cash and short-term investments	<u>\$ 231,728</u>
Receivables	
Employer	42,589
Plan members	<u>5,692</u>
Total Receivables	<u>48,281</u>
Investments at fair value	
Equity	9,260,191
Fixed income	3,781,460
Real estate	<u>930,065</u>
Total Investments	<u>13,971,716</u>
TOTAL ASSETS	<u>14,251,725</u>
LIABILITIES	
Refunds of member contribution	15,370
Investment expenses	7,794
Admin expenses	<u>2,392</u>
TOTAL LIABILITIES	<u>25,556</u>
Net Position held in trust for pension benefits	<u>\$ 14,226,169</u>

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

CITY OF PERRY, FLORIDA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FIDUCIARY FUNDS

For the Fiscal Year Ended September 30, 2023

	Police Officers' and Firefighters' Pension Funds
ADDITIONS	
Contributions	
Employer	\$ 387,884
State	129,956
Plan member	54,217
Total Contributions	<u>572,057</u>
Investment Income	
Unrealized gains or losses	1,125,641
Interest and dividends	509,896
Less investment expense	<u>(58,480)</u>
Net Investment Income	<u>1,577,057</u>
Total Additions	<u>2,149,114</u>
DEDUCTIONS	
Benefits	917,504
Administrative expense	<u>77,231</u>
Total Deductions	<u>994,735</u>
Net Increase	<u>1,154,379</u>
Net Position held in trust for pension benefits	
October 1, 2022	<u>13,071,790</u>
September 30, 2023	<u>\$ 14,226,169</u>

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

Note 1 – Summary of Significant Accounting Policies

This summary of Significant Accounting Policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the City of Perry (City) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with the subsequent GASB pronouncements (Statements and Interpretations) constitute GAAP for governmental units. The most significant of these accounting policies are described below.

Effective October 1, 2002, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments; Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

The City’s financial statements have been prepared in accordance with the presentation requirements of these statements. The governing body does not subscribe to mandating a minimum fund balance policy, and also allows for management’s discretion to determine the flow order of a fund’s use in regard to assigned vs. unassigned use for expenditures. The same applies to restricted and unrestricted funds. Management considers which monies to be used based on the goals, both long and short term, for which the various funds are budgeted.

(A) Reporting Entity

The City is a political subdivision of the State of Florida, located in Taylor County in the north central portion of the State. Perry is the county seat and the only incorporated municipality in Taylor County. The City was incorporated in 1903 and has operated since 1981 under the same charter. It is governed by an elected City Council and appointed City Manager who is governed by State Statutes, regulations, and a City Charter.

The City’s major operations include police and fire protection, road and street facilities, certain social services and general administration services. In addition, the City owns and operates six major enterprise activities, a water system, a natural gas system, a sewer system, a solid waste system, a parks department and an inventory system.

As required by GAAP, the accompanying financial statements present the City as the primary government, and its component units, entities for which the government is considered to be financially accountable. Component units are included in the reporting entity because of the significance of their operational or financial relationships with the primary government.

A primary government is financially accountable for the organizations that make up its legal entity. Financial accountability or dependence upon the City was determined based on the existence of one or more of the following criteria: the basis of budget adoption, taxing authority, outstanding debt collateralized by revenues or general obligations of the City, and the City’s legal responsibility to fund any deficits that may occur.

Blended component units, although legally separate entities are, in substance, part of the primary government's operations and, accordingly, data from these units are combined with data of the City. There were no entities that were excluded from the City's financial statements. Each blended component unit has a September 30 year-end.

Blended Component Units

Using the criteria of GASB Statement No. 14, management determined that the police officers' and firefighters' trust funds should be blended in presentation.

The Police Officers' Retirement Trust (Retirement Trust) is a defined benefit pension plan that covers substantially all full-time police officers of the City of Perry. The Retirement Trust is governed by a board comprised of two police officers, two members appointed by the City Council, and a fifth member chosen by the other four members. The police officers and the City contribute their required amounts to the Retirement Trust; however, the City is legally liable to make up any unfunded pension benefit obligation. The Retirement Trust is reported as a trust fund, and separate financial statements are not prepared.

The Firefighters' Pension Trust (Pension Trust) is a defined benefit pension plan that covers substantially all full-time firefighters of the City of Perry. The Pension Trust is governed by a board comprised of two firefighters, two members appointed by the City Council, and a fifth member chosen by the other four members. The firefighters and the City contribute their required amounts to the Pension Trust; however, the City is legally liable to make up any unfunded pension benefit obligation. The Pension Trust is reported as a trust fund, and separate financial statements are not prepared.

The City did not participate in any joint ventures during fiscal year 2022-2023.

(B) Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities such as the employee pension funds. The primary government financial statements focus on the primary government.

Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, and from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues may include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities, including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns. Fund accounting segregates funds according to their intended purpose and it is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column. The City maintains fiduciary funds which are used to account for assets held by the City in a trustee capacity. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, reconciliations are presented following the governmental fund financial statements which briefly explain the adjustments necessary to transform the fund-level financial statements into the governmental activities' column of the government-wide presentation.

The City reports the following major funds:

1. Governmental Funds:

The measurement focus of the Governmental Funds (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the City:

- a. The General Fund accounts for many of the City's primary services, (Police, Fire, Transportation, Planning, etc.) and is the primary operating unit of the City.
- b. The Utility Tax Fund accounts for the receipt of the Utilities Services Taxes and annually makes significant contributions to the General Fund.
- c. The Local Option Gas Tax Fund accounts for the receipt and disbursement of the Local Option Gas Tax revenues. These revenues are restricted to be used to support the road department and to build or repair roads in the City.
- d. The Community Redevelopment Agency – In order to comply with the audit requirements of Section 163.387(8), Florida Statutes, the City electively added the CRA as a major fund. The purpose of the CRA is to eliminate and prevent the spread of blight throughout the redevelopment area. The CRA receives the incremental ad valorem taxes generated in future years by the increase in property values in the redevelopment area. The CRA's property taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy.

2. Proprietary Funds:

The focus of Proprietary Fund measurement is upon determination of operating income, changes in fund net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major Proprietary Funds of the City:

- a. The Gas Revenue Fund accounts for the operating activities of the natural gas system owned and operated by the City.
- b. The Sewer Revenue Fund accounts for the operating activities of the City's Sewer Utility system.
- c. The Water Revenue Fund accounts for the operating activities of the City's Water Utility system.
- d. The Solid Waste Fund accounts for the activities of the City's residential collection system.
- e. The Parks Fund accounts for the activities of the City's recreation programs.
- f. The Inventory Fund accounts for the activities of the City's warehouse system.

3. Fiduciary Funds:

The Police and Fire Pension Trust Funds account for the activities of the police and fire retirement systems, which accumulate resources for pension benefit payments to qualified police and fire employees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *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 operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(C) Measurement focus, basis of accounting and financial statement presentation.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. 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.

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, utility taxes, interest revenue and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

(D) Assets, liabilities, and deferred outflows/inflows of resources and net position or fund balance

1. Deposits and Investments:

The City has defined cash, cash equivalents and investments to include cash on hand, demand deposits, money market funds, debt securities and cash with fiscal agents. Each fund's equity in the City's investment pool is considered to be a cash equivalent since funds can be deposited or effectively withdraw at any time without prior notice or penalty. In addition, the City considers all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalent.

Investments, including those of the Pension Trust Funds, are recorded at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City and the Pension Trust Funds categorize an investment's fair value measurements within the fair value hierarchy established by GASB 72 – Fair Value Measurement and Application. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. In addition, certain investments are measured at the net asset value ("NAV") per share (or its equivalent) or amortized cost.

2. Interfund Receivables and Payables

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

3. Accounts Receivable:

Receivables include amounts due from other governments and others for services provided by the City and are recorded when the related revenue is earned. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables. In the Governmental Funds, the City records a deferred inflow of resources for all receivables that are yet to be collected more than 60 days after the close of the period. The Proprietary funds operate on the accrual basis of accounting where a receivable is recognized when the revenue has been earned regardless of the date of collection.

4. Inventories:

Inventory held by the Inventory Fund consists of materials and supplies. Inventories are valued at cost, and adjusted to market value as new inventory arrives.

5. Restricted Assets:

Restricted assets are liquid assets, which have been legally restricted for a certain use or have been set aside for capital projects. When the appropriate opportunities arise, the City uses these restricted assets first, when both restricted and unrestricted assets are available for expenditures.

6. Capital Assets:

Capital assets, which include land, buildings, equipment, improvements other than buildings, intangibles and public domain infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure, are defined as assets with a cost of \$500 or more and an estimated useful life greater than one year.

Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most general capital assets.

Examples of such assets are roads, bridges, sidewalks, paved paths, utility systems, storm water drainage systems, traffic control and lighting systems. The capitalization threshold for infrastructure assets has been set at \$5,000.

Capital assets are recorded at historical cost when purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund's financial statements. These general capital assets are included in the governmental activities' column of the government-wide financial statements. Capital assets used in the Enterprise Funds are accounted for in the respective funds. Depreciation on all exhaustible capital assets used in the Enterprise Funds is charged as an expense against their operations. Accumulated depreciation is reported on the respective fund's balance sheet.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-40
Improvements other than Buildings	10-40
Equipment and Machinery	3-10
Vehicles	3-10
Infrastructure	10-40

7. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted

– net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

8. Fund Balance Flow Assumptions

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

9. Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Sick leave accrues to full-time, permanent employees to specified maximums. Generally, after one year of service, employees are entitled to a percentage of their sick leave balance and all accrued vacation leave upon termination. The estimated liabilities include required salary-related payments. Compensated absences are reported as accrued in the government-wide and proprietary financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees and is included in wages and benefits payable. The General Fund typically has been used in prior years to liquidate the liability.

10. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt obligations are reported as liabilities in the applicable business-type activity or proprietary fund-type statement of net position. The debt issuance costs are expensed in the period incurred.

11. Fund Equity

In the fund equity financial statements, governmental funds report various restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

12. Deferred Inflows of resources and Deferred Outflows of resources related to pensions

Deferred Inflows of resources and Deferred Outflows of resources related to pensions that are derived

from the difference between projected and actual earnings on the respective pension plan investments are amortized to pension expense over a closed five-year period. Deferred Inflows of resources and Deferred Outflows of resources related to pensions that are derived from differences between expected and actual experience with regard to economic or demographic factors (difference between expected and actual experience) in the measurement of the respective pension plan's total pension liability are amortized to pension expense over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the pension plan (active and inactive employees) determined as of the beginning of the measurement period. Contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions. This contribution is included as an increase in the respective pension plan fiduciary net position in the subsequent fiscal year.

13. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables, the realization of pension obligations, OPEB and the useful lives of capital assets. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from results.

14. New Accounting Pronouncements

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, *Conduit Debt Obligations*. This Statement was established to provide a single method of reporting conduit debt obligations by issuers. It does so by clarifying the existing definition of Conduit Debt Obligations and establishing the standards for accounting and reporting associated transactions while also improving the information to be provided in the required note disclosures. The requirements of this statement take effect for periods ending after December 31, 2022. Implementation of this standard had no impact on the City's financial statements in the year presented.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (PPP). This Statement was issued to improve financial reporting by addressing and clarifying issues that are related to public-private and public-public arrangements. Implementation of this Statement is effective for years ending after June 30, 2023. The City's implementation of this Statement in the current year did not have an impact on the City's financial statements.

In May 2020, the GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements*. Statement No. 96 defines a Subscription-Based Information Technology Arrangement (SBITA) and requires the recognition by government end users (governments) of right-to-use subscription assets and subscription liabilities that arise from material SBITA transactions, except for SBITAs with a term of 12 months or less. The government's accounting model under SGAS No. 96 results in SBITAs with a term of more than 12 months being accounted for in substantially the same manner as the existing accounting for leases under Standard No. 87. Standard No. 96 also requires additional note disclosures regarding SBITAs. The City adopted the provisions of SGAS No. 96 as of October 1, 2022. The implementation of SGAS No. 96 did not impact the current year's financial position.

In April 2022 the GASB issued Statement No. 99, *Omnibus 2022*. This statement addresses the fact that the above standards related to leases, PPPs, and SBITA's are to take effect in fiscal year's that end after June 30, 2023. The impact of these standards were either addressed in the prior year's financial statements, or have had no impact on the financial statements in the current year.

Certain amounts from the financial statements for the fiscal year ending September 30, 2022 have been reclassified in order to remain comparable and conform to the financial statement groupings for the current fiscal year.

Note 2 – Stewardship, Compliance and Accountability

A. BUDGETARY INFORMATION

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings and workshops are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.
4. The Council, by resolution, may provide that at any time during the fiscal year the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency. Upon written request by the City Manager, the Council may, by resolution, transfer part or all of any unencumbered appropriation balance from one department, office, or agency to another.
5. The Council adopts the budget resolution for all governmental funds including special revenue funds of the City. Annual budgets are adopted on a basis consistent with GAAP. The appropriated budget is prepared by fund, function, and department. The City Manager may make transfers of appropriations within a department. Expenditures may not legally exceed appropriations for each individual department.
6. All budget amounts presented in the accompanying financial statements have been adjusted through legally authorized revisions of the annual budgets during the year. The effect of these revisions was to reallocate funds within the budget. Appropriations, except open project appropriations, lapse at the end of the fiscal year. The City does not use the encumbrance method.

B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The City has no material violations of finance-related legal and contractual provisions.

C. DEFICIT FUND EQUITY – FUND BALANCE OF INDIVIDUAL FUNDS

The City has no individual fund with a deficit in its overall fund equity

Note 3 – Detail Notes – All Funds

A. Cash and Cash Equivalents

Cash and cash equivalents consist of restricted and unrestricted cash and investments with maturities, when purchased, of ninety days or less. At year end this included deposits with the State Board of Administration's Local Government Surplus Trust Fund as discussed below.

B. Deposits and Investments

Custodial credit risk – deposits. At year-end, the bank balance of the City's deposits was \$14,675,726. The difference between the book balance on the financial statements and bank balance is due to outstanding checks and deposits in transit. The bank balance is insured by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposits Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

The investments in the Police Officers' Retirement Trust and the Firefighters' Pension Trust are held by Salem Trust Company, as trustee, respectively, and follow an investment policy prepared by the investment advisors and authorized by the board of trustees. The general investment objective is to obtain a reasonable total rate of return commensurate with the Prudent Investor Rule and any other applicable statute. Rate of return, by definition, is equal to interest and dividend income plus realized and unrealized capital gains or losses. On an absolute basis it is expected that total return of the combined equity, fixed income, and cash portfolio will equal or exceed the actuarial earnings assumption (7%), and equal or exceed the Consumer Price Index plus 3% over a three-to-five-year period.

The deposits held by the Police Officers' Pension Fund at September 30, 2023 consisted of the following:

	Fair Value
Equity	\$ 6,255,851
Fixed Income	2,343,940
Real Estate	930,065
	<u>\$ 9,529,856</u>

The investments held by the Firefighter's Pension Fund at September 30, 2023 consisted of the following:

	Fair Value
Equity	\$ 3,004,340
Fixed Income	1,437,520
	<u>\$ 4,441,860</u>

The deposits held by the Police Officers' Pension Fund at September 30, 2023 consist of the following:

	Fair Value
Cash with trustees Salem Trust	<u>\$ 106,398</u>

The investments held by the Firefighters' Pension Fund at September 30, 2023 consist of the following:

	Fair Value
Cash with trustees Salem Trust	<u>\$ 125,330</u>

C. Receivables

Receivables at September 30, 2023 were as follows:

	Accounts	Intergovernmental	Total
Governmental Activities by Fund:			
General	\$ 67,607	\$ 323,502	\$ 391,109
Community redevelopment	-	-	-
Utility tax	87,813	-	87,813
Gas tax	-	31,484	31,484
	<u>\$ 155,420</u>	<u>\$ 354,986</u>	<u>\$ 510,406</u>
Business-type Activities by Fund:			
Gas revenue	\$ 695,551	\$ -	\$ 695,551
Sewer revenue	111,824	-	111,824
Water revenue	221,293	-	221,293
Solid waste	53,672	-	53,672
Parks	8,500	-	8,500
Inventory	70,355	-	70,355
	<u>\$ 1,161,195</u>	<u>\$ -</u>	<u>\$ 1,161,195</u>
Fiduciary Funds:			
Fund:			
Police officers' pension	\$ 27,870	\$ -	\$ 27,870
Firefighters' pension	20,411	-	20,411
	<u>\$ 48,281</u>	<u>\$ -</u>	<u>\$ 48,281</u>

Receivables of the governmental and enterprise funds are reported net of uncollectible amounts. Total uncollectible amounts as of September 30, 2023 are as follows:

	<u>Accounts</u>
Governmental Activities by Fund:	
Utility Tax	\$ 44,746
	<u>\$ 44,746</u>
	<u>Accounts</u>
Business-type Activities by Fund:	
Gas Revenue	\$ 85,620
Sewer Revenue	56,981
Water Revenue	112,761
Solid Waste	27,349
	<u>\$ 282,711</u>

D. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City at fiscal year beginning October 1, 2022 was 6.3587 mills.

