

**City of Blountstown
Blountstown, Florida**

Financial Statements

For year ended September 30, 2024

City of Blountstown, Florida
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September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blountstown, Florida as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Blountstown, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blountstown, Florida, as of September 30, 2024, 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 of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 City of Blountstown, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Blountstown, Florida's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4.1 through 4.8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Blountstown, Florida's basic financial statements. The accompanying schedule of state financial assistance projects, as required Chapter 10.550, Rules of the Auditor General are presented for purposes of 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 to the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of state projects are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* we have issued our report dated January 22, 2026, on our consideration of the City of Blountstown, Florida's internal over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Blountstown, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Blountstown, Florida's internal control over financial reporting and compliance.

Grimsley & Associates

January 22, 2026
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Blountstown, Florida Management's Discussion and Analysis

CITY OF BLOUNTSTOWN MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Blountstown (the "City") has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the City's financial activities, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify material deviations from the financial plan (approved budget), and (e) highlight significant issues in individual funds.

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

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City of Blountstown exceeded their liabilities and deferred inflows of resources at September 30, 2024 by \$27,836,013 (net assets). Of this amount, \$4,320,532 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net position increased by \$690,025 or (2.54%).

As of September 30, 2024, the City of Blountstown governmental funds reported combined ending fund balances of \$1,437,604, an increase of \$380,899 in comparison with the prior year. Approximately 97% of this amount, or \$1,398,053, is available for spending at the City's discretion (unreserved fund balance).

The City of Blountstown's engineers continue to work on the design of the Blountstown Wastewater Effluent Project in addition to working with FDEP for the permitting of the project. The City anticipates completion of the design and to obtain the necessary permits for construction in the coming fiscal year.

The City began the first phase of their inflow and infiltration project. The project consists of lining aged sewer lines and manholes in the northwestern quadrant of the City. This project is funded through a grant from FDEP.

City of Blountstown, Florida Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

In addition, this report presents certain required supplementary information, which includes management's discussion and analysis.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide both short-term and long-term information about the City's overall financial condition in a manner similar to those of a private-sector business. This statement combines and consolidates governmental funds' current financial resources (short-term expendable resources) with capital assets and long-term obligations. The statements include a *statement of net position* and a *statement of activities* that are designed to provide consolidated financial information about the governmental activities of the City presented on the accrual basis of accounting.

The *Statement of Net Position* provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the City.

The *Statement of Activities* presents information showing how the City's net assets changed during the 2023 fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is intended to summarize and simplify the user's analysis of cost of various governmental services. An increase or decrease in net assets is an indication of whether the City's financial health is improving or deteriorating.

Both of these financial statements present the 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, public safety, streets, and parks and recreation. The business-type activities of the City consist of the electric, natural gas, water, sanitation and sewer systems.

Over a period of time, changes in the City's net assets are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with other non-financial factors, such as changes in the City's property tax base and the condition of the City's capital assets including infrastructure assets.

City of Blountstown, Florida Management's Discussion and Analysis

FUND FINANCIAL STATEMENTS

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than fund types.

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

Governmental Funds - these funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the City's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

Proprietary Funds – the City maintains one type of proprietary fund, which is the Enterprise Funds. These funds are used to report business-type activities in the government-wide financial statements. The City uses enterprises funds to account for the fiscal activities relating to the electric, natural gas, water, sewer, and sanitation systems in the City of Blountstown.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section is used to present condensed financial information from the government-wide statements that compares the current year to the prior year.

STATEMENT OF NET POSITION

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities (governmental and business-type activities) by over \$27 million at the close of the fiscal year ended September 30, 2024.

This was an increase of \$690,025 over prior year net position.

City of Blountstown, Florida Management's Discussion and Analysis

STATEMENTS OF NET POSITION AS OF SEPTEMBER 30, 2024 AND 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 1,645,518	\$ 1,270,996	\$ 9,396,298	\$ 9,136,869	\$ 11,041,816	\$ 10,407,865
Non-current assets	<u>7,238,954</u>	<u>7,599,428</u>	<u>16,237,864</u>	<u>15,909,162</u>	<u>23,476,818</u>	<u>23,508,590</u>
Total assets	<u>8,884,472</u>	<u>8,870,424</u>	<u>25,634,162</u>	<u>25,046,031</u>	<u>34,518,634</u>	<u>33,916,455</u>
Deferred outflows of resources	<u>551,188</u>	<u>505,276</u>	<u>393,998</u>	<u>366,321</u>	<u>945,186</u>	<u>871,597</u>
Long-term liabilities	2,712,462	2,737,383	1,905,022	1,916,746	4,617,484	4,654,129
Other liabilities	<u>232,830</u>	<u>214,291</u>	<u>2,107,864</u>	<u>2,255,504</u>	<u>2,340,694</u>	<u>2,469,795</u>
Total liabilities	<u>2,945,292</u>	<u>2,951,674</u>	<u>4,012,886</u>	<u>4,172,250</u>	<u>6,958,178</u>	<u>7,123,924</u>
Deferred inflows of resources	<u>355,148</u>	<u>255,148</u>	<u>314,481</u>	<u>262,992</u>	<u>669,629</u>	<u>518,140</u>
Net position:						
Invested in Capital assets net of related debt	7,238,954	7,599,428	16,237,864	15,909,162	23,476,818	23,508,590
Restricted	39,551	38,663	-	-	39,551	38,663
Unrestricted	<u>(1,143,285)</u>	<u>(1,469,213)</u>	<u>5,462,929</u>	<u>5,067,948</u>	<u>4,319,644</u>	<u>3,598,735</u>
Total net position	<u>\$ 6,135,220</u>	<u>\$ 6,168,878</u>	<u>\$ 21,700,793</u>	<u>\$ 20,977,110</u>	<u>\$ 27,836,013</u>	<u>\$ 27,145,988</u>

A total of \$39,551 of the City's net position are subject to external restrictions on how they may be used. The balance of unrestricted net position \$4,319,644 may be used to meet the City's ongoing obligations to citizens and creditors.