The tax levy of the City is established by the City Council prior to October 1 of each year and the Taylor County Tax Collector incorporates the City millage into the total tax levy, which includes Taylor County and Taylor County School Board tax requirements.

All property is reassessed by the County according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed and are subject to interest and penalties. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest of 18% per year. On or before September 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Delinquent taxes on personal property bear interest at a maximum rate of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

Since the Taylor County Tax Collector's office acts quickly in selling tax certificates and in remitting such collections to the City, no delinquent or uncollected property taxes exist at year-end. The City Tax Calendar is as follows: Valuation Date: January 1; Levy Date: November 1; Due Date: March 31, Succeeding Year; and Lien Date: April 1, Succeeding Year.

E. Capital Assets

Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

	Primary Government				
	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities:					
Non-Depreciable Assets:					
Land	\$ 388,041	\$ -	\$ -	\$ -	\$ 388,041
Depreciable Assets:					
Buildings	1,194,394	-	(2,110)	-	1,192,284
Equipment	2,790,723	231,990	(212,363)	-	2,810,350
Improvements other than buildings	3,204,283	144,473	-	-	3,348,756
	7,577,441	376,463	(214,473)	-	7,739,431
Less accumulated depreciation for:					
Buildings	(857,528)	(33,965)	2,110	-	(889,383)
Equipment	(1,429,891)	(276,278)	190,115	-	(1,516,054)
Improvements other than buildings	(2,113,195)	(103,866)	-	-	(2,217,061)
	(4,400,614)	(414,109)	192,225	-	(4,622,498)
Governmental activities capital assets, net	<u>\$ 3,176,827</u>	<u>\$ (37,646)</u>	<u>\$ (22,248)</u>	<u>\$ -</u>	<u>\$ 3,116,933</u>
Business-type Activities					
Non-Depreciable Assets					
Land	\$ 2,264,256	\$ -	\$ -	\$ -	\$ 2,264,256
Depreciable Assets:					
Buildings	1,028,385	200,709	-	-	1,229,094
Equipment	3,416,148	149,135	(5,203)	-	3,560,080
Improvements other than buildings	1,724,930	14,400	-	(868,154)	1,739,330
Infrastructure	47,652,396	461,798	-	868,154	48,114,194
	56,086,115	826,042	(5,203)	-	56,906,954
Less accumulated depreciation for:					
Buildings	(928,230)	(48,404)	-	-	(976,634)
Equipment	(2,264,428)	(198,184)	5,203	-	(2,457,409)
Improvements other than buildings	(604,192)	(49,980)	-	-	(654,172)
Infrastructure	(21,151,332)	(1,509,206)	-	-	(22,660,538)
	(24,948,182)	(1,805,774)	5,203	-	(26,748,753)
Business-type activities capital assets, net	<u>\$ 31,137,933</u>	<u>\$ (979,732)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,158,201</u>

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

Government Activities:	
General Government	\$ 133,692
Police	202,942
Fire	58,158
Garage	10,040
Street/Transportation	9,277
Total depreciation expense - governmental activities	<u>\$ 414,109</u>
Business-type Activities	
Parks	\$ 214,759
Water	340,063
Gas	28,609
Solid Waste	84,770
Sewer	1,130,410
Inventory	7,163
Total depreciation expense - business-type activities	<u>\$ 1,805,774</u>

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

Governmental Funds:

Road and Street repairs

Police vehicles and camera system

Public Works:

Park building improvements

Water facility project planning

F. Capitalization of Interest

Due to the implementation of GASB statement 89, interest that once was capitalized on proprietary fund assets acquired with tax-exempt debt is no longer capitalized. Consequently, for the fiscal year ended September 30, 2023, no interest was capitalized.

G. Interfund Transfers

Transfers are indicative of funding for capital projects or subsidies to various funds as needed to provide the budgeted level of service. Several utilities and taxes have enough revenue to generally support other funds that have virtually no revenue. This covers everything from payroll to operations to capital outlay. The Gas Tax does specifically cover the road improvements, street, and garage departments.

Additionally, in the year ending September 30, 2023, the City had aged interfund receivables and payables that were forgiven and included in overall interfund transfers.

At September 30, 2023, interfund transfers were as follows:

Budgeted Transfers	Transfer in	Transfer out
General	\$ 1,997,275	\$ -
Utility Tax	-	1,085,299
Local Option Gas Tax	-	331,707
Parks	216,944	-
Water	-	1,081,633
Gas	-	96,896
Solid Waste	-	114,407
Sewer	415,054	-
Inventory	80,669	-
	<u>\$ 2,709,942</u>	<u>\$ 2,709,942</u>
 Interfund Debt Forgiveness		
General	\$ 98,245	\$ -
Utility Tax	-	135,000
Parks	-	7,315
Sewer	44,070	-
	<u>\$ 142,315</u>	<u>\$ 142,315</u>

H. Leases

The City is engaged in several agreements whereby it leases building space to various individuals and organizations within the community, which is accounted for in its governmental funds. The terms and the payments vary based on the stipulations found in each agreement. As a result of the implementation of SGAS No. 87, *Leases*, the City records a lease receivable and an offsetting deferred inflow of resources at the onset of each lease on the government-wide financial statements. Lease receipts are partially recognized as interest revenue with the remaining balance reducing the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the projected life of each lease, and lease revenue is recognized as the deferred inflow of resources is amortized. For the year ending September 30, 2023, the City has reported a lease receivable and deferred inflow of resources related to leases of \$120,351 and \$113,341, respectively, on its government-wide statement of net position.

Interest revenue and lease revenue for the year ending September 30, 2023 are as follows:

Interest Revenue	\$	6,565
Lease Revenue		65,045

Note 4 – Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance.

Through Preferred Governmental Insurance Trust (PGIT) Company, insurance against losses is provided for the following types of risk:

- General and Automobile Liability
- Inland Marine/Equipment Liability
- Real and Personal Property Damage
- Public Officials Liability

During the past year, there has not been any reduction in insurance coverage from coverage in the prior year. Additionally, insurance settlements have not exceeded insurance coverage for any of the past three years.

The City's workers' compensation coverage is provided by Preferred Governmental Insurance Trust (PGIT). PGIT was organized pursuant to Section 624.4622 of the Florida Statutes to provide for workers' compensation insurance coverage for PGIT Members. Each Member of PGIT must be a local governmental entity as defined by Section 163.01 (3) (b), *Florida Statutes*.

PGIT is a non-assessable trust fund, and should a deficit develop in the trust fund, after excess reinsurance recoveries, whereby claims or other expenses cannot be paid, each individual Member shall assume liability for the cost of claims brought against that Member as if such Member were individually self-insured without an obligation to, or a right of contribution from, other Members. The City is not aware of any loss contingency that would have a material effect on the financial statements.

B. Single Employer Pension Plans

The City maintains two separate single employer pension plans for firefighters and police officers, which are maintained as Pension Trust Funds. Pension Trust Funds covering firefighters and police officers are contributory. Firemen and police officers contribute 2.9% and 3.1% respectively, of their gross salary to each of the trust funds. The State of Florida requires the City to contribute a minimum of 5% of firemen's and police officers' gross salaries to the firefighters' and police officers' pension trust funds. The normal entry age actuarial cost method is used for both Pension Funds. Copies of the funds' Annual Trust Statements and Actuarial Valuation Reports are available upon request from the City.

A schedule of funding progress in accordance with the requirements of paragraph 37 of Statement No. 25 of the Governmental Accounting Standards Board is not required per paragraph 124 for plans using the aggregate actuarial cost method. The benefits and refunds of the postemployment defined benefit plan are recognized when they are due and payable in accordance with the terms of the plan. All administrative costs are financed out of the plan's assets.

The aggregate actuarial cost funding method is used for the firefighters' pension plan. This actuarial cost method does not identify or separately amortize unfunded actuarial accrued liabilities. Information about funded status and funding progress is presented using the entry age actuarial cost method and that the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan. The State of Florida has established guidelines for state and local pension plan funding and requires submission to and approval of the local government's actuarial reports by a state agency at least every year. The actuarial information does an interim update every year, but only completely evaluated every three years, hence the date on the notes labeled 'Funding Policy and Annual Pension Cost'.

Firefighters' Pension

The Firefighters' Pension Trust Fund of the City of Perry, Florida, has been established to conform to the Retirement Trust Fund provisions of Chapter 175 of the Florida Statutes. This is a defined benefit pension plan, which is administered by the Firefighters' Pension Trust Fund Board of Trustees, which is made up of two firefighters, two residents of the City, who are appointed by the City Council; and a fifth member elected by the other four members and covers substantially all full-time firemen. The fiscal year ending September 30, 2023, contributions totaling \$288,463, \$216,921 from the employer and \$14,384 from the employees were made to the Firefighters' Pension Trust Fund. The on-behalf payments of fringe benefits and salaries for the employees were recognized as revenues and expenditures during this period. Employer contributions represented 36.17% of covered payroll for the fiscal year ended September 30, 2023. The percentage of annual pension cost contributed was 86.3%. The State of Florida's contribution to the pension plan for the year ended amounted to \$57,158.

A firefighter may retire after completing ten or more years of creditable service as a firefighter and attains age 55 or completes 25 years of creditable service as a firefighter and attains age 52. Firefighters separating from municipal employment prior to attaining ten years of service receive no benefits but do receive a refund of member contributions. The Trust Fund also provides death and disability benefits. The State's contribution represents a 1.85% tax on all fire insurance premiums collected within the city limits.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

The components of the net pension liability of the sponsor to be reported on September 30, 2023 were as follows:

Total Pension Liability	\$5,609,267
Plan Fiduciary Net Position	(4,055,951)
Sponsor's Net Pension Liability	<u>\$1,553,316</u>
Plan Fiduciary Net Position as a percentage of total Pension Liability	<u>72.31%</u>

At September 30, 2023, the City reported a liability of \$1,553,316 for its Pension Plan's net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2022 and reported on September 30, 2023 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary Increases	Service based
Discount Rate	6.75%
Investment Rate of Return	6.75%

All rates are projected generationally with Mortality Improvement Scale MP-2018. This assumption sufficiently accommodates future mortality improvements.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Fixed Income (Non-Core)	2.50%
Global Fixed Income	3.50%

Discount Rate:

The discount rate used to measure the total pension liability was 6.75 percent.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2022	\$ 5,278,742	\$ 4,961,267	\$ 317,475
Changes for a Year:			
Service Cost	149,160	-	149,160
Interest	357,616	-	357,616
Share Plan Allocation	3,830	-	3,830
Differences between Expected and Actual Experience	79,690	-	79,690
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions- Employer	-	260,804	(260,804)
Contributions - State	-	48,987	(48,987)
Contributions - Employee	-	7,257	(7,257)
Net Investment Income	-	(928,352)	928,352
Benefit Payments, including Refunds of Employee Contributions	(259,771)	(259,771)	-
Administrative Expense	-	(34,241)	34,241
Net Changes	330,525	(905,316)	1,235,841
Balances at September 30, 2023	<u>5,609,267</u>	<u>4,055,951</u>	<u>\$ 1,553,316</u>

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	5.75%	6.75%	7.75%
Sponsor's Net Pension Liability	\$ 2,194,025	\$ 1,553,316	\$ 1,017,102

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2023 the City will recognize a pension expense of \$414,664. On September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 105,661	\$ -
Changes of assumptions	83,488	35,513
Net difference between projected and actual earnings on pension plan investments	662,450	-
Pension plan contributions subsequent to the measurement date	274,079	-
Total	<u>\$ 1,125,678</u>	<u>\$ 35,513</u>

The deferred outflows of resources related to the Pension Plan, totaling \$274,079, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2024	\$ 198,667
2025	196,501
2026	168,115
2027	252,803
2028	-
Thereafter	-
	<u>\$ 816,086</u>

Plan Membership as of October 1, 2022:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	12
Active Plan Members	12
	<u>36</u>

Investments:

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50.0%
International Equity	15.0%
Broad Market Fixed Income	30.0%
Fixed Income (Non-Core)	2.5%
Global Fixed Income	2.5%
	<u>100%</u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5 or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended September 30, 2023 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 14.32 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program:

Eligibility: Satisfaction of Normal Retirement requirements. Participation: Period not to exceed 60 months.

Rate of Return: At Participants election:

- 1.) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs)
- 2.) 6.5% fixed annual return

The DROP balance at September 30, 2023 is \$189,091.

Police Pension

The Police Officers' Retirement Fund was established to conform to the Retirement Trust Fund provisions of Chapter 185 of the Florida Statutes. This is a defined benefit pension plan which is administered by the Police Officers' Retirement Fund Board of Trustees, which is made up of two police officers, two residents of the City, who are appointed by the City Council and a fifth member elected by the other four members and covers substantially all full-time police officers. The amortization periods used are closed. The fiscal year ended September 30, 2023, contributions—totaling \$283,594, \$170,963 from employer and \$39,833 from employees—were made to the Police Officers' Retirement Fund. The on-behalf payments of fringe benefits and salaries for the employees were recognized as revenues and expenditures during this period. Employer contributions represented 77.2% of covered payroll for the fiscal year ended September 30, 2023. The percentage of annual pension cost contributed was 42.9%. The State of Florida's contribution to the pension plan for year ended amounted to \$72,798.

A member police officer may retire after completing ten or more years of creditable service as a police officer and attains age 55 or completes 25 years of creditable service as a police officer and attains age 52. Police officers separating from municipal employment prior to attaining ten years of service receive no benefits, but do receive a refund of member contributions. The Trust fund also provides death and disability benefits. The State's contribution represents a 0.85% tax on all casualty insurance premiums collected within the City limits.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

The components of the net pension liability of the sponsor to be reported on September 30, 2023 were as follows:

Total Pension Liability	\$10,246,118
Plan Fiduciary Net Position	(9,015,839)
Sponsor's Net Pension Liability	<u>\$ 1,230,279</u>
Plan Fiduciary Net Position as a percentage of total Pension Liability	<u>87.99%</u>

At September 30, 2023, the City reported as a part of its net pension liability is \$1,230,279 related to the Police pension plan. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.25%
Investment Rate of Return	7.25%

All rates are projected generationally with Mortality Improvement Scale MP-2018. This assumption sufficiently accommodates future mortality improvements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Fixed Income (Non-Core)	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%

Discount Rate:

The discount rate used to measure the total pension liability was 7.25 percent.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHANGES IN NET PENSION LIABILITY

		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2022	\$ 9,889,798	\$ 10,902,870	\$(1,013,072)
Changes for a Year:			
Service Cost	188,929	-	188,929
Interest	709,760	-	709,760
Differences between Expected and Actual Experience	35,487	-	35,487
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions- Employer	-	253,732	(253,732)
Contributions - State	-	67,764	(67,764)
Contributions - Employee	-	38,094	(38,094)
Net Investment Income	-	(1,632,694)	1,632,694
Benefit Payments, including Refunds of Employee Contributions	(577,856)	(577,856)	-
Administrative Expense	-	(36,071)	36,071
Net Changes	356,320	(1,887,031)	2,243,351
Balances at September 30, 2023	10,246,118	9,015,839	\$ 1,230,279

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Sponsor's Net Pension Liability	\$ 2,345,499	\$ 1,230,279	\$ 296,087

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2023 the City recognized a reduction in pension expenses of \$294,752. On September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,658	\$ 179,047
Changes of assumptions	94,237	42,661
Net difference between projected and actual earnings on pension plan investments	1,132,787	-
Pension plan contributions subsequent to the measurement date	243,761	-
Total	<u>\$ 1,494,443</u>	<u>\$ 221,708</u>

The deferred outflows of resources related to the Pension Plan, totaling \$243,761, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Contributions made after the measurement date of the net pension liability but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2024	\$ 116,700
2025	196,632
2026	232,856
2027	482,786
2028	-
Thereafter	-
	<u>\$ 1,028,974</u>

Plan Membership as of October 1, 2022:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	21
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	9
Active Plan Members	20
	<u>50</u>

Investments:

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50.0%
International Equity	15.0%
Broad Market Fixed Income	20.0%
Fixed Income (Non-Core)	2.5%
Global Fixed Income	2.5%
Real Estate	10.0%
	<u>100%</u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended September 30, 2023, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 11.38 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program:

Eligibility:

Satisfaction of Normal Retirement Requirements. Participation: Not to exceed 60 months.

Rate of Return:

Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs).

The DROP balance as of September 30, 2023 is \$0.

C. Multiple Employer Cost Sharing Pension and Other Post-Employment Benefit Plans

General Information:

Many of the City's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Florida Retirement System - Pension Plan

Plan Description:

Membership in the FRS is required for all full-time and part-time employees working in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges; or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Most Pension Plan members (including renewed members), and State Community College Optional Retirement Program participants may elect to participate in the FRS Investment Plan. Florida Retirement System Pension Plan members who retired and chose to participate in the Deferred Retirement Option Program (DROP) are not eligible to become members of the FRS Investment Plan.

Benefits Provided:

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. This amount increases with every year of additional service up to a maximum of 1.68% of the final average compensation of their five highest years for each year of credited service at age 65 with 33 or more years of service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service (age 52 if credited service includes at least four years of wartime military service) or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, beginning at 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service and increasing to a maximum of 1.68% for of with each year up to age 58 (55 with wartime service) and 28 years of special risk service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 (age 52 with wartime experience) with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

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

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions:

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively, were as follows: Regular—11.91% and 13.57%; Special Risk Administrative Support—38.65% and 39.82%; Special Risk—27.83% and 32.67%; Senior Management Service—31.57% and 34.52%; Elected Officers'—43.77% and 44.89%; and DROP participants—18.60% and 21.13%. These employer contribution rates include a 1.66% and 2.00% HIS Plan subsidy for the periods October 1, 2021 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively.

The City's contributions to the Pension Plan totaled \$252,922 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At September 30, 2023, the City reported a liability of \$1,748,163 for its proportionate share of the Pension Plan's net pension liability. The City's General Fund has historically been used to pay the pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportionate share of the net pension liability was based on the City's 2022-23 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was 0.004387206 percent, which was decrease of 0.74% percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$88,945. Contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 164,137	\$ -
Changes in assumptions	113,960	-
Net difference between projected and actual earnings on Pension Plan investments	73,008	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	59,723	74,446
City Pension Plan contributions subsequent to the measurement date	<u>57,554</u>	<u>-</u>
Total	<u>\$ 468,382</u>	<u>\$ 74,446</u>

The deferred outflows of resources related to the Pension Plan, totaling \$57,554 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2024	\$ 81,349
2025	30,697
2026	(27,472)
2027	239,027
2028	12,781
Thereafter	-
	<u>\$ 336,382</u>

Actuarial Assumptions:

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation
Discount Rate	6.70%

Mortality rates were based on the PUB-2010 base table, generational mortality using the gender specific MP 2018 mortality improvement projection scale.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.90%	2.90%	1.10%
Fixed Income	19.80%	4.50%	4.40%	3.40%
Global Equity	54.00%	8.70%	7.10%	18.10%
Real Estate	10.30%	7.60%	6.60%	14.80%
Private Equity	11.10%	11.90%	8.80%	26.30%
Strategic Investments	3.80%	6.30%	6.10%	7.70%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.40%

(1) As outlined in the Pension Plan's investment policy

Discount Rate:

The discount rate used to measure the total pension liability was 6.70%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate:

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's proportionate share of the net pension liability	<u>\$ 2,986,218</u>	<u>\$ 1,748,163</u>	<u>\$ 712,382</u>

Pension Plan Fiduciary Net Position:

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan:

At September 30, 2023, the City had no payables to report for contributions to the Pension Plan.

Florida Retirement System - Health Insurance Subsidy (HIS)

Plan Description:

The HIS Plan is a cost-sharing multiple-employer other post-employment benefit plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided:

For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions:

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution for the period October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023 was 1.66% and 2.00%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized.

HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$54,236 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At September 30, 2020, the City reported a liability of \$912,124 for its proportionate share of the HIS Plan's net pension liability. The City's General Fund has historically been used to pay for its share of the HIS plan's liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportionate share of the net pension liability was based on the City's 2022-23 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was 0.005743372 percent, which was a decrease 0.45 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the City recognized a pension expense of \$346,907. Contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,353	\$ 2,141
Changes in assumptions	23,979	79,039
Net difference between projected and actual earnings on HIS Plan investments	471	-
Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions	12,975	18,208
City HIS Plan contributions subsequent to the measurement date	11,602	-
Total	<u>\$ 62,380</u>	<u>\$ 99,388</u>

The deferred outflows of resources related to the HIS Plan, totaling \$11,602 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2024	\$ 104,534
2025	56,370
2026	25,774
2027	(124,057)
2028	(92,780)
Thereafter	(18,451)
	<u>\$ (48,610)</u>

Actuarial Assumptions:

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.65 %

Mortality rates were based on the PUB-2010 base table, generational mortality using the gender specific MP 2018 mortality improvement projection scale.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through September 30, 2018.

Discount Rate:

The discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
City's proportionate share of the net pension liability	<u>\$ 1,040,591</u>	<u>\$ 912,124</u>	<u>\$ 805,633</u>

Pension Plan Fiduciary Net Position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan:

At September 30, 2023, the City had no payables to report for outstanding contributions to the HIS Plan.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report. As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2022-23 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 8.30%, Special Risk class 16.00%, Senior Management Service class 9.67% and City Elected Officers class 15.23%. Each of these member classes pays 3.00% of the contribution.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City had no participants in the Investment Plan for the fiscal year ended September 30, 2023.

C. Single Employer - Other Post Employment Benefits (OPEB)

The City follows GASB Cod. Sec. P50 for certain post-employment benefits provided by the City.

Plan Description:

The City of Perry's Retiree Health Care Plan (Plan) is a single employer defined benefit post-employment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under the applicable retirement plan to continue medical and life insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

Employees Covered by Benefit Terms:

At September 30, 2023, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	3
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	3
Active Plan Members	84
	<u>90</u>

Funding Policy:

The City Council is authorized to establish benefit levels and approve the actuarial assumptions used in the determination of contributions levels. The City Council establishes the contributions requirements of plan members and the City. These contributions are neither mandated nor guaranteed. The amortization period is closed and over 30 years. The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the premium cost.

Retirees must pay a monthly premium as determined by the insurance carrier. The premium varies depending on whether the retiree elects single, single plus spouse, single plus dependents, or family coverage.

Currently, the City's subsidy to OPEB benefits is unfunded. There are no separate Trust Funds or equivalent arrangements into which the City makes contributions to advance-fund the OPEB obligations, as it does for its retiree pension plans. The City's change in the OPEB benefits, funded on a pay-as-you-go basis, was a decrease of \$239,381 for the year ended September 30, 2023.

The ultimate implicit and explicit subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to its current investment policy. The City selected an interest discount rate of 4.77% per annum, which is the long-range expected return on such short-term fixed income instruments, to calculate the present values and costs of the OPEB. This is consistent with GASB Statement No. 45 guidelines.

Basis Accounting:

The OPEB is recorded in the government-wide financial statements, and the enterprise fund only on the accrual basis of accounting.

Annual OPEB cost and Net OPEB Obligation:

The Annual OPEB Cost is the amount that was expensed for the fiscal year. For the year ended September 30, 2023, the City recognized a decrease in OPEB expenses of \$213,579. Since the City’s OPEB plan is currently unfunded, the offset to that expense comes from subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the Employer Contribution and equals the total age-adjusted premiums paid by the City for coverage for the retirees and their dependents for the year (net of the retiree’s own payments for the year). The cumulative difference between the Annual OPEB Cost for the year and the Employer Contribution for the year is called the Net OPEB Obligation. The Net OPEB Obligation is reflected as a liability in the statement of net position.

Total OPEB Liability

The measurement date is September 30, 2022
The measurement period of the OPEB expense was October 1, 2021 to September 30, 2022.
The reporting period is October 1, 2022 through September 30, 2023.

The City’s Total OPEB Liability was measured as of September 30, 2022.

The City’s total OPEB liability as of September 30, 2022 was determined by an actuarial valuation as of September 30, 2021 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.77%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	53

For all lives, mortality rates were based on the PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP2019.

Discount Rate:

Given the City’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.77%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices as of the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by the Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Changes in the Total OPEB Liability (Unaudited):

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2022	\$ 1,053,462
Changes for a Year:	
Service Cost	58,036
Interest	26,748
Differences Between Expected and Actual Experience	-
Changes of Assumptions	(302,583)
Changes of Benefit Terms	-
Contributions - Employer	-
Benefit Payments	(21,582)
Other Changes	-
Net Changes	(239,381)
Reporting Period Ending September 30, 2023	\$ 814,081

Changes of assumptions reflect a change in the discount rate from 2.43% for the fiscal year ending September 30, 2022 to 4.77% for the fiscal year ending September 30, 2023.

Sensitivity of the total OPEB liability to changes in the discount rate:

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.43%) or 1-percentage-point higher (3.43%) than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability (Asset)	3.77%	4.77%	5.77%
	\$ 926,728	\$ 814,081	\$ 720,451

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates:

The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	3.00% - 6.50%	4.00% - 7.50%	5.00% - 8.50%
Total OPEB Liability (Asset)	\$ 709,425	\$ 814,081	\$ 941,169

OPEB Liabilities and OPEB Expense – At September 30, 2023, the City reported an amount of \$814,081 for its OPEB liability. The City has historically used the General Fund to pay the OPEB liability.

For the fiscal year ended September 30, 2023, the City recognized a decrease in OPEB expenses of \$239,381. Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense.

Fiscal Year Ending	<u>9/30/2023</u>
Service Cost	\$ 58,036
Interest	26,748
Recognition of Changes in Total OPEB Liability	(302,583)
Administrative Expenses	(21,582)
Total OPEB Expense	<u><u>\$ (239,381)</u></u>

Summary Pension Expense, Deferred Outflow and Deferred Inflows of Resources Related to Pensions

Deferred outflow and inflows of resources of pension costs related to pensions are as follows:

Deferred outflows	Retirement Plan				Total
	FRS	HIS	Firefighters	Police	
Difference between expected and actual experience	\$ 164,137	\$ 13,353	\$ 105,661	\$ 23,658	\$ 306,809
Changes in assumptions	113,960	23,979	83,488	94,237	315,664
Net difference between projected and actual earnings on Pension Plan investments	73,008	471	662,450	1,132,787	1,868,716
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	59,723	12,975	-	-	72,698
City Pension Plan contributions subsequent to the measurement date	57,554	11,602	274,079	243,761	586,996
Total	<u>\$ 468,382</u>	<u>\$ 62,380</u>	<u>\$ 1,125,678</u>	<u>\$ 1,494,443</u>	<u>\$ 3,150,883</u>
Deferred inflows	FRS	HIS	Firefighters	Police	Total
	FRS	HIS	Firefighters	Police	Total
Difference between expected and actual experience	\$ -	\$ 2,141	\$ -	\$ 179,047	\$ 181,188
Changes in assumptions	-	79,039	35,513	\$ 42,661	157,213
Net difference between projected and actual earnings on Pension Plan investments	-	-	-	-	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	74,446	18,208	-	-	92,654
City Pension Plan contributions subsequent to the measurement date	-	-	-	-	-
Total	<u>\$ 74,446</u>	<u>\$ 99,388</u>	<u>\$ 35,513</u>	<u>\$ 221,708</u>	<u>\$ 431,055</u>
Pension Expense (Income)	<u>\$ 88,945</u>	<u>\$ 346,907</u>	<u>\$ 414,664</u>	<u>\$ 294,752</u>	<u>\$ 1,145,268</u>

Note 5 – Summary Disclosure of significant contingencies

A. Super-Pufft Snacks USA, Inc. Utility Service Agreement

Due to a clerical billing error made by the City, Super-Pufft Snacks USA, Inc. (Super-Pufft), a Florida for Profit Corporation doing business in the City, was billed for 10% of its factory's actual gas utility usage during the 24-month period from June 2020 to June 2022 which resulted in lost revenues of \$990,814. The error was discovered by the City's finance department in the year ending September 30, 2022. In an effort to collect the lost revenues, the City entered into a Utility Service Agreement (the Agreement) with Super-Pufft whereby it was decided that the City would sell utility gas to Super-Pufft at agreed upon rates for the five-year period beginning at the onset of the agreement, and the City would be repaid the entire amount of revenues lost in 36 monthly payments of \$27,523 beginning in March 2023. The agreement went into effect in January 2023.

In August 2023, the City was hit by Hurricane Idalia, and suffered a great deal of damage. On October 25, 2023, in an apparent effort to support the City in this situation, Super Pufft, who still had approximately \$770 thousand left to pay on the agreement over the course of the following two and a half years, offered to pay \$500 thousand and any unpaid amounts that had been accrued up to that point in exchange for forgiveness of the remaining unpaid debt. The City agreed to the proposition and received payment of \$500 thousand on October 30, 2023. In addition to this amount, there was one month's accrued payment that had not yet been received. As a result, the City has recorded \$527 thousand as receivable from Super-Pufft as a part of its total receivable in the gas fund for the year ending September 30, 2023.

B. Litigation

During the ordinary course of its operation, the City is a party to various claims, legal actions, and complaints. These matters are covered by the City's Risk Management Program.

In the opinion of the City's management and legal counsel, these matters are not anticipated to have a material financial impact on the City.

C. Grants

The City has ongoing major initiatives partially funded by grants that are subject to compliance requirements. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. In the opinion of management, the City has complied with grant requirements and future disallowance of grant expenditures, if any, would not have a material adverse effect on the City's financial condition.

D. Long-term Debt

Long-term liabilities directly related to and intended to be paid from Proprietary Funds are included in the accounts of such funds. The State Revolving Fund Loan will sometime in the future have a schedule of repayment listed below, but presently it is not in the repayment phase where an amortization schedule is available. The State Revolving Loan is to relieve the cash shortage until the Wastewater grant reimburses the City for the work that was paid for in previous years, specifically the spray field.

The State of Florida Department of Environmental Protection Revolving Fund loans above all contain provisions that in the event of default are subject to the rights of superior liens on the pledged revenues, the lender may request a court to appoint a receiver to manage the water and sewer systems, intercept the delinquent amount from any unobligated funds due to the City under any revenue or tax sharing fund established by the State of Florida, impose a penalty in the amount not to exceed a rate of 18 percent per annum on the amount due, notify financial market credit rating agencies and potential creditors, sue for payment of amounts due and may accelerate the repayment schedule or increase the interest rate on the unpaid principal on the loan.

Description of Long-Term Debt – Summarized below are the City's long-term debt issues, which are outstanding at September 30, 2023.