At September 30, 2024, the City is able to report positive balances in all categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

City of Blountstown, Florida Management's Discussion and Analysis

CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Charges for service	\$ 582,871	\$ 490,111	\$ 6,920,861	\$ 6,958,512	\$ 7,503,732	\$ 7,448,623
Grants and contributions	130,662	160,524	906,081	1,577,592	1,036,743	1,738,116
Property taxes	116,730	109,738	-	-	116,730	109,738
Intergovernmental	204,127	208,804	-	-	204,127	208,804
Other taxes	559,972	562,732	-	-	559,972	562,732
Investment earnings	16,886	11,251	119,744	73,623	136,630	84,874
Miscellaneous	167,907	298,818	180,840	89,695	348,747	388,513
Transfers	2,188,974	1,952,831	(2,188,974)	(1,952,831)	-	-
Total Revenues	\$ 3,968,129	\$ 3,794,809	\$ 5,938,552	\$ 6,746,591	\$ 9,906,681	\$ 10,541,400
EXPENSES						
General government	\$ 826,393	\$ 618,774	\$ -	\$ -	\$ 826,393	\$ 618,774
Public safety	2,177,131	2,407,845	-	-	2,177,131	2,407,845
Highways and streets	850,117	1,043,817	-	-	850,117	1,043,817
Culture and recreation	148,146	112,331	-	-	148,146	112,331
Business-type activities	-	-	5,214,869	5,708,126	5,214,869	5,708,126
Interest on long-term debt	-	20	-	-	-	20
Total Expenses	\$ 4,001,787	\$ 4,182,787	\$ 5,214,869	\$ 5,708,126	\$ 9,216,656	\$ 9,890,913
Net Increase (decrease)	\$ (33,658)	\$ (387,978)	\$ 723,683	\$ 1,038,465	\$ 690,025	\$ 650,487
Net position, beginning	\$ 6,168,878	\$ 6,556,856	\$ 20,977,110	\$ 19,938,645	\$ 27,145,988	\$ 26,495,501
Net position, ending	\$ 6,135,220	\$ 6,168,878	\$ 21,700,793	\$ 20,977,110	\$ 27,836,013	\$ 27,145,988

City of Blountstown, Florida Management's Discussion and Analysis

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 primary purpose of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources, available for spending, at the end of the fiscal year.

As of the end of fiscal year 2024, the City's governmental funds reported combined ending fund balances of \$1,437,604. Of this amount, *unreserved fund balance* is \$1,398,053, which is available for spending (depending on fund restrictions) at the City's discretion.

General Fund Unrestricted/Undesignated Fund Balance. The unrestricted/undesignated fund balances of the Board's General Fund (the general operating fund of the City) have decreased in the current year. This decrease is due to Hurricane Michael related projects that will be reimbursed by FEMA and additional expenses related to the rebuild of the Police Department.

Budget Variances in General Fund. Some budget variances occurred in General Fund during the 2024 fiscal year due to budgeted capital projects being postponed and un-received grant funds.

MAJOR FUNDS

GOVERNMENTAL FUNDS

The General Fund is reported as major governmental funds.

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

The General Fund consists of the Administration Department, Police Department, Fire Department, Street Department, and Parks Department.

City of Blountstown, Florida Management's Discussion and Analysis

PROPRIETARY FUNDS

There are five major proprietary (business-type) funds:

Electric Department
Natural Gas Department
Water Department
Sewer Department
Sanitation Department

LONG-TERM DEBT

As of September 30, 2024, the City of Blountstown did not have any long-term debt other than liability for compensated absences.

Additional information on the City's long-term debt can be found in the Notes to the Financial Statements in this report.

CAPITAL ASSETS

Generally, a government's largest group of assets (infrastructure – roads, bridges, traffic signals, and underground pipes not associated with a utility, etc.) are neither reported nor depreciated in governmental fund financial statements. GASB-34 requires that these assets now be valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government elects the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has elected to depreciate its infrastructure assets. Pre-retroactive reporting of infrastructure is not required by the City.

Approximately eighty-four percent (84%) of the City's net assets reflects its investment in capital assets (e.g., land, buildings, improvements, and vehicles and equipment, net of related debt). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

This year's major capital asset additions included the following:

- Replacement of Natural Gas Ground Bed Deep Well at South Pear St. - \$39,985
- Purchase of 2 new Police Vehicles - \$106,655
- Purchase of new Trailer Mounted Bypass Pump - \$56,187
- Purchase of new Sewer Department Truck - \$44,843

City of Blountstown, Florida Management's Discussion and Analysis

SIGNIFICANT ECONOMIC FACTORS

TAXABLE VALUE OF PROPERTY AND MILLAGE RATES

The City has been able to maintain the same millage rate of 1.5 mils to citizens.

NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when adopting the 2023/2024 budget. The City increased electric rates beginning December 2022. Rising costs has made it necessary to balance budgets using reserves from prior years and continue to provide the level of service to customers as provided in the past. The City's contract with Southern Power expired in April 2022. The City negotiated a new electric supply contract with Florida Power & Light, which began May 2022 and expires in April 2027. Each year the City will review rates to determine if they need to be raised in order to offset the rising costs of electricity.

REQUESTS FOR INFORMATION

This report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

TRACI S. HALL, CITY MANAGER
20591 CENTRAL AVE WEST
BLOUNTSTOWN, FL 32424

BASIC FINANCIAL STATEMENTS

City of Blountstown, Florida
Statement of Net Position

September 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,413,555	\$ 1,780,588	\$ 3,194,143
Investments	255,926	2,255,989	2,511,915
Accounts receivable, net	31,545	849,485	881,030
Accrued interest receivable	3,648	32,148	35,796
Interfund balances	(1,025,962)	1,025,962	-
Due from other governments	927,255	2,986,693	3,913,948
Inventory	-	222,793	222,793
Restricted cash and cash equivalents	39,551	226,425	265,976
Other assets	-	16,215	16,215
Capital assets			
Nondepreciable	1,903,500	3,103,607	5,007,107
Depreciable, net	5,335,454	13,134,257	18,469,711
Total assets	8,884,472	25,634,162	34,518,634
Deferred outflows of resources			
Deferred outflows related to OPEB	27,949	30,259	58,208
Deferred outflows related to pension	523,239	363,739	886,978
Total deferred outflows of resources	551,188	393,998	945,186
Liabilities			
Accounts payable	139,403	569,220	708,623
Accrued expenses	68,511	61,867	130,378
Unearned revenues	-	1,223,586	1,223,586
Customer deposits	-	225,970	225,970
Long-term liabilities			
Due within one year			
Accrued compensated absences	24,916	27,221	52,137
Due in more than one year			
Pension liability	2,294,877	1,482,445	3,777,322
Accrued compensated absences	99,663	81,661	181,324
Other post-employment benefit obligation	317,922	340,916	658,838
Total liabilities	2,945,292	4,012,886	6,958,178
Deferred inflows of resources			
Deferred inflows related to OPEB	152,946	146,161	299,107
Deferred inflows related to pension	202,202	168,320	370,522
Total deferred inflows of resources	355,148	314,481	669,629
Net position			
Invested in capital assets, net of related debt	7,238,954	16,237,864	23,476,818
Restricted for			
Law enforcement	18,114	-	18,114
Scholarship fund	20,056	-	20,056
Historic preservation	1,381	-	1,381
Unrestricted	(1,143,285)	5,462,929	4,319,644
Total net position	\$ 6,135,220	\$ 21,700,793	\$ 27,836,013