A. STATE REVOLVING FUND LOAN

1. State Revolving Loan (Pre-Construction Loan)

There is a pre-construction SRF loan originally approved in 2009 from Florida Department of Environmental Protection for \$225,566. The proceeds were used for the study to either upgrade or build a new wastewater treatment plant and evaluate the best options. The loan is collateralized by a subordinate lien on net revenues of the sewer utility fund. The interest rate is .88% and this will take 26 years to repay. The following is a schedule of payments that will be made under the loan agreement:

Fiscal Year Ended September	Principal	Interest	Total
2024	15,921	1,191	17,112
2025	16,061	1,051	17,112
2026	16,203	909	17,112
2027	16,346	766	17,112
2028	16,490	622	17,112
Thereafter	61,096	1,023	62,119
	<u>142,117</u>	<u>5,562</u>	<u>147,679</u>

2. Construction Loan Agreement (WW570011)

The State of Florida Department of Environmental Protection (FDEP) Revolving Fund Water Loan Agreement WW570011 is secured by the net revenues of the water and sewer system. The loan is payable semiannually with principal and interest payments due on October 15 and April 15. The estimated principal amount of the Loan to be repaid is \$2,888,396. The Financing Rate on the unpaid principal of the Loan amount is 0 percent per annum and will take 30 years to repay. Each semiannual loan payment shall be in the amount of \$49,800. The loan proceeds were used to upgrade and expand the City's wastewater treatment facilities. The following is a schedule of payments that will be made under the loan agreement:

Fiscal Year Ended September	Principal	Interest	Total
2024	99,600	-	99,600
2025	99,600	-	99,600
2026	99,600	-	99,600
2027	99,600	-	99,600
2028	99,600	-	99,600
Thereafter	2,191,196	-	2,191,196
	<u>2,689,196</u>	<u>-</u>	<u>2,689,196</u>

3. Construction Loan Agreement (DW620201)

The State of Florida Department of Environmental Protection Revolving Fund Water Loan Agreement DW620201 is secured by the net revenues of the water and sewer system. The loan is payable semiannually with principal and interest payments due on September 15 and March 15. The estimated principal amount of the Loan to be repaid is \$91,969. The loan bears interest at a rate of 0.56% and the term shall be 20 years. Each Semiannual Loan Payment shall be in the amount of \$2,442. The loan proceeds were used to upgrade water treatment facilities. The following is a schedule of payments that will be made under the loan agreement:

Fiscal Year Ended September	Principal	Interest	Total
2024	4,469	412	4,881
2025	4,494	387	4,881
2026	4,520	361	4,881
2027	4,545	336	4,881
2028	4,571	311	4,881
Thereafter	52,019	1,692	53,712
	<u>74,181</u>	<u>3,499</u>	<u>78,117</u>

4. Construction Loan Agreement (DW620250)

The State of Florida Department of Environmental Protection Revolving Fund Water Loan Agreement DW620201 is secured by the net revenues of the water and sewer system. The loan is payable semiannually with principal and interest payments due on October 15 and April 15. The estimated principal amount of the Loan to be repaid is \$428,635. The loan bears interest at a rate of 0.12% and the term shall be 20 years. Each Semiannual Loan Payment shall be in the amount of \$10,842. The loan proceeds were used to upgrade water treatment facilities. The following is a schedule of payments that will be made under the loan agreement:

Fiscal Year Ended September	Principal	Interest	Total
2024	21,227	457	21,684
2025	21,253	431	21,684
2026	21,278	406	21,684
2027	21,304	380	21,684
2028	21,329	355	21,684
Thereafter	279,854	2,275	282,129
	<u>386,233</u>	<u>4,304</u>	<u>390,549</u>

5. Construction Loan Agreement (DW620260)

The State of Florida Department of Environmental Protection Revolving Fund Water Loan Agreement DW620260 is secured by pledged revenues from the water system. The loan is payable semiannually with principal and interest payments of \$4,762 due each March 15 and September 15 over the course of ten years, which began in March 2023. The loan is a reimbursement of expenditures of \$175,000 which were incurred in the fiscal year ending September 30, 2022. The full reimbursement amount has been received in October 2022. Upon receipt, \$87,500 was forgiven and recognized as revenue in the fiscal year ending September 2023. The remaining unforgiven amount is considered to be principal and accrued service fees worth \$91,000. Loan proceeds were used to add carbon filtration to the water treatment plant. The following is a schedule of payments that will be made under the loan agreement:

Fiscal Year Ended September	Principal	Interest	Total
2024	8,125	1,398	9,523
2025	8,269	1,255	9,523
2026	8,415	1,109	9,523
2027	8,563	960	9,523
2028	8,715	809	9,523
Thereafter	39,393	1,666	41,060
	<u>81,480</u>	<u>7,196</u>	<u>88,676</u>

6. Construction Loan Agreement (DW620261)

The State of Florida Department of Environmental Protection Drinking Water State Revolving Fund Construction Loan Agreement, DW620261 is secured by pledged revenues from the water system. The loan is payable semiannually with principal and interest payments of \$17,534 due each August 15 and February 15 over the course of twenty years, which is set to begin in February 2025. The loan is a reimbursement of expenditures of \$3,281,175 on improvements to City's Water Treatment Facility related to carbon filters, which were partially incurred in the fiscal year ending September 30, 2023 and partially in the subsequent year. It is anticipated that \$2,752,578 will be forgiven and recognized as revenue in the fiscal year ending September 2023. The remaining unforgiven amount is considered to be principal and accrued capitalized interest worth \$534,297.

B. USDA BOND PAYABLE

On September 13, 2018, the City closed on a loan from the U.S. Department of Agriculture in the amount of \$2,926,000 for the purpose of providing long-term financing for the wastewater treatment plant. The loan calls for payments of principal and interest yearly beginning September 13, 2021. The loan requires that a reserve account be established that will accumulate 1/10 of the maximum annual debt payment until the equivalent of one annual payment has been deposited, and thereafter as necessary to maintain the account. The maximum reserve is \$125,087. The following is a schedule of payments that will be made under the loan agreement:

YEAR	BEGINNING BALANCE	INTEREST	PRINCIPAL	ENDING BALANCE	TOTAL PAYMENTS
2024	2,809,932	76,670	48,000	2,761,932	124,670
2025	2,761,932	75,350	50,000	2,711,932	125,350
2026	2,711,932	73,975	51,000	2,660,932	124,975
2027	2,660,932	72,573	53,000	2,607,932	125,573
2028	2,607,932	71,115	54,000	2,553,932	125,115
2029	2,553,932	69,630	55,000	2,498,932	124,630
2030	2,498,932	68,118	57,000	2,441,932	125,118
2031	2,441,932	66,550	59,000	2,382,932	125,550
2032	2,382,932	64,928	60,000	2,322,932	124,928
2033	2,322,932	63,278	62,000	2,260,932	125,278
2034	2,260,932	61,573	64,000	2,196,932	125,573
2035	2,196,932	59,813	65,000	2,131,932	124,813
2036	2,131,932	58,025	67,000	2,064,932	125,025
2037	2,064,932	56,183	69,000	1,995,932	125,183
2038	1,995,932	54,285	71,000	1,924,932	125,285
2039	1,924,932	52,333	73,000	1,851,932	125,333
2040	1,851,932	50,325	75,000	1,776,932	125,325
2041	1,776,932	48,263	77,000	1,699,932	125,263
2042	1,699,932	46,145	79,000	1,620,932	125,145
2043	1,620,932	43,973	81,000	1,539,932	124,973
2044	1,539,932	41,745	83,000	1,456,932	124,745
2045	1,456,932	39,463	86,000	1,370,932	125,463
2046	1,370,932	37,098	88,000	1,282,932	125,098
2047	1,282,932	34,678	90,000	1,192,932	124,678
2048	1,192,932	32,203	93,000	1,099,932	125,203
2049	1,099,932	29,645	95,000	1,004,932	124,645
2050	1,004,932	27,033	98,000	906,932	125,033
2051	906,932	24,338	101,000	805,932	125,338
2052	805,932	21,560	104,000	701,932	125,560
2053	701,932	18,700	106,000	595,932	124,700
2054	595,932	15,785	109,000	486,932	124,785
2055	486,932	12,788	112,000	374,932	124,788
2056	374,932	9,708	115,000	259,932	124,708
2057	259,932	6,545	119,000	140,932	125,545
2058	140,932	3,273	119,000	21,932	122,273
		<u>1,587,658</u>	<u>2,788,000</u>		

Changes in long-term liabilities:

Long-term liability activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 363,468	\$ -	\$ (860)	\$ 362,608	\$ 181,304
OPEB Payable	754,595	-	(169,027)	585,568	-
Net Pension Liability	920,086	3,777,292		4,697,378	-
Governmental Activities Total	<u>\$ 2,038,149</u>	<u>\$ 3,777,292</u>	<u>\$ (169,887)</u>	<u>\$ 5,645,554</u>	<u>\$ 181,304</u>
Business-type Activities:					
SRF Pre Construction Loan	\$ 156,856	\$ -	\$ (14,739)	\$ 142,117	\$ 15,921
SRF Sewer Loan	2,788,796	-	(99,600)	2,689,196	99,600
SRF Water Loan	486,509	175,000	(119,615)	541,894	36,089
USDA Bond Payable	2,835,000	-	(47,000)	2,788,000	69,932
Compensated Absences	69,878	17,519	-	87,397	43,697
OPEB Payable	298,867	-	(70,354)	228,513	-
Net Pension Liability	639,912	106,591	-	746,503	-
Business-type Activities Total	<u>\$ 7,275,818</u>	<u>\$ 299,110</u>	<u>\$ (351,308)</u>	<u>\$ 7,223,620</u>	<u>\$ 265,239</u>

Note 6 – Fund Balances of Governmental Funds

As of September 30, 2023, fund balances of the governmental funds are classified as follows:

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under current practices, the assignment of fund balances is approved by the City Council as a component of the budgetary approval process.

Unassigned – all other spendable amounts.

Fund	Restricted	Assigned	Unassigned
General			
Law enforcement	\$ 72,812	\$ -	\$ -
Other	-	-	2,249,101
Transportation	10,885	-	-
Community redevelopment	40,278	-	-
Utility Tax Revenue	-		
Reserves	-	1,706,700	-
Local Option Gas Tax	1,651,006		
	<u>\$ 1,774,981</u>	<u>\$ 1,706,700</u>	<u>\$ 2,249,101</u>

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule-General Fund
Budgetary Comparison Schedule - Community Redevelopment Fund
Budgetary Comparison Schedule-Utility Tax Revenue Fund
Budgetary Comparison Schedule-Local Option Gas Tax Fund
Notes to Required Supplementary Information on Budgetary Comparison
Schedules Schedule of Changes in Firefighter's Pension Fund
Net Pension Liability and Related Ratios
Schedules of Contributions and Investment Returns - Firefighters' Pension Fund
Notes to RSI for Firefighters' Pension Schedules
Schedule of Changes in Police Officers' Pension Fund
Net Pension Liability and Related Ratios
Schedules of Contributions and Investment Returns— Police Officers' Pension Fund
Notes to RSI for Police Officers'
Pension Schedules
Schedule of Proportionate Share of Net Pension Liability – FRS and HIS
Schedule of Contributions to FRS and HIS – Last 10 Fiscal Years
Notes to the Required Supplementary Information for FRS and HIS
Schedules Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Notes to RSI for Total OPEB Liability and Related Ratios

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CITY OF PERRY, FLORIDA
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Property	\$ 1,951,329	\$ 1,951,329	\$ 1,629,609	\$ (321,720)
Discretionary Sales Tax	260,024	260,024	502,812	242,788
Communication service tax	235,835	235,835	243,285	7,450
Franchise	580,000	580,000	710,362	130,362
Motor Fuel	74,784	74,784	85,233	10,449
Licenses & permits	73,930	73,930	104,937	31,007
Intergovernmental	499,848	499,848	563,865	64,017
Fines & Forfeitures	15,050	15,050	32,764	17,714
Sales Tax - 1/2 Cent	550,191	550,191	615,821	65,630
Interest	300	300	16,447	16,147
Grants	-	-	406,260	406,260
Miscellaneous	22,500	22,500	157,114	134,614
Total Revenues	4,263,791	4,263,791	5,068,509	804,718
EXPENDITURES				
Current:				
Legislative (Council)	98,601	98,601	91,781	6,820
Administration	585,477	585,477	592,464	(6,987)
Finance	546,505	546,505	677,427	(130,922)
Legal	45,000	45,000	34,620	10,380
Comprehensive Planning	68,325	68,325	67,354	971
Garage	148,246	148,246	146,152	2,094
Police	2,724,930	2,730,727	2,525,342	205,385
Fire	1,396,748	1,396,748	1,415,603	(18,855)
Protective Inspections	197,881	197,881	228,073	(30,192)
Transportation (Street)	612,807	661,692	614,759	46,933
Capital Outlay	476,705	476,705	376,463	100,242
Total Expenditures	6,901,225	6,955,907	6,770,038	185,869
Excess (deficiency) of revenues over (under) expenditures	(2,637,434)	(2,692,116)	(1,701,529)	990,587
OTHER FINANCING SOURCES - USES				
Transfers In	2,015,268	2,015,268	1,997,275	(17,993)
Net interfund debt forgiveness	-	-	98,245	-
Total other financing sources & uses	2,015,268	2,015,268	2,095,520	(17,993)
Net change in fund balances	(622,166)	(676,848)	393,991	972,594
Fund balances - beginning	1,933,474	1,933,474	1,933,474	-
Fund balances - ending	\$ 1,311,308	\$ 1,256,626	\$ 2,327,465	\$ 972,594

CITY OF PERRY, FLORIDA
 Budgetary Comparison Schedule
 Community Redevelopment Fund
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
County	\$ 19,853	\$ 19,853	\$ 18,860	\$ (993)
City	17,430	17,430	16,559	(871)
Depot Rental	21,000	21,000	24,146	3,146
Total Revenues	58,283	58,283	59,565	1,282
EXPENDITURES				
Current:				
Expenses	58,283	58,283	47,494	10,789
Total Expenditures	58,283	58,283	47,494	10,789
Excess (deficiency) of revenues over (under) expenditures	-	-	12,071	12,071
OTHER FINANCING SOURCES-USES				
Transfers In (Out)	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balances	-	-	12,071	12,071
Fund balances-beginning	136,041	136,042	28,207	-
Fund balances-ending	\$ 136,041	\$ 136,042	\$ 40,278	\$ 12,071

CITY OF PERRY, FLORIDA
 Budgetary Comparison Schedule
 Utility Tax Revenue Fund
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Electric	\$ 750,000	\$ 750,000	\$ 772,197	\$ 22,197
Water	147,227	147,227	120,810	(26,417)
Propane/Natural Gas	125,000	125,000	99,327	(25,673)
Fines & Forfeitures	4,000	4,000	2,439	(1,561)
Interest	600	600	-	(600)
Total Revenues	1,026,827	1,026,827	994,773	(32,054)
EXPENDITURES				
Current:				
Total Expenditures	-	-	2,322	(2,322)
Excess (deficiency) of revenues over (under) expenditures	1,026,827	1,026,827	992,451	(34,376)
OTHER FINANCING SOURCES-USES				
Transfers In (Out)	(1,026,827)	(1,026,827)	(1,085,299)	(58,472)
Net interfund debt forgiveness	-	-	(135,000)	(135,000)
Total other financing sources & uses	(1,026,827)	(1,026,827)	(1,220,299)	(193,472)
Net change in fund balances	-	-	(227,848)	(227,848)
Fund balances-beginning	1,934,548	1,934,548	1,934,548	-
Fund balances-ending	\$ 1,934,548	\$ 1,934,548	\$ 1,706,700	\$ (227,848)

CITY OF PERRY, FLORIDA
 Budgetary Comparison Schedule
 Local Option Gas Tax Fund
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Motor Fuel	\$ 331,707	\$ 331,707	\$ 327,434	\$ (4,273)
Interest	-	-	-	-
Total Revenues	<u>331,707</u>	<u>331,707</u>	<u>327,434</u>	<u>(4,273)</u>
EXPENDITURES				
Current:				
Miscellaneous	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>331,707</u>	<u>331,707</u>	<u>327,434</u>	<u>(4,273)</u>
OTHER FINANCING SOURCES-USES				
Transfers In (Out)	<u>(331,707)</u>	<u>(331,707)</u>	<u>(331,707)</u>	<u>-</u>
Total other financing sources & uses	<u>(331,707)</u>	<u>(331,707)</u>	<u>(331,707)</u>	<u>-</u>
Net change in fund balances	-	-	(4,273)	(4,273)
Fund balances - beginning	<u>1,656,802</u>	<u>1,656,802</u>	<u>1,655,279</u>	<u>-</u>
Fund balances - ending	\$ 1,656,802	\$ 1,656,802	\$ 1,651,006	\$ (4,273)

CITY OF PERRY, FLORIDA
Notes to Required Supplementary Information on Budgetary Comparison Schedules
For the Fiscal Year Ended September 30, 2023

Budgetary Accounting

The annual operating budgets of governmental funds are prepared and presented in accordance with GAAP.