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

City of Blountstown, Florida
Balance Sheet
Governmental Fund

September 30, 2024

	General
Assets	
Cash and cash equivalents	\$ 1,413,555
Investments	255,926
Accounts receivable, net	31,545
Interest receivable	3,648
Due from other funds	421,589
Due from other governments	927,255
Restricted cash and cash equivalents	39,551
<hr/>	
Total assets	\$ 3,093,069
<hr/>	
Liabilities	
Accounts payable	\$ 139,403
Accrued expenses	68,511
Due to other funds	1,447,551
<hr/>	
Total liabilities	1,655,465
<hr/>	
Fund balances	
Restricted for scholarship fund	20,056
Restricted for law enforcement	18,114
Restricted for historic preservation	1,381
Unassigned, reported in general fund	1,398,053
<hr/>	
Total fund balances	1,437,604
<hr/>	
Total liabilities and fund balances	\$ 3,093,069
<hr/>	
Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balances - governmental funds	\$ 1,437,604
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,238,954
Long-term liabilities, including notes payable and compensated absences and pension liabilities are not due and payable in current period, and therefore, are not reported in the funds.	(2,737,378)
Deferred outflows and inflows of resources related pensions are applicable to future periods and therefore, are not reported in the funds.	
Deferred outflows of resources	551,188
Deferred inflows of resources	(355,148)
<hr/>	
Net position of governmental activities	\$ 6,135,220
<hr/>	

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

City of Blountstown, Florida
Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Fund

For the year ended September 30, 2024

	General
Revenues	
Property taxes, levied for general purposes	\$ 116,730
Other taxes	560,013
Intergovernmental	408,341
Licenses and permits	217,703
Fines and forfeitures	37,116
Grants and contributions	130,662
Interest	16,886
Other fees and miscellaneous	291,704
Total revenues	1,779,155
Expenditures	
Current	
General government	689,443
Public safety	1,947,384
Highways and streets	591,857
Culture and recreation	105,211
Capital outlay	
General government	18,862
Public safety	176,763
Highways and streets	37,663
Culture and recreation	20,047
Total expenditures	3,587,230
Excess of expenditures over revenues	(1,808,075)
Other financing sources (uses)	
Transfers in	2,340,904
Transfers out	(151,930)
Net other financing sources (uses)	2,188,974
Net change in fund balance	380,899
Fund balance - beginning	1,056,705
Fund balance - ending	\$ 1,437,604

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

City of Blountstown, Florida
Reconciliation of the Statement of Revenue, Expenditures, and changes in
Fund Balance of Governmental Fund to the Statement of Activities

For the year ended September 30, 2024

Amounts reported for governmental activities in the statement of activities (page 6) are different because:

Net change in fund balance - total governmental fund		\$ 380,899
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the statement of net position.		238,335
Depreciation expense on governmental capital assets is included in the governmental activities in the statement of activities.		(598,809)
Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net position.		-
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(13,085)
Net pension liability expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:		
Net Pension Liability	55,565	
Deferred outflow of resources - pensions	43,060	
Deferred inflow of resources - pensions	(117,435)	(18,810)
OPEB liability expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:		
OPEB Liability	(42,475)	
Deferred outflow of resources - OPEB	2,852	
Deferred inflow of resources - OPEB	17,435	(22,188)
Change in net position of governmental activities (page 6)		\$ (33,658)

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

City of Blountstown, Florida
Statement of Revenue, Expenses and Changes in Fund Balances –
Budget to Actual – General Fund

For the year ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Property taxes, levied for general purposes	\$ 113,718	\$ 113,718	\$ 116,730	\$ 3,012
Other taxes	542,607	542,607	560,013	17,406
Intergovernmental	208,733	208,733	408,341	199,608
Licenses and permits	11,200	11,200	217,703	206,503
Fines and forfeitures	8,500	8,500	37,116	28,616
Grants and contributions	48,186	212,661	130,662	(81,999)
Interest	6,000	6,000	16,886	10,886
Other fees and miscellaneous	216,557	216,557	291,704	75,147
Reserves	221,289	221,289	-	(221,289)
Total revenues	1,376,790	1,541,265	1,779,155	237,890
Expenditures				
Current				
General government	625,155	789,630	689,443	100,187
Public safety	1,948,737	1,948,737	1,947,384	1,353
Highways and streets	568,913	568,913	591,857	(22,944)
Culture and recreation	125,059	125,059	105,211	19,848
Capital outlay	297,900	297,900	253,335	44,565
Total expenditures	3,565,764	3,730,239	3,587,230	143,009
Excess of revenues over (under) expenditures	(2,188,974)	(2,188,974)	(1,808,075)	380,899
Other financing sources (uses)				
Transfers in	2,340,904	2,340,904	2,340,904	-
Transfers out	(151,930)	(151,930)	(151,930)	-
Total other financing sources (uses)	2,188,974	2,188,974	2,188,974	-
Net change in fund balances	-	-	380,899	380,899
Fund balances - beginning	1,056,705	1,056,705	1,056,705	-
Fund balances - ending	\$ 1,056,705	\$ 1,056,705	\$ 1,437,604	\$ 380,899