Budget Requirements

The fiscal year for the City of Perry begins on October 1 of each year and ends September 30 of the following year. This is mandated by Florida Statutes and Article V of the City Charter.

The City follows the following procedures in establishing the budget document.

1. Prior to August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings and workshops are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.
4. The Council may, by resolution, provide that at any time during the fiscal year the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office or agency. Upon written request by the City Manager, the Council may, by resolution, transfer part or all of any unencumbered appropriation balance from one department, office or agency to another.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternately achieved through bond indenture provisions.
6. Budgets for the general and special revenue funds are adopted on a modified accrual basis which is consistent with generally accepted accounting principles (GAAP).

SCHEDULE OF CHANGES IN FIREFIGHTERS' PENSION FUND
NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

Reporting Period Ending Measurement Date	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total Pension Liability										
Service Cost	\$ 159,897	\$ 149,160	\$ 153,198	\$ 149,168	\$ 139,074	\$ 128,341	\$ 118,446	\$ 102,147	\$ 68,009	\$ 76,529
Interest	379,541	357,616	339,699	330,230	331,056	329,241	317,117	309,146	302,674	293,950
Share Plan Allocation	7,916	3,830	1,097	-	-	-	-	-	-	-
Changes of Benefit Terms	79,622	-	-	-	(191)	-	-	-	-	-
Differences Between Expected and Actual Experience	(7,941)	79,690	57,211	69,143	(63,746)	(37,464)	(25,456)	(189,134)	(79,654)	-
Changes of Assumptions	-	-	166,975	(142,052)	120,283	112,233	111,855	223,700	-	-
Benefit Payments, Including Refunds of Employee Contributions	(292,673)	(259,771)	(278,153)	(272,342)	(498,642)	(234,324)	(233,295)	(236,004)	(252,512)	(253,304)
Net Change in Total Pension Liability	326,362	330,525	440,027	134,147	27,834	298,027	288,667	209,855	38,517	117,175
Total Pension Liability - Beginning	5,609,267	5,278,742	4,838,715	4,704,568	4,676,734	4,378,707	4,090,040	3,880,185	3,841,668	3,724,493
Total Pension Liability - Ending	<u>\$ 5,935,629</u>	<u>\$ 5,609,267</u>	<u>\$ 5,278,742</u>	<u>\$ 4,838,715</u>	<u>\$ 4,704,568</u>	<u>\$ 4,676,734</u>	<u>\$ 4,378,707</u>	<u>\$ 4,090,040</u>	<u>\$ 3,880,185</u>	<u>\$ 3,841,668</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 216,921	\$ 260,804	\$ 288,438	\$ 265,534	\$ 236,821	\$ 195,748	\$ 192,146	\$ 281,438	\$ 176,554	\$ 202,954
Contributions - State	57,158	48,987	43,751	32,683	41,083	36,114	39,613	38,522	49,773	51,276
Contributions - Employee	14,384	7,257	6,870	6,441	6,819	6,098	6,019	5,703	4,115	3,852
Net Investment Income	574,421	(928,352)	812,828	399,488	165,671	267,505	387,624	158,924	(32,885)	304,425
Benefit Payments, Including Refunds of Employee Contributions	(292,673)	(259,771)	(278,153)	(272,342)	(498,642)	(234,324)	(233,295)	(236,004)	(252,512)	(253,304)
Administrative Expense	(41,478)	(34,241)	(43,295)	(31,967)	(38,551)	(28,303)	(16,895)	(16,976)	(15,607)	(7,967)
Net Change in Plan Fiduciary Net Position	528,733	(905,316)	830,439	399,837	(86,799)	242,838	375,212	231,607	(70,562)	301,236
Plan Fiduciary Net Position - Beginning	4,055,951	4,961,267	4,130,828	3,730,991	3,817,790	3,574,952	3,199,740	2,968,133	3,038,695	2,737,459
Plan Fiduciary Net Position - Ending	<u>\$ 4,584,684</u>	<u>\$ 4,055,951</u>	<u>\$ 4,961,267</u>	<u>\$ 4,130,828</u>	<u>\$ 3,730,991</u>	<u>\$ 3,817,790</u>	<u>\$ 3,574,952</u>	<u>\$ 3,199,740</u>	<u>\$ 2,968,133</u>	<u>\$ 3,038,695</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,350,945</u>	<u>\$ 1,553,316</u>	<u>\$ 317,475</u>	<u>\$ 707,887</u>	<u>\$ 973,577</u>	<u>\$ 858,944</u>	<u>\$ 803,755</u>	<u>\$ 890,300</u>	<u>\$ 912,052</u>	<u>\$ 802,973</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.24%	72.31%	93.99%	85.37%	79.31%	81.63%	81.64%	78.23%	76.49%	79.10%
Covered-Employee Payroll	\$ 735,924	\$ 726,147	\$ 686,580	\$ 644,045	\$ 681,942	\$ 610,905	\$ 601,947	\$ 570,338	\$ 468,196	\$ 385,197
Net Position Liability as a Percentage of Covered-Employee Payroll	183.57%	213.91%	46.24%	109.91%	142.77%	140.60%	133.53%	156.10%	194.80%	208.46%

SCHEDULE OF CONTRIBUTIONS FOR FIREFIGHTERS' PENSION FUND

Last 10 Fiscal Years

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 260,517	\$ 298,446	\$ 324,065	\$ 295,625	\$ 278,233	\$ 232,144	\$ 231,148	\$ 319,960	\$ 226,327	\$ 254,230
Contributions in Relation to the Actuarially Determined Contribution	266,163	305,961	331,092	298,217	277,904	231,862	231,759	319,960	226,327	254,230
	<u>\$ (5,646)</u>	<u>\$ (7,515)</u>	<u>\$ (7,027)</u>	<u>\$ (2,592)</u>	<u>\$ 329</u>	<u>\$ 282</u>	<u>\$ (611)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 726,147	\$ 686,580	\$ 644,065	\$ 681,942	\$ 610,905	\$ 601,947	\$ 570,338	\$ 468,196	\$ 385,197	\$ 306,232
Contributions as a Percentage of										
Covered-Employee Payroll	36.65%	44.56%	51.41%	43.73%	45.49%	38.52%	40.64%	68.34%	58.76%	83.02%

SCHEDULE OF FIREFIGHTERS' PENSION FUND INVESTMENT RETURNS

Last 10 Fiscal Years

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>09/30/2017</u>	<u>09/30/2016</u>	<u>09/30/2015</u>	<u>09/30/2014</u>
Annual Money-Weighted Rate of Return										
Net of Investment Expense	14.32%	-18.82%	19.81%	10.81%	4.66%	7.58%	12.29%	5.40%	-1.10%	11.19%

Notes to RSI for Firefighters' Pension

Valuation Date: 10/01/2022

Presentation: GASB 68 requires information for 10 years.

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Actuarial Cost Method.
Amortization Method:	Level dollar, closed.
Remaining Amortization Period:	15 Years.
Mortality:	All rates are projected generationally with Mortality Improvement Scale MP-2018.
Interest Rate:	6.75% per year, compounded annually, net of investment-related expenses. This assumption is supported by the target asset allocation of the trust and expected long-term return by asset class.
Retirement Age:	Earlier of age 55 and 10 years of service or 25 years of service, regardless of age.
Early Retirement:	Commencing with the earliest Early Retirement Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Disability Rates:	See table below.
Termination Rates:	See table below.
Salary Increase:	Service based
Payroll Growth:	None.
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Termination and Disability Rate Tables:

Age	% Becoming Disabled During the Year	% Terminating During the Year	
		Service	Rate
20	0.03%	<1	10.00%
30	0.04%	1 - 5	5.50%
40	0.07%	6 - 10	4.50%
50	0.18%	11 - 15	4.00%
		16+	0.00%

SCHEDULE OF CHANGES IN POLICE OFFICERS' PENSION FUND
NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

Reporting Period Ending Measurement Date	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total Pension Liability										
Service Cost	\$ 234,351	\$ 188,929	\$ 210,241	\$ 246,666	\$ 245,631	\$ 201,904	\$ 223,106	\$ 201,527	\$ 211,890	\$ 205,037
Interest	737,184	709,760	721,305	711,299	684,451	642,122	589,625	592,602	582,837	559,230
Change in Excess State Money	-	-	-	-	-	-	(27,217)	-	-	-
Share Plan Allocation	-	-	-	-	(13,608)	-	13,608	-	-	-
Changes of Benefit Terms	-	-	-	-	136,411	-	-	-	-	-
Differences Between Expected and Actual Experience	(232,037)	35,487	(463,345)	(98,395)	8,874	(14,909)	267,370	(286,364)	(20,807)	-
Changes of Assumptions	-	-	282,712	(170,644)	239,641	-	-	187,750	-	-
Contributions - Buy Back	-	-	-	-	-	-	-	5,729	-	-
Benefit Payments, Including Refunds of Employee Contributions	(624,831)	(577,856)	(536,553)	(501,625)	(525,686)	(400,461)	(389,811)	(654,738)	(628,255)	(323,810)
Net Change in Total Pension Liability	114,667	356,320	214,360	187,301	775,714	428,656	676,681	46,506	145,665	440,457
Total Pension Liability - Beginning	10,246,118	9,889,798	9,675,438	9,488,137	8,712,423	8,283,767	7,607,086	7,560,580	7,414,915	6,974,458
Total Pension Liability - Ending	<u>\$ 10,360,785</u>	<u>\$ 10,246,118</u>	<u>\$ 9,889,798</u>	<u>\$ 9,675,438</u>	<u>\$ 9,488,137</u>	<u>\$ 8,712,423</u>	<u>\$ 8,283,767</u>	<u>\$ 7,607,086</u>	<u>\$ 7,560,580</u>	<u>\$ 7,414,915</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 170,963	\$ 253,732	\$ 300,488	\$ 215,673	\$ 235,783	\$ 214,135	\$ 209,331	\$ 392,928	\$ 363,840	\$ 365,109
Contributions - State	72,798	67,764	68,784	60,041	67,550	57,494	52,972	40,967	52,719	50,821
Contributions - Employee	39,833	38,094	35,784	33,942	35,584	21,351	21,429	20,961	18,978	18,363
Contributions - Buy Back	-	-	-	-	-	-	-	5,729	-	-
Net Investment Income	1,002,636	(1,632,694)	1,929,216	869,567	398,725	601,006	771,054	392,453	(55,592)	739,095
Benefit Payments, Including Refunds of Employee Contributions	(624,831)	(577,856)	(536,553)	(501,625)	(525,686)	(400,461)	(389,811)	(654,738)	(628,255)	(323,810)
Administrative Expense	(35,753)	(36,071)	(42,989)	(32,205)	(28,971)	(28,436)	(25,830)	(30,495)	(26,275)	(14,392)
Net Change in Plan Fiduciary Net Position	625,646	(1,887,031)	1,754,730	645,393	182,985	465,089	639,145	167,805	(274,585)	835,186
Plan Fiduciary Net Position - Beginning	9,015,839	10,902,870	9,148,140	8,502,747	8,319,762	7,854,673	7,215,528	7,047,723	7,322,308	6,487,122
Plan Fiduciary Net Position - Ending	<u>\$ 9,641,485</u>	<u>\$ 9,015,839</u>	<u>\$ 10,902,870</u>	<u>\$ 9,148,140</u>	<u>\$ 8,502,747</u>	<u>\$ 8,319,762</u>	<u>\$ 7,854,673</u>	<u>\$ 7,215,528</u>	<u>\$ 7,047,723</u>	<u>\$ 7,322,308</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 719,300</u>	<u>\$ 1,230,279</u>	<u>\$ (1,013,072)</u>	<u>\$ 527,298</u>	<u>\$ 985,390</u>	<u>\$ 392,661</u>	<u>\$ 429,094</u>	<u>\$ 391,558</u>	<u>\$ 512,857</u>	<u>\$ 92,607</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.06%	87.99%	110.24%	94.55%	89.61%	95.49%	94.82%	94.85%	93.22%	98.75%
Covered-Employee Payroll	\$ 1,284,922	\$ 1,228,851	\$ 1,154,325	\$ 1,094,916	\$ 1,147,872	\$ 1,067,547	\$ 1,071,441	\$ 1,048,055	\$ 975,095	\$ 918,167
Net Position Liability as a Percentage of Covered-Employee Payroll	55.98%	100.12%	-87.76%	48.16%	85.84%	36.78%	40.05%	37.36%	52.60%	10.09%

SCHEDULE OF CONTRIBUTIONS FOR POLICE OFFICERS' PENSION FUND

Last 10 Fiscal Years

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 253,129	\$ 312,128	\$ 369,384	\$ 309,861	\$ 295,003	\$ 255,143	\$ 252,860	\$ 433,895	\$ 416,559	\$ 415,930
Contributions in Relation to the Actuarially Determined Contribution	243,761	321,496	369,272	275,714	303,333	271,629	262,303	433,895	416,559	415,930
	<u>\$ 9,368</u>	<u>\$ (9,368)</u>	<u>\$ 112</u>	<u>\$ 34,147</u>	<u>\$ (8,330)</u>	<u>\$ (16,486)</u>	<u>\$ (9,443)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 1,228,851	\$ 1,154,325	\$ 1,094,916	\$ 1,147,872	\$ 1,067,547	\$ 1,071,441	\$ 1,048,055	\$ 975,095	\$ 918,167	\$ 861,241
Contributions as a Percentage of										
Covered-Employee Payroll	19.84%	27.85%	33.73%	24.02%	28.41%	25.35%	25.03%	44.50%	45.37%	48.29%

SCHEDULE OF POLICE OFFICERS' PENSION FUND INVESTMENT RETURNS

Last 10 Fiscal Years

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>09/30/2018</u>	<u>09/30/2017</u>	<u>09/30/2016</u>	<u>09/30/2015</u>	<u>09/30/2014</u>
Annual Money-Weighted Rate of Return										
Net of Investment Expense	11.38%	-15.23%	21.37%	10.41%	4.89%	7.78%	10.84%	5.63%	-0.77%	11.32%

Notes to RSI for Police Officers' Pension

Valuation Date: 10/01/2022
Presentation: GASB 68 requires information for 10 years.