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

City of Blountstown, Florida
Statement of Net Position
Proprietary Funds

September 30, 2024

	Business-type Activities / Enterprise Funds					
	Electric	Water	Sewer	Sanitation	Non-major Funds	Total
Assets						
Current assets						
Cash and cash equivalents	\$ 520,289	\$ 727,359	\$ 200,079	\$ 50,799	\$ 282,062	\$ 1,780,588
Investments	698,951	789,324	758,331	-	9,383	2,255,989
Accounts receivable, net	607,114	71,570	96,409	45,723	28,669	849,485
Accrued interest receivable	2,839	11,247	17,930	-	132	32,148
Due from other funds	1,572,793	397,348	1,391,204	28,025	1,147	3,390,517
Due from other governments	17,714	-	2,936,273	32,706	-	2,986,693
Inventory	188,039	10,265	9,774	-	14,715	222,793
Total current assets	3,607,739	2,007,113	5,410,000	157,253	336,108	11,518,213
Noncurrent assets						
Restricted cash and cash equivalents	218,820	5,550	-	455	1,600	226,425
Other assets	-	-	-	-	16,215	16,215
Capital assets						
Nondepreciable	-	6,989	3,081,618	-	15,000	3,103,607
Depreciable, net	1,529,593	2,350,613	9,085,049	6,764	162,238	13,134,257
Total noncurrent assets	1,748,413	2,363,152	12,166,667	7,219	195,053	16,480,504
Total assets	5,356,152	4,370,265	17,576,667	164,472	531,161	27,998,717
Deferred outflows of resources						
Deferred outflows related to OPEB	8,625	6,561	6,338	4,955	3,780	30,259
Deferred outflows related to pension	83,827	84,469	82,389	55,608	57,446	363,739
Total deferred outflows of resources	92,452	91,030	88,727	60,563	61,226	393,998
Liabilities						
Current liabilities						
Accounts payable	174,169	23,773	343,235	15,425	12,618	569,220
Accrued expenses	15,467	9,747	16,886	11,767	8,000	61,867
Due to other funds	-	563,375	1,792,014	-	9,166	2,364,555
Unavailable Revenue	-	-	1,223,586	-	-	1,223,586
Compensated absences payable	5,358	6,813	6,813	5,021	3,216	27,221
Customer Deposits	218,820	5,550	-	-	1,600	225,970
Total current liabilities	413,814	609,258	3,382,534	32,213	34,600	4,472,419
Noncurrent liabilities						
Accrued compensated absences	16,073	20,439	20,439	15,063	9,647	81,661
Other post-employment benefits	96,958	73,829	71,867	56,439	41,823	340,916
Pension liability	340,063	344,635	348,913	249,778	199,056	1,482,445
Total noncurrent liabilities	453,094	438,903	441,219	321,280	250,526	1,905,022
Total liabilities	866,908	1,048,161	3,823,753	353,493	285,126	6,377,441
Deferred inflows of resources						
Deferred inflows related to OPEB	39,226	39,411	32,519	19,768	15,237	146,161
Deferred inflows related to pension	51,496	28,981	26,725	26,547	34,571	168,320
Total deferred inflows of resources	90,722	68,392	59,244	46,315	49,808	314,481
Net position						
Invested in capital assets, net of related debt	1,529,593	2,357,602	12,166,667	6,764	177,238	16,237,864
Unrestricted	2,961,381	987,140	1,615,730	(181,537)	80,215	5,462,929
Total net position	\$ 4,490,974	\$ 3,344,742	\$ 13,782,397	\$ (174,773)	\$ 257,453	\$ 21,700,793

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

City of Blountstown, Florida
Statement of Revenue, Expenses and Changes in Net Position
Proprietary Funds

For the year ended September 30, 2024

	Business-type Activities / Enterprise Funds					
	Electric	Water	Sewer	Sanitation	Non-major Funds	Total
Operating revenues						
Charges for services	\$ 4,641,536	\$ 659,309	\$ 830,097	\$ 364,676	\$ 425,243	\$ 6,920,861
Total operating revenues	4,641,536	659,309	830,097	364,676	425,243	6,920,861
Operating expenses						
Personal services	452,631	407,950	443,510	370,498	228,602	1,903,191
Purchased energy	1,332,808	-	-	-	177,498	1,510,306
Services and supplies	192,024	4,616	51,956	88,977	10,284	347,857
Heat, light and power	20,593	23,253	64,152	-	554	108,552
Insurance	15,066	14,393	42,855	-	8,948	81,262
Repairs and maintenance	48,026	16,797	38,259	28,376	-	131,458
Other operating expenses	13,932	91,557	97,702	70,420	29,998	303,609
Depreciation / amortization	128,239	175,827	471,648	25,170	27,750	828,634
Total operating expenses	2,203,319	734,393	1,210,082	583,441	483,634	5,214,869
Net operating income (loss)	2,438,217	(75,084)	(379,985)	(218,765)	(58,391)	1,705,992
Nonoperating revenues (expenses)						
Interest income	11,408	41,604	64,455	668	1,609	119,744
Miscellaneous revenue	135,203	647	21,567	-	23,423	180,840
Net nonoperating revenues (expenses)	146,611	42,251	86,022	668	25,032	300,584
Income (loss) before contributions and transfers	2,584,828	(32,833)	(293,963)	(218,097)	(33,359)	2,006,576
Capital contributions	-	-	906,081	-	-	906,081
Transfers, net	(2,075,634)	-	(265,270)	-	151,930	(2,188,974)
Change in net position	509,194	(32,833)	346,848	(218,097)	118,571	723,683
Net position - beginning	3,981,780	3,377,575	13,435,549	43,324	138,882	20,977,110
Net position - ending	\$ 4,490,974	\$ 3,344,742	\$ 13,782,397	\$ (174,773)	\$ 257,453	\$ 21,700,793

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

City of Blountstown, Florida
Statement of Cash Flows
Proprietary Funds

For the year ended September 30, 2024

	Business-type Activities / Enterprise Funds					Total
	Electric	Water	Sewer	Sanitation	Non-major Funds	
Operating activities						
Receipts from customers and users	\$ 4,722,087	\$ 676,078	\$ (74,449)	\$ 364,514	\$ 435,889	\$ 6,124,119
Payments to suppliers	(2,696,487)	(148,586)	550,865	(185,089)	(249,245)	(2,728,542)
Payments to employees	(437,898)	(402,841)	(430,710)	(360,676)	(220,549)	(1,852,674)
Net cash provided by (used for) operating activities	1,587,702	124,651	45,706	(181,251)	(33,905)	1,542,903
Noncapital financing activities						
Other receipts (payments)	135,203	647	21,567	-	22,981	180,398
Transfers to/from other funds	(2,075,634)	-	(265,270)	-	151,930	(2,188,974)
Net cash provided by (used for) noncapital financing activities	(1,940,431)	647	(243,703)	-	174,911	(2,008,576)
Capital and related financing activities						
Capital contributions	-	-	906,081	-	-	906,081
Purchase of capital assets	(8,666)	(80,381)	(1,000,275)	-	(68,013)	(1,157,335)
Net cash provided by (used for) capital and related financing activities	(8,666)	(80,381)	(94,194)	-	(68,013)	(251,254)
Investing activities						
Purchase (use) of investments	(12,204)	(48,355)	(77,087)	-	(570)	(138,216)
Interest received	14,006	51,899	80,867	668	1,731	149,171
Net cash provided by (used for) investing activities	1,802	3,544	3,780	668	1,161	10,955
Net increase (decrease) in cash and cash equivalents	(359,593)	48,461	(288,411)	(180,583)	74,154	(705,972)
Cash and cash equivalents - beginning	1,098,702	684,448	488,490	231,837	209,508	2,712,985
Cash and cash equivalents - ending	\$ 739,109	\$ 732,909	\$ 200,079	\$ 51,254	\$ 283,662	\$ 2,007,013
Classified as						
Current assets - cash and cash equivalents	\$ 520,289	\$ 727,359	\$ 200,079	\$ 50,799	\$ 282,062	\$ 1,780,588
Restricted assets - cash and cash equivalents	218,820	5,550	-	455	1,600	226,425
	\$ 739,109	\$ 732,909	\$ 200,079	\$ 51,254	\$ 283,662	\$ 2,007,013

(Continued)

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

City of Blountstown, Florida
Statement of Cash Flows
Proprietary Funds(continued)