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.
Amortization Method: Level Percentage of Payroll, Closed.
Remaining Amortization Period: 15 Years
Mortality: All rates are projected generationally with Mortality Improvement Scale MP-2018.
Interest Rate: 7.25% per year, compounded annually, net of investment expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.
Retirement Age: Earlier of age 55 and 10 years of service or 20 years of service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement: It is assumed that members who are eligible for Early Retirement (age 50) will retire at the rate of 5.00% per year.
Disability Rates: See table below.
Termination Rates: See table below.
Salary Increase: 15.0% increase in the first year, and 5.0% for the following four years, and 4.5% thereafter.
Payroll Growth: None
Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Termination and Disability Rate Table:

Age	% Becoming Disabled During the Year	% Terminating During the Year	
		Service	Rate
20	0.03%	<1	10.00%
30	0.04%	1	10.00%
40	0.07%	2 - 5	7.00%
50	0.18%	6 - 9	3.50%
		10 - 14	10.00%
		15+	2.00%

CITY OF PERRY, FLORIDA
SCHEDULE OF PROPORTINATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the FRS net pension liability (asset)	0.004387206%	0.004419894%	0.004623785%	0.004252204%	0.004592558%	0.004485714%	0.004789156%	0.004770012%	0.005339440%	0.005372006%
(asset)	\$ 1,748,163	\$ 1,644,556	\$ 349,274	\$ 1,842,968	\$ 1,581,613	\$ 1,351,120	\$ 1,416,600	\$ 1,204,432	\$ 689,660	\$ 327,771
City's proportion of the HIS net pension liability (asset)	0.005743372%	0.005769096%	0.005763863%	0.005751697%	0.005966489%	0.005604617%	0.005934001%	0.005796838%	0.005914848%	0.005999943%
(asset)	912,124	611,039	707,024	702,273	667,590	593,199	634,491	675,597	603,221	561,009
City's proportionate share of the total net pension liability										
(asset)	<u>\$ 2,660,287</u>	<u>\$ 2,255,595</u>	<u>\$ 1,056,298</u>	<u>\$ 2,545,241</u>	<u>\$ 2,249,203</u>	<u>\$ 1,944,319</u>	<u>\$ 2,051,091</u>	<u>\$ 1,880,029</u>	<u>\$ 1,292,881</u>	<u>\$ 888,780</u>
City's covered-employee payroll	\$ 2,273,554	\$ 2,104,430	\$ 2,102,439	\$ 1,965,127	\$ 2,051,523	\$ 1,877,629	\$ 1,931,891	\$ 1,844,091	\$ 1,793,752	\$ 1,663,540
City's proportionate share of the net pension liability (asset)										
as a percentage of its covered-employee payroll	117.01%	107.18%	50.24%	129.52%	109.64%	103.55%	106.17%	101.95%	72.08%	53.43%
Plan fiduciary net position as a percentage of the total										
pension liability	77.04%	79.09%	91.09%	74.46%	78.22%	79.86%	79.30%	79.30%	86.53%	90.67%

Note 1) The amounts presented for each year were determined as of the June 30 year end of the Florida Retirement System

CITY OF PERRY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	\$ 302,972	\$ 263,875	\$ 189,963	\$ 160,079	\$ 148,058	\$ 170,822	\$ 131,395	\$ 125,987	\$ 128,376	\$ 121,575
Contractually required HIS contribution	54,236	48,839	36,537	37,554	34,447	40,613	33,097	32,180	22,654	21,454
Total Contractually Required Contributions	<u>357,208</u>	<u>312,714</u>	<u>226,500</u>	<u>197,633</u>	<u>182,505</u>	<u>211,435</u>	<u>164,492</u>	<u>158,167</u>	<u>151,030</u>	<u>143,029</u>
Contributions in relation to the contractually required contribution	(357,208)	(312,714)	(226,500)	(197,633)	(182,505)	(211,435)	(164,492)	(158,167)	(151,030)	(143,029)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 2,270,088	\$ 2,148,080	\$ 2,041,203	\$ 2,025,904	\$ 1,991,770	\$1,935,700	\$1,875,622	\$1,901,125	\$1,741,507	\$1,714,990
Contributions as a percentage of covered-employee payroll	15.74%	14.56%	11.10%	9.76%	9.16%	10.92%	8.77%	8.32%	8.67%	8.34%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
THE CITY OF PERRY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND REQUIRED CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
For the Fiscal Year Ended September 30, 2023

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2023, are shown below:

	FRS	HIS
Total pension liability	\$ 226,204,201,000	\$ 16,563,148,691
Plan fiduciary net position	\$(186,357,365,968)	(681,814,936)
	<u>\$ 39,846,835,032</u>	<u>\$ 15,881,333,755</u>
Plan fiduciary net position as a percentage of the total pension liability	82.38%	4.12%

The total pension liability for the FRS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2023. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The total pension liability for the HIS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2023. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal years ended June 30, 2013, through June 30, 2023, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years ended June 30, 2015, through June 30, 2023, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's ACFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported, and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2021 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 total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table (refer to the valuation reports for more information – see Note 5).

The following changes in 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.

CITY OF PERRY, FLORIDA
SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended September 30, 2023

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Reporting Period Ending	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability						
Service Cost	\$ 58,036	\$ 57,203	\$ 42,863	\$ 36,034	\$ 38,602	\$ 41,673
Interest	26,748	31,860	43,080	34,536	30,775	26,693
Changes of benefit terms	-	(444,469)	-	-	-	-
Differences between Expected and Actural Experience	-	-	-	232,304	-	-
Changes of Assumptions	(302,583)	10,033	248,102	114,654	(53,509)	(62,236)
Benefit Payments	(21,582)	(65,154)	(60,608)	(33,955)	(31,223)	(28,711)
Net Change in Total OPEB Liability	(239,381)	(410,527)	273,437	383,573	(15,355)	(22,581)
Total OPEB Liability - Beginning	1,053,462	1,463,989	1,190,552	806,979	822,334	844,915
Total OPEB Liability - Ending	<u>\$ 814,081</u>	<u>\$ 1,053,462</u>	<u>\$ 1,463,989</u>	<u>\$ 1,190,552</u>	<u>\$ 806,979</u>	<u>\$ 822,334</u>
 Covered-Employee Payroll*	 \$ 3,814,594	 \$ 3,721,555	 \$ 3,769,197	 \$ 3,677,265	 \$ 3,811,244	 \$ 3,718,287
Total OPEB Liability as a percentage of Covered-Employee Payroll	21.34%	28.31%	38.84%	32.38%	21.17%	22.12%

*Covered-Employee payroll is projected to the measurement date based on actual covered payroll as of the valuation date using applicable salary increase assumptions.

GASB 75 requires information for 10 years. However, until full 10 year trend has been compiled, only those years for which information is available has been presented.

Notes to the RSI for Total OPEB Liability and Related Ratios

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2023	4.77%
Fiscal Year Ending September 30, 2022	2.43%
Fiscal Year Ending September 30, 2021	2.14%
Fiscal Year Ending September 30, 2020	3.58%
Fiscal Year Ending September 30, 2019	4.18%
Fiscal Year Ending September 30, 2018	3.64%
Fiscal Year Ending September 30, 2017	3.06%

Per Capita Annual Claims Costs Per Participant (Age-adjusted Premium)

<u>Program</u>	<u>Pre-65 Cost</u>
Medical Insurance	\$17,310

Blended Annual Premium Amounts

<u>Program</u>	<u>Employee Contribution</u>	<u>Spouse Contribution</u>
Medical Insurance	\$11,917	\$10,225

Member Statistical Data

	<u>9/30/2021</u>
Number of Active Participants	84
Average Current Age	44.4
Average Age at Employment	35.1
Average Past Service	9.3
Covered-Employee Payroll*	\$ 3,721,555
Average Salary	44,304
Number of Inactives Receiving Benefits	
Retirees, Beneficiaries and Disabled Members	3
Covered Spouses	3
Total	<u>6</u>
Average Current Age of Retirees	63.7

*FY 2023 Covered-Employee Payroll projected based on actual FY 2022 Covered-Employee Payroll

Actuarial Assumptions and Funding Methods

Valuation Date	9/30/2021										
Measurement Date	9/30/2022										
Fiscal Year End	9/30/2023										
Actuarial Value of Assets	Market Value										
Mortality Rate	PubG-2010 Mortality Table projected to the valuation date using MP-2019										
Discount Rate	4.77% Based on the September 30, 2022 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices										
Retirement Rates	100% at Normal Retirement Eligibility										
Inflation	2.50% per year.										
Salary Increase Rate	2.50% per year.										
Marital Status	100% assumed married, with male spouses 3 years older than female spouses.										
Health Care Participation	25% participation assumed, with 50% electing spouse coverage.										
Health Care Inflation	Initial rate of 7.50% in fiscal 2022, 7.25% in fiscal 2023, grading down to the ultimate trend rate of 4.00% in fiscal 2075.										
Termination Rates	Selected rates for various ages listed below: <table> <tr> <th>Age</th><th>% Remaining Employed Until Assumed Retirement Age</th></tr> <tr> <td>20</td><td>29.60%</td></tr> <tr> <td>30</td><td>59.30%</td></tr> <tr> <td>40</td><td>84.10%</td></tr> <tr> <td>50</td><td>100.00%</td></tr> </table>	Age	% Remaining Employed Until Assumed Retirement Age	20	29.60%	30	59.30%	40	84.10%	50	100.00%
Age	% Remaining Employed Until Assumed Retirement Age										
20	29.60%										
30	59.30%										
40	84.10%										
50	100.00%										
Disability Rates	None Assumed										
Funding Method	Entry Age Cost Method (Level % of Pay)										

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OTHER INFORMATION

Combining Statement of Fiduciary Net Position
Combining Statement of Changes in Fiduciary Net Position
Statement of Fiduciary Net Position – Firefighters’ Pension Fund
Statement of Changes in Fiduciary Net Position – Firefighters’ Pension Fund
Final Components of Pension Expense – Firefighters’ Pension Fund
Statement of Fiduciary Net Position – Police Officers’ Pension Fund
Statement of Changes in Statement of Fiduciary Net Position – Police Officers’ Pension Fund
Final Components of Pension Expense – Police Officers’ Pension Fund

CITY OF PERRY, FLORIDA
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2023

	Police Officers' Pension Fund	Firefighters' Pension Fund	Total
ASSETS			
Cash and short-term investments	\$ 106,398	\$ 125,330	\$ 231,728
Receivables			
Employer	24,005	18,584	42,589
Plan Member	3,865	1,827	5,692
Total Receivables	27,870	20,411	48,281
Investments at fair value			
Equity	6,255,851	3,004,340	9,260,191
Fixed Income	2,343,940	1,437,520	3,781,460
Real Estate	930,065	-	930,065
Total investments	9,529,856	4,441,860	13,971,716
Total Assets	9,664,124	4,587,601	14,251,725
LIABILITIES			
Payables:			
Refunds of member contributions	15,370	-	15,370
Investment expenses	6,419	1,375	7,794
Administrative Expenses	850	1,542	2,392
Total Liabilities	22,639	2,917	25,556
Net Position restricted for pension benefits	\$ 9,641,485	\$4,584,684	\$14,226,169

CITY OF PERRY, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2023

	Police Pension	Fire Pension	Total
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Contributions			
Employer	\$ 170,963	\$ 216,921	\$ 387,884
State	72,798	57,158	129,956
Plan Member	39,833	14,384	54,217
	<u> </u>	<u> </u>	<u> </u>
Total Contributions	283,594	288,463	572,057
	<u> </u>	<u> </u>	<u> </u>
Investment Income			
Net Increase in Fair Value of Investments	700,075	425,566	1,125,641
Interest and Dividends	338,218	171,678	509,896
Less Investment Expense	(35,657)	(22,823)	(58,480)
	<u> </u>	<u> </u>	<u> </u>
Total investment income	1,002,636	574,421	1,577,057
	<u> </u>	<u> </u>	<u> </u>
Total Additions	1,286,230	862,884	2,149,114
	<u> </u>	<u> </u>	<u> </u>
DEDUCTIONS			
Benefits	624,831	292,673	917,504
Administrative Expense	35,753	41,478	77,231
	<u> </u>	<u> </u>	<u> </u>
Total deductions	660,584	334,151	994,735
	<u> </u>	<u> </u>	<u> </u>
Net Increase	625,646	528,733	1,154,379
	<u> </u>	<u> </u>	<u> </u>
Net Position restricted for pension benefits			
October 1, 2022	9,015,839	4,055,951	13,071,790
	<u> </u>	<u> </u>	<u> </u>
September 30, 2023	\$ 9,641,485	\$ 4,584,684	\$ 14,226,169
	<u> </u>	<u> </u>	<u> </u>

CITY OF PERRY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	<u>Firefighters' Pension Fund</u>
ASSETS	
Cash and short-term investments	<u>\$ 125,330</u>
Receivables	
Employer	18,584
Plan Members	<u>1,827</u>
Total Receivables	<u>20,411</u>
Investments at fair value	
Equity	3,004,340
Fixed Income	<u>1,437,520</u>
Total investments	<u>4,441,860</u>
TOTAL ASSETS	<u><u>4,587,601</u></u>
LIABILITIES	
Investment Expenses	1,375
Administrative Expenses	<u>1,542</u>
TOTAL LIABILITIES	<u><u>2,917</u></u>
Net Position held in trust for pension benefits	<u><u>\$4,584,684</u></u>

CITY OF PERRY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Firefighters' Pension Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 216,921
State	57,158
Plan Member	14,384
Total Contributions	<u>288,463</u>
Investment Income	
Net Increase in Fair Value of Investments	425,566
Interest and Dividends	171,678
Less Investment Expense	<u>(22,823)</u>
Net Investment Income	<u>574,421</u>
Total additions	<u>862,884</u>
DEDUCTIONS	
Benefits	292,673
Administrative Expense	<u>41,478</u>
Total deductions	<u>334,151</u>
Net Increase	<u>528,733</u>
Net Position held in trust for pension benefits	
October 1, 2022	<u>4,055,951</u>
September 30, 2023	<u><u>\$4,584,684</u></u>

FINAL COMPONENTS OF PENSION EXPENSE
FIREFIGHTERS' PENSION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 317,475	\$ 583,361	\$ 588,452	\$ -
Employer contributions made after September 30, 2022	-	274,079	-	-
Total pension liability factors:				
Service cost	149,160	-	-	149,160
Interest	357,616	-	-	357,616
Share plan allocation	3,830	-	-	3,830
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience with regard to economic or demographic assumptions	79,690	79,690	-	-
Current year amortization of experience difference	-	(51,510)	(15,937)	35,573
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	(71,815)	(35,513)	36,302
Benefit payments, including refunds of employee contributions	(259,771)	-	-	-
Net change	330,525	230,444	(51,450)	582,481
Plan fiduciary net position:				
Contributions - employer	260,804	(260,804)	-	-
Contributions - state	48,987	(48,987)	-	-
Contributions - employee	7,257	-	-	(7,257)
Net investment income	335,663	-	-	(335,663)
Difference between projected and actual earnings on pension plan investments	(1,264,015)	1,264,015	-	-
Current year amortization	-	(273,196)	(132,334)	140,862
Benefit payments, including refunds of employee contributions	(259,771)	-	-	-
Administrative expenses	(34,241)	-	-	34,241
Net change	(905,316)	681,028	(132,334)	(167,817)
Ending balance	\$1,553,316	\$1,494,833	\$ 404,668	\$ 414,664

CITY OF PERRY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	<u>Police Officers' Pension Fund</u>
ASSETS	
Cash and short-term investments	<u>\$ 106,398</u>
Receivables	
Employer	24,005
Plan members	<u>3,865</u>
Total Receivables	<u>27,870</u>
Investments at fair value	
Equity	6,255,851
Fixed income	2,343,940
Real estate	<u>930,065</u>
Total Investments	<u>9,529,856</u>
TOTAL ASSETS	<u><u>9,664,124</u></u>
LIABILITIES	
Refunds of member contributions	15,370
Investment expenses	6,419
Admin expenses	<u>850</u>
TOTAL LIABILITIES	<u><u>22,639</u></u>
Net Position held in trust for pension benefits	<u><u>\$ 9,641,485</u></u>

CITY OF PERRY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Police Officers' Pension Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 170,963
State	72,798
Plan Member	<u>39,833</u>
Total Contributions	<u>283,594</u>
Investment Income	
Net Increase in Fair Value of Investments	700,075
Interest and Dividends	338,218
Less Investment Expense	<u>(35,657)</u>
Net investment income	<u>1,002,636</u>
Total additions	<u>1,286,230</u>
DEDUCTIONS	
Benefits	624,831
Administrative Expense	<u>35,753</u>
Total deductions	<u>660,584</u>
Net Increase	<u>625,646</u>
Net Position held in trust for pension benefits	
October 1, 2022	<u>9,015,839</u>
September 30, 2023	<u><u>\$ 9,641,485</u></u>