For the year ended September 30, 2024

	Business-type Activities / Enterprise Funds					
	Electric	Water	Sewer	Sanitation	Non-major Funds	Total
Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities						
Net operating income (loss)	\$ 2,438,217	\$ (75,084)	\$ (379,985)	\$ (218,765)	\$ (58,391)	\$ 1,705,992
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization	139,159	175,868	471,390	45,567	18,752	850,736
(Increase) decrease in accounts receivable	(183,855)	(10,091)	(12,625)	(3,916)	20,989	(189,498)
(Increase) decrease in inventory	(9,587)	(3,960)	-	-	(6,487)	(20,034)
(Increase) decrease in due from other funds	7,349	(500)	(500,000)	-	-	(493,151)
(Increase) decrease in other assets	-	-	-	-	1,290	1,290
Increase (decrease) in accounts payable and accrued expenses	(109,111)	73,321	58,993	51,685	40,077	114,965
Increase (decrease) in due to other funds	-	16,273	586,031	-	-	602,304
Increase (decrease) in customer deposits	9,545	(120)	-	-	(175)	9,250
 Net cash provided by (used for) operating activities	 \$ 2,291,717	 \$ 175,707	 \$ 223,804	 \$ (125,429)	 \$ 16,055	 \$ 2,581,854

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

NOTES TO FINANCIAL STATEMENTS

City of Blountstown, Florida Notes to Financial Statements

NOTE 1 - REPORTING ENTITY

The City of Blountstown, Florida, (the City) is located in northwest Florida in Calhoun County. The City operates under an elected Mayor-Council and a four-member City Council, and serves approximately 2,300 residents. The City provides a full range of municipal services, including fire and police protection, public works activities, parks and recreation, and general administrative services. The City operates a water, sewer, natural gas, sanitation, and electric utility. The City also operates a cemetery.

As outlined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, the financial reporting entity consists of the primary government, and its component units, for which the primary government is considered to be financially accountable. Also included are other entities whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each potential component unit is individually evaluated using specific criteria outlined in GASB Statement No. 14 to determine whether the entity is: (a) part of the primary government; (b) a component unit which should be included in the reporting entity (blended or discretely presented); (c) an organization which should be excluded from the reporting entity entirely.

The principal criteria for classifying a potential component unit include the legal separateness of the organization, the financial accountability of the primary government for the potential component unit resulting from either the primary government's ability to impose its will on the potential component unit, or the potential component unit's fiscal dependency on the primary government. In applying the above criteria, the Blountstown Community Redevelopment Agency (the Agency) is considered a component unit and is blended in the financial statements of the City. The agency was established by City Resolution 90-4. There was no financial activity for the entity for 2024. The City passed a resolution in May 2024 to dissolve the Agency.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Commencing in the reporting year ended September 30, 2004, the City implemented GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Significant City accounting policies are described below.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units, if any, for which the primary government is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements, *continued*

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

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

The City reports the following major proprietary funds:

Electric Fund - Accounts for the purchase and distribution of electric services.

Water Fund - Accounts for costs for collection, treatment and distribution of water services.

Sewer Fund - Accounts for costs to provide wastewater and sanitary sewer services.

Sanitation Fund - Accounts for costs to provide residential and commercial sanitation services.

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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, *continued*

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for water, sewer, natural gas, and electricity service. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Enterprise Activities

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Budgets and Budgetary Accounting

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

The budgetary information presented for the general fund is prepared on the modified accrual basis. Unexpended items at year-end must be reappropriated in the subsequent year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. This includes cash in banks and balances in the State Board of Administration Investment Pool.

Investments

Investments consist of those deposits made locally in commercial banks with a maturity dates greater than three months of the date acquired by the government.

Receivables

Customer accounts receivable are recorded in the enterprise funds at their net realizable value, reduced by an allowance for uncollectible accounts, where applicable. The allowance at September 30, 2024 was \$8,000.

Due From (To) Other Funds

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances."

Inventories

Inventory items of materials and supplies, which are not significant in amount, are considered expenditures when purchased in the governmental funds. Inventory in the proprietary funds consists of utility supplies held for consumption or capital improvements and are valued at the lower of cost or net realizable value using the first-in, first-out (FIFO) method.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, storm water system, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Property, plant, and equipment with initial, individual costs that exceed \$500 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs exceed \$25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets, continued

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

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

Assets	Years
Buildings	50
Improvements other than buildings	20-35
Machinery and equipment	5-15
Infrastructure	15-25

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

Compensated Absences

The City maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from City service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Proprietary fund types accrue sick leave and vacation benefits in the period they are earned. Compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*.

Unearned Revenues

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

City of Blountstown, Florida
Notes to Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills for general operations. The City's millage rate for the year ended September 30, 2024, was 1.5 mills.

The tax levy of the City is established by the City Commission prior to October 1 of each year.

Property tax revenue is recognized when taxes are received by the City. Because any delinquent taxes collected after September 30 would not be material, delinquent taxes due are not accrued at year end.

All taxes become payable on November 1, of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All taxes become delinquent on April 1 following the year in which they are assessed. 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. Taxes paid in March are without discount.

Property taxes are collected by the Calhoun County Tax Collector. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates.

Fund Balance Reporting and Governmental Fund-Type Definitions

The City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 11.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Use of Restricted Assets

Restricted assets consist of cash which is required by resolution or contractual obligation to be set aside for specific purposes and is therefore unavailable for general operating purposes. When both restricted and unrestricted (unassigned) net assets are available, restricted assets are applied first. When both assigned and unassigned net assets are available, assigned net assets are applied first.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances

Encumbrances represent commitments in the form of purchase orders which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances do not represent expenditures or liabilities. The City does not record encumbrances outstanding at year end.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 22, 2026, and determined there were no events that occurred that required disclosure.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that future time.

Impact of Recently Issued Accounting Pronouncements

New Accounting Standards Adopted

GASB Statement No. 100, Accounting Changes and Error Corrections. This Statement establishes accounting financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the City upon implementation.

<u>Statement No.</u>	<u>GASB Accounting Standard</u>	<u>GASB Effective Fiscal Year</u>
101	<i>Compensated Absences</i>	2025
102	<i>Certain Risk Disclosures</i>	2025

The City is evaluating the requirements of the above accounting standards and the impact they may have on financial reporting.

NOTE 3 - CASH AND INVESTMENTS

At September 30, 2024, the carrying amount of the City's cash and cash equivalents and restricted cash was \$3,460,119 and the bank balance was \$3,543,086. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the City to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the City to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

The City invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2024, the net realizable value and the carrying value of these funds was \$32,945. The funds are carried as a cash equivalent on the balance sheet at September 30, 2024 (See Note 2 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at www.prime.sbafla.com

NOTE 3 - CASH AND INVESTMENTS (CONTINTUED)

The State of Florida's Local Government Investment Pool is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pool. These rules provide guidance and establish the general operating procedures for the administration of the pool. The SBA provides regulatory oversight for the Florida PRIME Fund. As a pool participant, the City owns a share of the respective pool, not the underlying securities.

The Florida PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the City's investment in PRIME is at amortized cost.

Credit Risk

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the City investments are not evidenced by specific, identifiable investment securities.

As of September 30, 2024, the City's investment in the Florida PRIME is rated by Standard and Poors and the current rating is AAAm.

Interest Rate Risk

The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2024, is 21 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2024, is 72 days.

Custodial Credit Risk

At September 30, 2024, the City did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2024, the City did not hold any investments that were considered to have concentration of credit risk.

Foreign Currency Risk

At September 30, 2024, the City did not hold any investments that were considered to have foreign currency risk.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement and Application

Governmental entities are required to record investments at fair value unless an exception applies and disclose the fair value measurement and hierarchy. Paragraph 69 of GASB 72 lists several investments that should be measured as described in GASB Statement 31 which includes investments in nonparticipating interest-earning investment contracts (certificates of deposit) and money market investments that have a maturity at the time of purchase of one year or less. At September 30, 2024, the City's investments consisted of non-negotiable certificates of deposits which are recorded at cost and are excluded from fair value measurement.

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

For the purposes of the statement of cash flows, the City considers cash and cash equivalents to include cash and cash equivalents and restricted cash.

NOTE 4 - RECEIVABLES

Receivables at September 30, 2024 consist primarily of charges to utility customers for water, sewer, gas, electric and sanitation services provided by the City. The City grants credit to customers, substantially all of whom are local residents.

	General Fund	Business-type Activities	Total
Utility charges-billed	\$ -	\$ 589,375	\$ 589,375
Utility charges-unbilled	-	267,380	267,380
Other	31,545	730	32,275
Less allowance for bad debts	-	(8,000)	(8,000)
Accounts receivable total	\$ 31,545	\$ 849,485	\$ 881,030

City of Blountstown, Florida
Notes to Financial Statements

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers at September 30, 2024, consisted of the following:

TRANSFERS OUT	TRANSFERS IN	
	General	TOTAL
Electric	\$ 2,075,634	\$ 2,075,634
Sewer	265,270	265,270
	\$ 2,340,904	\$ 2,340,904

The City's transfers include transfers to (a) other funds based on budgetary requirements and (b) funds that are required by statute or budgetary authority to expend revenues from another fund that by statute or budgetary authority must collect revenues.

Balances due to/from other funds at September 30, 2024 are as follows:

	Interfund Receivables	Interfund Payables
General fund	\$ 421,589	\$ 1,447,551
Business-type funds		
Electric	1,572,793	-
Water	397,348	563,375
Sewer	1,391,204	1,792,014
Natural Gas	-	9,166
Sanitation	28,025	-
Cemetery	1,147	-
Total	\$ 3,812,106	\$ 3,812,106

The balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made. Amounts are generally repaid during the next fiscal year.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,870,920	\$ -	\$ -	\$ 1,870,920
Construction in progress	32,580	-	-	32,580
Total capital assets, not being depreciated	1,903,500	-	-	1,903,500
Capital assets, being depreciated:				
Buildings	2,262,484	20,047	-	2,282,531
Machinery and equipment	8,533,126	218,288	(144,729)	8,606,685
Total capital assets, being depreciated	10,795,610	238,335	(144,729)	10,889,216
Less: accumulated depreciation for:				
Buildings	443,969	97,116	-	541,085
Machinery and equipment	4,655,713	501,693	(144,729)	5,012,677
Total accumulated depreciation	5,099,682	598,809	(144,729)	5,553,762
Total capital assets, being depreciated, net	5,695,928	(360,474)	-	5,335,454
Governmental activities capital assets, net	\$ 7,599,428	\$ (360,474)	\$ -	\$ 7,238,954

Depreciation/amortization expense was charged to governmental activities of the primary government as follows:

Governmental activities	
General government	\$ 122,535
Public safety	196,385
Highways and streets	236,954
Culture and recreation	42,935
Total depreciation expense-governmental activities	\$ 598,809

City of Blountstown, Florida
Notes to Financial Statements

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 169,357	\$ -	\$ -	\$ 169,357
Construction in progress	2,059,344	874,906	-	2,934,250
<hr/>				
Total capital assets, not being depreciated	2,228,701	874,906	-	3,103,607
<hr/>				
Capital assets, being depreciated:				
Utility systems	24,694,880	58,807	-	24,753,687
Other property, plant and equipment	2,476,769	228,523	(10,582)	2,689,810
<hr/>				
Total capital assets, being depreciated	27,171,649	287,330	(10,582)	27,443,497
<hr/>				
Less: accumulated depreciation for:				
Utility systems	11,463,268	654,508	-	12,117,776
Other property, plant and equipment	2,027,920	174,126	(10,582)	2,191,464
<hr/>				
Total accumulated depreciation	13,491,188	828,634	(10,582)	14,309,240
<hr/>				
Total capital assets, being depreciated, net	13,680,461	(541,304)	-	13,134,257
<hr/>				
Utility capital assets, net	\$ 15,909,162	\$ 333,602	\$ -	\$ 16,237,864

Depreciation/amortization expense was charged to business-type activities of the primary government as follows:

Business-type activities	
Electric fund	\$ 128,239
Water fund	175,827
Sewer fund	471,648
Natural gas fund	27,750
Sanitation fund	25,170
<hr/>	
Total depreciation expense-business-type activities	\$ 828,634

City of Blountstown, Florida
Notes to Financial Statements

NOTE 7 - LONG-TERM DEBT AND BONDS PAYABLE

Long-term debt activity for the year ended September 30, 2024, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Compensated absences	\$ 89,408	\$ 71,421	\$ 36,250	\$ 124,579	\$ 24,916
Notes/lease payable	17,565	-	17,565	-	-
	106,973	71,421	53,815	124,579	24,916
Business-type activities:					
Compensated absences	92,622	54,515	38,255	108,882	27,221
Notes payable	14,889	-	14,889	-	-
	107,511	54,515	53,144	108,882	27,221
Total	\$ 214,484	\$ 125,936	\$ 106,959	\$ 233,461	\$ 52,137

NOTE 8 – STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY

Defined Benefit Plans

The City participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer cost sharing defined benefit public retirement system administered by the State of Florida, Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the State of Florida Division of Retirement, Tallahassee, Florida 32399-1560, or by accessing their internet site at (www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

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

NOTE 8 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

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

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2024, were as follows:

	FRS	HIS
Florida Retirement System:		
Regular	11.63%	2.00%
Senior Management Service Class	32.52%	2.00%
Special Risk	30.79%	2.00%
DROP	19.13%	2.00%