FINAL COMPONENTS OF PENSION EXPENSE
POLICE OFFICERS' PENSION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (1,013,072)	\$ 667,670	\$ 1,587,295	\$ -
Employer contributions made after September 30, 2022	-	243,761	-	-
Total pension liability factors:				
Service cost	188,929	-	-	188,929
Interest	709,760	-	-	709,760
Change in benefit terms	-	-	-	-
Differences between expected and actual experience with regard to economic or demographic assumptions	35,487	35,487	-	-
Current year amortization of experience difference	-	(14,048)	(179,047)	(164,999)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	(154,147)	(42,661)	111,486
Benefit payments	(577,856)	-	-	-
Net change	<u>356,320</u>	<u>111,053</u>	<u>(221,708)</u>	<u>845,176</u>
Plan fiduciary net position:				
Contributions - employer	253,732	(253,732)	-	-
Contributions - state	67,764	(67,764)	-	-
Contributions - employee	38,094	-	-	(38,094)
Net investment income	781,238	-	-	(781,238)
Difference between projected and actual earnings on pension plan investments	(2,413,932)	2,413,932	-	-
Current year amortization	-	(530,820)	(297,983)	232,837
Benefit payments	(577,856)	-	-	-
Administrative expenses	(36,071)	-	-	36,071
Net change	<u>(1,887,031)</u>	<u>1,561,616</u>	<u>(297,983)</u>	<u>(550,424)</u>
Ending balance	<u>\$ 1,230,279</u>	<u>\$ 2,340,339</u>	<u>\$ 1,067,604</u>	<u>\$ 294,752</u>

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STATISTICAL SECTION

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

	Page
Financial Trend Data	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.....	133
Information on Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue sources	139
Debt Capacity Information	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	144
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	146
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs	148

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CITY OF PERRY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)
Fiscal Year

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 2,507	\$ 2,612	\$ 2,415	\$ 2,317	\$ 3,221	\$ 3,225	\$ 3,145	\$ 3,238	\$ 3,177	\$ 3,117
Restricted	1,578	1,517	1,560	1,660	1,722	1,873	1,784	1,673	1,770	1,775
Unrestricted	1,925	670	253	(12)	(674)	(870)	(1,063)	(226)	1,003	932
Total governmental activities net position	6,010	4,799	4,228	3,965	4,269	4,228	3,866	4,685	5,950	5,824
Business-type activities										
Net investment in capital assets	18,532	18,520	21,185	21,197	25,467	22,401	22,050	25,452	24,871	23,997
Restricted	2,996	5,660	644	1,115	912	594	646	-	-	-
Unrestricted	7,978	4,120	6,830	2,703	(346)	3,397	3,161	3,451	3,628	5,061
Total business-type activities net position	29,506	28,300	28,659	25,015	26,033	26,392	25,857	28,903	28,499	29,058
Primary Government										
Net investment in capital assets	21,036	21,132	23,600	23,514	28,688	25,626	25,195	28,690	28,048	27,114
Restricted	4,579	7,177	2,204	2,775	2,634	2,467	2,430	1,673	1,770	1,775
Unrestricted	9,902	4,790	7,083	2,691	(1,020)	2,527	2,098	3,225	4,631	5,993
Total primary government net position	\$ 35,517	\$ 33,099	\$ 32,887	\$ 28,980	\$ 30,302	\$ 30,620	\$ 29,723	\$33,588	\$34,449	\$ 34,882

CITY OF PERRY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)
Fiscal Year Ending September 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES										
Governmental activities										
General Government	\$1,128	\$1,189	\$1,106	\$ 1,666	\$ 1,665	\$ 1,374	\$ 1,503	\$ 1,397	\$ 1,459	\$ 1,908
Transportation	510	539	541	487	638	552	687	591	532	669
Economic Development	1	6	39	22	10	38	77	44	16	47
Police	2,412	2,191	2,339	2,435	2,437	2,668	2,985	3,011	2,560	2,843
Fire	884	1,096	955	1,135	1,134	1,290	1,459	1,430	1,440	1,483
Garage	112	130	134	131	222	137	158	131	142	150
Total governmental activities expenses	\$5,047	\$5,151	\$5,114	\$ 5,876	\$ 6,106	\$ 6,059	\$ 6,869	\$6,604	\$6,149	\$7,100
Business-type activities										
Parks	\$ 251	\$ 198	\$ 226	\$ 269	\$ 394	\$ 431	\$ 346	\$ 344	\$ 369	\$ 371
Water	851	858	919	1,568	1,011	1,050	1,119	1,066	1,175	1,227
Gas	907	957	776	1,615	711	855	971	1,213	1,882	1,510
Sanitation	695	651	727	722	654	654	758	705	797	1,085
Sewer	1,429	1,496	1,505	2,847	1,808	2,189	2,238	2,167	2,662	2,607
Warehouse	381	313	342	321	390	401	376	358	503	474
Total business-type activities expenses	4,514	4,473	4,495	7,342	4,968	5,580	5,808	5,853	7,388	7,274
Total primary government expenses	\$9,561	\$9,624	\$9,609	\$13,218	\$11,074	\$11,639	\$12,677	\$ 12,457	\$ 13,537	\$14,374

CITY OF PERRY, FLORIDA
CHANGES IN NET POSITION
(continued)
Fiscal Year Ended September 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities										
Taxes										
Property Taxes	\$1,011	\$1,291	\$1,285	\$ 1,288	\$1,360	\$1,376	\$1,469	\$ 1,619	\$ 1,889	\$ 1,665
Discretionary Sales Tax	-	-	-	-	569	687	767	827	351	503
Sales Taxes	381	358	374	395	408	469	465	498	570	616
Franchise Taxes	599	590	533	520	560	633	586	572	624	710
Motor Fuel Taxes	353	372	368	377	394	436	380	404	430	413
Utility taxes	851	762	799	876	749	878	960	958	1,017	995
Telecommunications Taxes	308	317	247	242	234	227	231	229	228	243
State Revenue Sharing	484	398	494	618	3	561	547	941	797	1,102
Investment Earnings	4	5	3	5	17	35	9	2	7	23
Miscellaneous	41	28	51	212	745	56	126	80	84	181
Transfers	780	1,246	389	1,075	1,274	562	960	1,293	1,417	544
Total governmental activities	4,812	5,367	4,543	5,608	6,313	5,920	6,500	7,423	7,414	6,995
Business-type activities										
Investment Earnings	21	76	44	19	31	33	8	2	2	16
Charges for Services & Miscellaneous	46	-	81	78	144	110	6,225	10,191	8,398	8,361
Transfers	(780)	(1,246)	(389)	(1,075)	(1,274)	(562)	(960)	(1,293)	(1,417)	(543)
Total business-type activities	(713)	(1,170)	(264)	(978)	(1,099)	(419)	5,273	8,900	6,983	7,834
Total primary gov't revenues	\$4,099	4,197	\$4,279	\$4,630	\$5,214	5,501	11,773	16,323	14,397	14,829
CHANGES IN NET POSITION										
Governmental activities	\$ (174)	\$ 339	\$ (890)	\$ (263)	\$ 749	\$ (41)	\$ (362)	\$ 819	\$ 1,265	\$ (127)
Business-type activities	(34)	(587)	360	(3,644)	1,017	359	(\$534)	3,046	(405)	560
Total primary gov't revenues	\$ (208)	\$ (248)	\$ (530)	\$ (3,907)	\$1,766	\$ 318	\$ (896)	\$3,865	\$ 860	\$ 433

CITY OF PERRY, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)
Fiscal Year Ended September 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 53	\$ 41	\$ 51	\$ 65	\$ 3	\$ 80	\$ 57	\$ 76	\$ 87	\$ 83
Unassigned	1,467	1,616	781	459	854	540	751	1,149	1,846	2,244
Total general fund	<u>\$ 1,520</u>	<u>\$ 1,657</u>	<u>\$ 832</u>	<u>\$ 524</u>	<u>\$ 857</u>	<u>\$ 620</u>	<u>\$ 808</u>	<u>\$ 1,225</u>	<u>\$ 1,933</u>	<u>\$ 2,327</u>
All Other Governmental Funds										
Restricted	\$ 1,448	\$ 1,477	\$ 1,510	\$ 1,456	\$ 1,694	\$ 1,824	\$ 1,786	\$ 2,111	\$ 1,683	\$ 1,691
Assigned	830	826	727	972	661	753	1,220	1,757	1,935	1,707
Unassigned:										
Special revenue funds	-	-	-	166	514	-	(37)	-	1	-
Total governmental funds	<u>\$ 3,798</u>	<u>\$ 3,960</u>	<u>\$ 3,069</u>	<u>\$ 3,118</u>	<u>\$ 3,726</u>	<u>\$ 3,197</u>	<u>\$ 3,777</u>	<u>\$ 5,093</u>	<u>\$ 5,552</u>	<u>\$ 5,725</u>

CITY OF PERRY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)
Fiscal Year Ended September 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
Taxes:										
Property	\$ 1,011	\$ 1,291	\$ 1,285	\$ 1,289	\$ 1,361	\$ 1,377	\$ 1,469	\$ 1,619	\$ 1,889	\$ 1,665
Discretionary Sales Tax	-	-	-	-	569	687	767	828	351	503
Telecommunications	308	317	247	243	234	227	231	229	228	243
Franchise	599	590	533	520	560	633	586	572	624	710
Motor Fuel	353	372	368	377	394	436	380	404	430	413
Utility	851	762	799	877	749	878	960	958	1,017	995
Sales Tax 1/2 Cent	381	358	374	395	408	469	465	498	570	616
Licenses & Permits	79	80	81	78	77	78	82	87	74	105
Intergovernmental	512	398	389	507	418	562	438	828	511	970
Fines & Forfeitures	41	29	22	36	48	17	28	26	17	33
Interest	4	5	4	5	17	35	9	2	3	16
Miscellaneous	41	44	52	212	746	56	126	79	163	181
Total Revenues	4,180	4,246	4,154	4,539	5,581	5,455	5,541	6,130	5,877	6,450
EXPENDITURES										
General Government	1,039	1,121	1,300	1,249	1,316	1,285	1,356	1,301	1,344	1,694
Transportation	470	492	508	450	626	551	489	553	517	615
Economic Development	1	5	40	22	11	38	77	44	16	48
Police	2,309	2,273	2,200	2,194	2,278	2,450	2,315	2,563	2,521	2,525
Fire	847	926	1,108	1,136	1,128	1,270	1,251	1,369	1,411	1,416
Garage	108	113	121	118	134	129	128	135	144	146
Capital Outlay	383	400	156	397	1,187	391	305	596	428	376
Total Expenditures	\$ 5,157	\$ 5,330	\$ 5,433	\$ 5,566	\$ 6,680	\$ 6,114	\$ 5,921	\$ 6,561	\$ 6,381	\$ 6,820
Excess of revenues over (under) expenditures	(977)	(1,084)	(1,279)	(1,027)	(1,099)	(659)	(380)	(431)	(504)	(370)

CITY OF PERRY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
(continued)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OTHER FINANCING SOURCES										
(USES)										
Transfers In	\$ 1,667	\$ 2,285	\$ 1,566	\$ 1,931	\$ 2,638	\$ 1,563	\$ 1,750	\$2,127	\$2,545	\$2,096
Transfers Out	(887)	(1,040)	(1,177)	(855)	(1,364)	(1,001)	(790)	(834)	(1,128)	(1,552)
Total other financing sources										
(uses)	780	1,245	389	1,076	1,274	562	960	1,293	1,417	544
Net Change in fund balances	\$ (197)	\$ 161	\$ (890)	\$ 49	\$ 174	\$ (95)	\$ 579	\$ 862	\$ 913	\$ 174
Debt service as a percentage of										
noncapital expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

CITY OF PERRY, FLORIDA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	CENTRALLY ASSESSED PROPERTY	TOTAL ASSESSED VALUE	EXEMPTIONS	ASSESSED VALUE FOR OPERATIONS	ESTIMATED ACTUAL VALUE	ASSESSED TOTAL VALUE AS A % DIRECT TAX ESTIMATED RATE ACTUAL	
2014	\$ 187,554,892	\$ 39,004,706	\$ 278,368	\$ 226,837,966	\$ 2,753,804	\$ 224,084,162	\$ 226,837,966	5.7474	100.00%
2015	\$ 187,494,142	\$ 39,843,631	\$ 261,471	\$ 227,599,244	\$ 1,760,869	\$ 225,838,375	\$ 227,599,244	5.7474	100.00%
2016	\$ 185,984,977	\$ 42,434,511	\$ 257,559	\$ 228,677,047	\$ 506,184	\$ 228,170,863	\$ 228,677,047	5.7474	100.00%
2017	\$ 183,949,813	\$ 42,692,687	\$ 302,613	\$ 226,945,113	\$ 1,533,200	\$ 225,411,913	\$ 226,945,113	6.1200	100.00%
2018	\$ 182,834,746	\$ 47,087,661	\$ 303,788	\$ 230,226,195	\$ 2,746,572	\$ 227,479,623	\$ 229,087,885	6.0716	100.00%
2019	\$ 185,351,403	\$ 42,532,325	\$ 1,298,002	\$ 229,181,730	\$ -	\$ 229,181,730	\$ 228,548,284	6.5300	100.00%
2020	\$ 184,663,145	\$ 73,587,266	\$ 1,397,352	\$ 259,647,763	\$ -	\$ 259,647,763	\$ 234,206,500	6.6744	100.00%
2021	\$ 195,690,599	\$ 80,731,484	\$ 1,406,542	\$ 277,828,625	\$ -	\$ 277,828,625	\$ 276,282,801	6.5473	100.00%
2022	\$ 213,281,349	\$ 96,021,352	\$ 313,953	\$ 309,616,654	\$ -	\$ 309,616,654	\$ 303,079,747	6.3587	100.00%
2023	\$ 232,200,634	\$ 109,693,589	\$ 336,257	\$ 342,230,480	\$ -	\$ 342,230,480	\$ 337,801,991	5.9431	100.00%

*residential & commercial distinction not available

CITY OF PERRY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
FOR TAX LEVY OF FY 2023

TAXPAYERS	2023			2014		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE
Super-Pufft Snack USA Inc	\$50,987,837	1	38.24%	Not Available		
West Fraser Southeast Inc	29,173,187	2	21.88%			
Duke Energy Florida	18,779,204	3	14.08%			
Walmart	9,194,541	4	6.90%			
Trio Perry LLC	6,715,204	5	5.04%			
Consolidated Communications	4,134,750	6	3.10%			
MP Florida Hospitality LLC	4,128,807	7	3.10%			
Taylor Square LLC	4,097,030	8	3.07%			
Comcast of Perry Inc	3,397,068	9	2.55%			
Vystar Credit Union	2,732,302	10	2.05%			
	\$133,339,930		100.00%	\$0		0.00%

CITY OF PERRY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(expressed in thousands)

FISCAL YEAR	ASSESSED VALUE FOR OPERATION	TOTAL TAX LEVY	TOTAL COLLECTION TO DATE	PERCENTAGE IN FISCAL YEAR OF LEVY	COLLECTIONS OF DELINQUENT TAXES	COLLECTED TO DATE	
2014	\$ 226,285	\$ 996	\$ 979	98.3%	\$0	\$979	98.3%
2015	\$ 261,471	\$ 1,284	\$ 1,237	96.3%	\$18	\$1,255	97.7%
2016	\$ 257,559	\$ 1,287	\$ 1,113	86.5%	\$137	\$1,250	97.1%
2017	\$ 302,613	\$ 1,388	\$ 1,246	89.8%	\$6	\$1,252	90.2%
2018	\$ 230,226	\$ 1,398	\$ 1,324	94.7%	\$3	\$1,327	94.9%
2019	\$ 229,181	\$ 1,517	\$ 1,340	88.3%	\$2	\$1,342	88.5%
2020	\$ 259,647	\$ 1,733	\$ 1,432	82.6%	\$6	\$1,438	83.0%
2021	\$ 277,828	\$ 1,819	\$ 1,536	84.4%	\$54	\$1,590	87.4%
2022	\$ 309,616	\$ 1,968	\$ 1,746	88.7%	\$115	\$1,861	94.6%
2023	\$ 342,230	\$ 2,033	\$ 1,421	69.9%	\$208	\$1,629	80.1%

Note: Property tax rates based on \$1,000 assessed valuation.

Note: Taylor County Tax Collector

* Delinquent Taxes Receivable does not separate out penalty or interest.

CITY OF PERRY, FLORIDA
PRINCIPAL GAS CUSTOMERS
FOR TAX 2023

GAS CUSTOMERS	2023			2014		
	TOTAL GAS PURCHASED	RANK	% OF TOP GAS REVENUE	TOTAL GAS PURCHASED	RANK	% OF TOTAL GAS REVENUE
Super Pufft	\$ 747,629	1	67.31%	Not Available		
Doctor's Memorial Hospital	\$ 130,760	2	11.77%			
Curt Manufacturing	\$ 104,003	3	9.36%			
American Aluminium	\$ 28,034	4	2.52%			
Anderson Columbia	\$ 27,322	5	2.46%			
Perry Oaks Health Care	\$ 19,512	6	1.76%			
Perrytown Apartments	\$ 18,273	7	1.65%			
Sheriff	\$ 13,379	8	1.20%			
Mama's Italian	\$ 11,198	9	1.01%			
Walmart	\$ 10,582	10	0.95%			
	\$ 1,110,692		100.00%	\$ -		0.00%

CITY OF PERRY, FLORIDA
GAS CONSUMPTION BY CUSTOMER CATAGORIES
LAST TEN FISCAL YEARS

FISCAL YEAR	SuperPufft		Residential		Schools		Commercial		Business		Number of Customers		
	Volume	Dollars	Volume	Dollars	Volume	Dollars	Volume	Dollars	Volume	Dollars	Residential	Commercial	Industrial
2014			32,222,560	\$439,167	2,841,000	\$28,156	50,641,400	\$ 489,305	9,670,960	\$ 62,631	1,619	35	
2015			29,661,564	\$449,025	2,260,800	\$25,449	52,588,000	\$ 537,268	4,166,900	\$ 60,870	1,571	35	
2016			23,842,720	\$337,878	1,311,900	\$13,768	49,704,700	\$ 563,260	3,665,000	\$ 50,854	1,527	38	
2017			20,599,020	\$298,355	956,400	\$10,344	43,208,000	\$ 476,376	3,329,880	\$ 51,667	1,468	36	
2018			27,447,311	\$396,909	1,598,200	\$18,747	43,771,600	\$ 475,994	5,405,900	\$ 75,057	1,472	36	
2019			22,641,980	\$354,980	2,644,600	\$32,140	75,250,900	\$ 635,822	7,209,300	\$109,038	1,469	37	
2020			20,059,980	\$281,713	1,408,500	\$15,036	149,662,000	\$ 753,014	7,348,000	\$101,562	1,432	37	
2021			22,801,300	\$355,069	1,285,500	\$15,459	47,293,200	\$ 557,577	6,268,300	\$ 91,583	1,408	37	
2022			20,410,400	\$424,605	1,733,000	\$25,338	161,096,641	\$1,412,271	7,063,500	\$131,451	1,376	36	
2023	98,804,750	\$ 658,796	21,326,800	\$397,408	2,333,300	\$29,021	36,328,200	\$ 472,353	7,819,000	\$131,408	1,363	33	1

CITY OF PERRY, FLORIDA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (expressed in thousands)

	Water & Sewer Bonds							Special Assessment Bonds		
Fiscal Year	Water Revenues	Less Water Operating Expenses	Sewer Revenues	Less Sewer Operating Expenses	Debt Service		Coverage	Special Assessment Collections	Principal & Interest	Coverage
					Principal	Interest				
2014	N/A							-	-	-
2015	N/A							-	-	-
2016	N/A							-	-	-
2017	N/A							-	-	-
2018	N/A							-	-	-
2019	N/A							-	-	-
2020	N/A							-	-	-
2021	\$2,018	\$777	\$1,279	\$1,042	\$187	\$79	5.56	-	-	-
2022	\$2,950	\$392	\$1,741	\$575	\$186	\$81	13.95	-	-	-
2023	\$2,689	\$457	\$2,066	\$806	\$344	\$80	8.24	-	-	-

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Governm't	Taxable Property Value	% of Taxable Property Value	Population	Per Capita	Personal Income	Per Capita	
	General Obligation Bonds	Leases	(-) Debt Service	Water & Sewer Bonds	Leases	(-) Debt Service								
2014							N/A							
2015							N/A							
2016							N/A							
2017							N/A							
2018	-	-	-	3,318	-	83	3,235	N/A						
2019	-	-	-	8,057	-	89	7,968	N/A						
2020	-	-	-	6,830	-	16	6,814	N/A						
2021	-	-	-	9,740	-	3,288	6,452	\$ 232,153	2.78%	6,932	\$ 0.93	\$ 32,997	\$0.20	
2022	-	-	-	6,452	-	184	6,268	\$ 300,339	2.09%	6,920	\$ 0.91	\$ 43,797	\$0.14	
2023	-	-	-	6,442	-	281	6,161	\$ 313,953	1.96%	6,919	\$ 0.89	\$ 25,924	\$0.24	

CITY OF PERRY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	City Population	County Personal Income (in thousands)	County Per Capita Personal Income	Median Age	Education Level of Formal Schooling	School Enrollment	Unemployment Rate
2014	7,073	Not Available	31,789	35.4	12.8	2,758	6.90%
2015	7,017		30,953	39	11.6	3,400	6.50%
2016	7,017		30,354	37.6	11.8	3,160	5.50%
2017	7,045		31,277	42.0	13.2	3,044	10.90%
2018	7,017		31,536	47.0	13.30	3,123	3.30%
2019	7,039		29,602	37.3	13.30	2,739	8.80%
2020	6,932		32,997	40.6	13.30	2,359	6.70%
2021	6,932		32,997	40.6	13.30	2,359	6.70%
2022	6,920		43,797	40.6	13.30	2,422	6.10%
2023	6,919		25,924	38.3	13.30	2,908	8.10%

CITY OF PERRY, FLORIDA
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS

Employer	2023			2014		
	Numbers of Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Taylor County School Board	250-499	1				
Wal-Mart	250-499	2				
Doctor's Memorial	250-499	3				
Curt Manufacturing	100-249	4				
Taylor County Commissioner	100-249	5				
SuperPufft Snacks	100-249	6				
Taylor County Sheriff's Department	50-99	7				
City of Perry	50-99	8				
Winn Dixie	1-49	9				
Ware Oil	1-49	10				

Not Available

Not available

CITY OF PERRY, FLORIDA
FULL TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	19	19	19	19	19	19	19	19	19	16
Public safety										
Police										
Officers	22	22	22	20	21	21	21	21	21	23
Civilians	0	2	2	2	2	2	2	2	2	2
Fire										
Firefighters and officers	9	13	13	12	13	13	13	13	13	14
Highways and Streets	5	5	5	5	5	5	5	5	5	7
Sanitation	9	8	10	10	8	8	8	8	8	8
Water	7	6	6	8	6	6	6	6	6	6
Sewer	7	8	7	7	8	8	8	8	8	9
Gas	5	5	5	4	4	4	4	4	4	5
Parks	-	-	-	-	1	1	1	1	1	1
Total	83	88	89	87	87	87	87	87	87	91

CITY OF PERRY, FLORIDA
OPERATING INDICATORS by FUNCTION
LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Physical arrests	785	682	721	556	626	788	548	579	403	419
Written reports by officers	1,337	1,377	1,462	1,529	1,460	1,508	2,055	2,813	2,691	2,484
Traffic violations	605	373	568	496	635	2,795	1,965	1,885	2,028	1,502
Total events reported	19,216	19,316	18,115	19,727	18,552	15,529	10,542	10,694	10,765	10,703
Fire										
Number of calls answered	1,043	1,015	1,116	1,091	1,076	1,012	552	440	593	530
Inspections	49	53	45	39	36	64	57	51	63	53
Lift assists	N/A								90	83
Building Inspections										
Number of permits	250	301	268	299	305	266	320	278	237	486
Permit value (in thousands)	4,187	4,306	2,851	5,938	7,150	6,557	20,210	34,185	10,616	76,574
Highways & streets										
Streets resurfaced (miles)	1	1	-	-	5	3	3	1	1	0.15
Potholes repaired (tons)	47	24	48	48	99	48	48	110	55	28
Sanitation										
Tons collected per day (avg)	11.5	10.7	10.6	10.67	8.85	8.39	10.16	10.79	9.89	9.55

CITY OF PERRY, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	15	15	15	15	15	15	15	15	22
Fire stations	1	1	1	1	1	1	1	1	1	1
Highways & streets										
Streets (miles)	72	72	72	72	72	72	72	72	72	72
Street lights	1,063	1,063	1,063	1,079	1,079	1,079	1,079	1,079	1,079	1,079
Traffic signals	15	15	15	15	15	15	15	15	15	15
Parks										
Parks acreage	99	100	110	110	110	110	110	110	110	110
Parks	13	13	13	13	13	13	13	13	13	13
Splash Pads	2	2	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains	91	91	91	91	91	91	91	91	91	91
Fire hydrants	384	384	384	384	384	384	384	384	384	384
Millions gallons per day	3	3	3	3	3	3	3	3	3	3
Sewer										
Miles of sewer	50	50	50	50	50	50	50	50	50	50
Millions gallons per day	1.2	1.2	1.2	1.2	1	1	1	1	1.25	1.25
Gas										
Miles of line	94	94	94	94	94	94	94	94	94	94
Sanitation										
Number of trucks (trash)	4	4	4	4	4	4	4	4	4	4
Number of trucks (garbage)	3	3	3	3	3	3	3	3	3	3

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COMPLIANCE SECTION

Schedule of Expenditures of Federal and State Awards

Note to the Schedule of Expenditures of Federal Awards and State Financial Assistance

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

**Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control Over Compliance Required by the *Uniform Guidance***

Schedule of Findings and Questioned Costs

Management Letter Required by Chapter 10.550, *Rules of the Auditor General*

Independent Accountant's Report

Communication with Those Charged with Governance

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CITY OF PERRY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2023

<u>Program Titles and Grant Numbers</u>	<u>Assistance Listing #/ CSFA#</u>	<u>Award Number</u>	<u>Award/ Contract Amount</u>	<u>Program Expenses</u>	<u>Sub- recipients</u>
Federal Awards					
<i>U.S. Department of Agriculture</i>					
Community Facilities Grant	10.766	USDA-1	\$ 64,600	\$ 64,600	\$ -
<i>U.S. Department of Treasury</i>					
<i>passed through Florida Executive Office of the Governor</i>					
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5263	3,445,372	176,542	-
<i>U.S. Environmental Protection Agency (EPA)</i>					
<i>passed through Florida Department of Environmental Protection</i>					
Drinking Water SRF Loan	66.468	DW620261	3,281,175	536,759	-
Total Federal Awards			<u>\$6,791,147</u>	<u>\$ 777,901</u>	<u>\$ -</u>
State Awards					
<i>State of Florida Department of Transportation</i>					
Small County Outreach Program	55.009	G1V98	\$ 208,478	\$ 137,973	\$ -
Total State Awards			<u>\$ 208,478</u>	<u>\$ 137,973</u>	<u>\$ -</u>

See notes to the schedule of expenditures of federal awards and state financial assistance.

CITY OF PERRY, FLORIDA
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2023

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state award activity of the City of Perry, Florida, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

II. Indirect Cost Rate

The City did not elect to use the 10% de minimis cost rate.

III. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Chapter 10.550, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

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

To the Mayor and
Members of the City Council
City of Perry, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of Perry, Florida (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated June 20, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City ’s internal control over financial reporting (internal control) to determine the 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 City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Powell & Jones".

Powell and Jones CPA

Lake City, Florida

June 20, 2024

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE***

To the Mayor and
Members of the City Council
City of Perry, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Perry, Florida’s (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City’s major federal programs for the year ended September 30, 2023. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

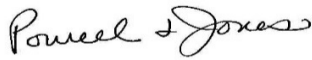
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in cursive script, appearing to read "Powell & Jones".

Powell & Jones CPA
Lake City, Florida
June 20, 2024

CITY OF PERRY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2023

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
• Material weakness identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516(a)?	No
Identification of major programs:	

CFDA Number/Grant Number
66.468

Name of Program or Cluster
U.S. Environmental Protection Agency
Capitalization Grants for Drinking Water SRF

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Audity qualified as low-risk auditee?	No

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

**MANAGEMENT LETTER
REQUIRED BY CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Honorable Mayor and
Members of the City Council
City of Perry, Florida

We have audited the basic financial statements of the City of Perry, Florida (the City) as of and for the year ended September 30, 2023, and have issued our report thereon dated June 20, 2024, which is unmodified.

We have issued our 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* dated June 20, 2024. Disclosures in these reports, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following be addressed in this letter:

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

FINANCIAL COMPLIANCE MATTERS

Financial Emergency Status – We have determined that the City did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment Procedures – As required by the *Rules of the Auditor General*, Sections 10.554(1)(i)7.c and 10.556(7), we applied financial condition assessment procedures to the Council's financial statements. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

We noted no deteriorating financial conditions as defined by Rule 10.554(2)(f).

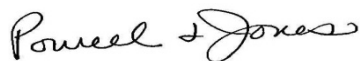
Dependent Special District – As required by Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)6 Rules of the Auditor General, the Perry Community Redevelopment Agency (CRA) reported:

Data Element	Reference	Comment
The total number of CRA employees compensated in the last pay period of the CRA's fiscal year being reported	Section 218.32(1)(e)(2)(a)	The CRA has no employees
the total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA' fiscal year being reported.	Section 218.32(1)(e)(2)(b)	0
All compensation earned by or awarded to the CRA employees, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(c)	The CRA has no employees
All compensation earned by or awarded to CRA nonemployees, independent contractors whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(d)	\$0
Budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amended a final adopted budget under Section 189.016(6), Florida Statutes.	Section 218.32(1)(e)(3)	See page 103 of this annual financial report.
Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.	Section 218.32(1)(e)(2)(e)	None

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

CONCLUSION

We very much enjoyed the challenge and experiences with our audit of the City. We appreciate the helpful assistance of the City's staff in completing our audit and also the generally high quality of the City's financial records and internal controls.



Powell and Jones CPA
Lake City, Florida
June 20, 2024

INDEPENDENT ACCOUNTANT'S REPORT

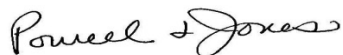
Honorable Mayor and
Members of the City Council
City of Perry, Florida

We have examined the City of Perry, Florida's (the "City") compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2023. We also examined the City's compliance with Sections 163.387(6) and (7), *Florida Statutes* regarding the Perry Community Redevelopment Agency during the year ended September 30, 2023. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City 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 the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



Powell and Jones CPA
Lake City, Florida
June 20, 2024

COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

Honorable Mayor and
Members of the City Council
City of Perry, Florida

We have audited the financial statements of City of Perry, Florida (the City) for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus.

All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Sensitive estimates related to utility fund receivables that affect the City's financial statements have been audited, and we believe the inputs that produce the estimates, as well as the estimates themselves, are reasonable.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. All potential misstatements have been provided to management and corrected.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 20, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

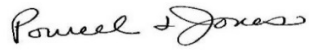
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or the financial statements themselves.

This information is intended solely for the use of the members of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Powell & Jones".

Powell & Jones CPA

Lake City, Florida

June 20, 2024