The employer's contributions for the year ended September 30, 2024, were \$412,843 to the FRS and \$53,784 to the HIS.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 8 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2024. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability at June 30, 2024	\$ 2,834,763	\$ 942,559
Proportion at:		
Current measurement date	0.0072%	0.0062%
Prior measurement date	0.0073%	0.0063%
Pension expense (benefit)	\$ 441,876	\$ 54,471

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 286,387	\$ -	\$ 9,101	\$ (1,810)
Changes of assumptions	388,530	-	16,681	(111,587)
Net difference between projected and actual earnings on pension plan investments	-	(188,413)	-	(341)
employer contributions	39,666	(51,447)	40,738	(16,924)
City contributions subsequent to the measurement date	93,450	-	12,425	-
Total	\$ 808,033	\$ (239,860)	\$ 78,945	\$ (130,662)

City of Blountstown, Florida
Notes to Financial Statements

NOTE 8 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

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

<i>Fiscal Year Ending June 30,</i>	FRS	HIS
2025	\$ (50,421)	\$ 51
2026	452,591	(11,051)
2027	3,252	(25,132)
2028	3,729	(17,443)
2029	25,842	(7,125)
Thereafter	-	(1,684)
Total	\$ 434,993	\$ (62,384)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2024. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2024. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2024, rolled-forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.65%

Mortality assumptions for both plans were based on the PUB-2010 base table.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2024 were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 8 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

The following changes in key actuarial assumptions occurred in 2024 for the HIS Program:

- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.
- The coverage election assumptions were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2024 FRS Actuarial assumption Conference during its October 2024 meeting.
- The discount rate was modified to reflect the change in the value of the municipal bod index between GASB measurement dates.

The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2024 by the FRS Actuarial Assumption conference; and 2) an inferred real (in excess of inflation) return of 4.20 percent. Geometrically combining those building blocks using the formula $(1 + .024) \times (1 + .042) - 1$ generates an expected nominal return of 6.70%. In the opinion of the FRS consulting actuary, both building block components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2023 FRS Actuarial Assumption Conference for funding policy purposes.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	2.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	100.00%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.7%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 8 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Sensitivity Analysis

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

	FRS Net Pension Liability		
	Current		
	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
Governmental Employer's proportionate share of the net pension liability	\$ 3,156,296	\$ 1,794,405	\$ 653,533
Business-Type Employer's proportionate share of the net pension liability	\$ 1,829,953	\$ 1,040,358	\$ 378,904

	HIS Net Pension Liability		
	Current		
	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Governmental Employer's proportionate share of the net pension liability	\$ 679,198	\$ 596,640	\$ 528,104
Business-Type Employer's proportionate share of the net pension liability	\$ 393,784	\$ 345,919	\$ 306,183

Pension Plans’ Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (“FRS Investment Plan”), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2024, totaled \$15,161.

NOTE 9 - RISK MANAGEMENT

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

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials' liability
- Accidental death and dismemberment

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

NOTE 10 - GRANTS

The City participates in several state and federal grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for, or including, the year ended September 30, 2024, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the City's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined, although the City expects such amounts, if any, to be immaterial.

NOTE 11 - MAJOR SUPPLIER

Florida Gas Utilities (FGU) acts as the agent for the City on all natural gas purchases. Purchases totaled \$177,498 for the year ended September 30, 2024. The City has placed a deposit totaling \$16,215 with FGU to satisfy the credit requirements of the supplier.

All electricity sold by the City was purchased from Florida Power and Light. Purchases totaled \$1,332,808 for the year ended September 30, 2024.

NOTE 12 - FUND BALANCE

Reserved Fund Balance

Non-spendable fund balances include amounts that cannot be spent because they are not spendable form or are legally or contractually required to be maintained intact. Spendable fund balances are classified based on a hierarchy of the City’s ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2024, the City reports net assets as restricted, assigned and unassigned. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the City’s intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Reservations of fund balance show amounts that are not appropriated for expenditure or are legally restricted for specific uses. The purpose for each is indicated as follows:

Fund	Purpose	Amount
General Fund	Police education	\$ 17,370
General Fund	Scholarship fund	19,912
General Fund	Historic preservation	1,381
Total restricted fund balance		\$ 38,663

NOTE 13 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Plan Description – The City has implemented Governmental Accounting Standards Board Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for retiree health insurance.

The City of Blountstown Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan which provides Other Postemployment Benefits (OPEB) to eligible retirees and their eligible dependents. Pursuant to the provisions of Section 112.0801, the Florida Statutes, employees who retire from the City and eligible dependents, may continue to participate in the group health insurance plan. Retirees and their eligible dependents shall be offered the same health insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full-time employees of the City. For all employees participating in the Florida Retirement System, participants are eligible for normal retirement upon attaining the earlier of 1) age 62 or 2) 30 year of service regardless of age. See note 8 for further details

City of Blountstown, Florida
Notes to Financial Statements

NOTE 13 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Benefits Provided - The City provides post-employment healthcare to its retirees. Health benefits are provided through the City’s healthcare provider, Capital Health Plan. The benefit levels are the same as those afforded to active employees. Health benefits include inpatient and outpatient medical services and prescriptions.

Membership – At September 30, 2024, there were no terminated employees entitled to benefits by not yet receiving them. The membership of the Plan consisted of:

Active employees	48
Retirees and beneficiaries currently receiving benefits	-
<hr/>	
Total Membership	48

Contributions and Funding Policy - A qualifying trust or agency fund has not been authorized by the City. The City negotiates the premium rates with Capital Health Plan. The required contribution is based on pay-as-you-go financing requirements. The City contributes a total of \$700 for each employee. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs. The City did not have any retiree. The chart below shows the cost of the monthly premiums as of the valuation date:

	Capital Health
Coverage	10/01/23
	09/30/24
Employee	\$ 735.01
Employee & Spouse	\$ 1,543.52
Employee & Children	\$ 1,286.27
Family	\$ 2,205.03

Net OPEB Liability, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB - At September 30, 2024, the City reported a liability of \$658,838 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2024, and was determined by an actuarial valuation as of October 1, 2023. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2024, the City recognized OPEB expense of \$43,312. At September 30, 2024, the City reported deferred outflows of resources or deferred inflows of resources related to OPEB from the following sources:

	Deferred
	Outflows
Balance at October 1, 2023	52,640
Amortization payments	\$ (9,255)
Demographic gain/loss	14,821
Assumption changes	-
<hr/>	
Total	\$ 58,206

City of Blountstown, Florida
Notes to Financial Statements

NOTE 13 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

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

Year ended September 30,	<u>Deferred Outflows</u>
2025	\$ 9,255
2026	9,255
2027	9,255
2028	9,255
2029	9,255
Thereafter	11,931

The following shows the changes in the City's net OPEB liability:

	<u>OPEB Liability</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>OPEB Expense</u>
Balance at September 30, 2023	\$ 575,926	\$ 333,140	\$ 52,640	\$ -
Service Cost	59,717	-	-	59,717
Interest Cost	25,638	-	-	25,638
Changes in Benefit Terms	-	-	-	-
Differences between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	(8,837)	-	14,821	(13,510)
Current Year Amortization of Experience Difference	-	-	-	-
Change in Assumptions About Future Economic or Demographic Factors or Other Inputs	14,821	8,837	-	(20,105)
Current Year Amortization of Change in Assumptions	-	(42,870)	(9,255)	-
Benefit Payments	(8,428)	-	-	(8,428)
Net Change	\$ 658,837	\$ 299,107	\$ 58,206	\$ 43,312

City of Blountstown, Florida
Notes to Financial Statements

NOTE 13 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Actuarial Methods and Assumptions – The total OPEB liability in the October 1, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Cost of Living Increases:	Increase in accordance with the healthcare cost trend rates
Projected annual salaries increase	3.00% per annum
Healthcare cost trend rate	7.00% for 2023/24 reduced 0.5% each year until reaching ultimate trend rate of 5.00%
T Mortality	PUB-2010 Mortality Table for general and public safety employees, with full generational improvements in mortality using Scale MP-2020

Discount Rate – The discount rate used to measure the total OPEB liability was 4.06%. The discount rate is based on the return on the S&P Municipal Bond 20-year High Grade Index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate -

The following presents the City’s proportionate share of the net OPEB liability using a discount rate that is 1 percent lower (3.06%) or 1 percent point higher (5.06%) than the current discount rate:

	1% Decrease (3.06%)	Current Discount Rate (4.06%)	1% increase (5.06%)
Net OPEB Liability	\$ 723,312	\$ 658,837	\$ 602,717

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate- The following presents the City’s proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are 1 percent lower (7.00%) or 1 percent point higher (9.00%) than the current healthcare cost trend rates:

	1% Decrease (6.00% decreasing to 4.00%)	Current Discount Rate (7.00% decreasing to 5.00%)	1% increase (8.00% decreasing to 6.00%)
Net OPEB Liability	\$ 581,874	\$ 658,837	\$ 752,948

NOTE 14 –SUBSEQUENT EVENTS

In October 2018, the City sustained damages to property, equipment and infrastructure as a result of Hurricane Michael. The City has ongoing FEMA projects related to Hurricane Michael in excess of \$3 million. These projects are expecting completion in late 2026/27.

In October 2020, the City purchased the property needed to complete the Effluent Project. The property has been cleared and design is underway.

In May 2022, the City purchased additional property to build a new city hall. The City has opted to utilize a construction manager to complete the project. The City expect to advertise for those services in 2024/25.

NOTE 15- COMMITMENTS AND CONTINGENCIES

Litigation. Various claims and lawsuits are pending against the City. In the opinion of legal counsel, the potential unrecorded liability on all claims and lawsuits will not be significant to the City's financial position.

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

At year end, the City had a receivable of \$792,000 from FEMA related to Hurricane Michael. The City has contracted with an outside contractor to administer the grant compliance and request reimbursements. The City is closing out allowable FEMA projects and requesting reimbursements but many are on-going and will be for a couple more years.

The City Hall was damaged in Hurricane Michael and FEMA has completed a project worksheet (PW) on the damages and reimbursement amounts. The City has petitioned FEMA to allow them to use the funds available for repairs in the construction of a new city hall. FEMA has agreed and provided the City with an extension of time on completion of this mitigating project.

COMBINING FINANCIAL STATEMENTS

City of Blountstown, Florida
Combining Statement of Net Position
Nonmajor Proprietary Funds

September 30, 2024

	Business-type Activities / Enterprise Funds		
	Natural Gas	Cemetery	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 156,864	\$ 125,198	\$ 282,062
Investments	9,383	-	9,383
Accounts receivable, net	28,669	-	28,669
Accrued interest receivable	132	-	132
Due from other funds	-	1,147	1,147
Inventory	14,715	-	14,715
Total current assets	209,763	126,345	336,108
Noncurrent assets			
Restricted cash and cash equivalents	1,600	-	1,600
Other assets	16,215	-	16,215
Capital assets			
Nondepreciable	-	15,000	15,000
Depreciable, net	162,238	-	162,238
Total noncurrent assets	180,053	15,000	195,053
Total assets	389,816	141,345	531,161
Deferred outflows of resources			
Deferred outflows related to OPEB	3,780	-	3,780
Deferred outflows related to pension	57,446	-	57,446
Total deferred outflows of resources	61,226	-	61,226
Liabilities			
Current liabilities			
Accounts payable	12,618	-	12,618
Accrued expenses	8,000	-	8,000
Due to other funds	9,166	-	9,166
Compensated absences payable	3,216	-	3,216
Customer deposits	1,600	-	1,600
Total current liabilities	34,600	-	34,600
Noncurrent liabilities			
Accrued compensated absences	9,647	-	9,647
Other post-employment obligations	41,823	-	41,823
Pension liability	199,056	-	199,056
Total noncurrent liabilities	250,526	-	250,526
Total liabilities	285,126	-	285,126
Deferred Inflows of resources			
Deferred inflows related to OPEB	15,237	-	15,237
Deferred inflows related to pension	34,571	-	34,571
Total deferred inflows of resources	49,808	-	49,808
Net position			
Invested in capital assets, net of related debt	162,238	15,000	177,238
Unrestricted	(46,130)	126,345	80,215
Total net position	\$ 116,108	\$ 141,345	\$ 257,453

City of Blountstown, Florida
Combining Statement of Activities
Nonmajor Proprietary Funds

For the year ended September 30, 2024

	Business-type Activities / Enterprise Funds		
	Natural Gas	Cemetery	Total
Operating revenues			
Charges for services	\$ 421,443	\$ 3,800	\$ 425,243
Total operating revenues	421,443	3,800	425,243
Operating expenses			
Personal services	228,602	-	228,602
Purchased energy	177,498	-	177,498
Services and supplies	10,284	-	10,284
Heat, light and power	554	-	554
Insurance	8,948	-	8,948
Other operating expenses	29,998	-	29,998
Depreciation	27,750	-	27,750
Total operating expenses	483,634	-	483,634
Net operating income (loss)	(62,191)	3,800	(58,391)
Nonoperating revenues (expenses)			
Interest income	1,301	308	1,609
Miscellaneous revenue	23,423	-	23,423
Total nonoperating revenues (expenses)	24,724	308	25,032
Income (loss) before contributions and transfers	(37,467)	4,108	(33,359)
Change in net position	114,463	4,108	118,571
Net position, beginning	1,645	137,237	138,882
Net position - ending	\$ 116,108	\$ 141,345	257,453

City of Blountstown, Florida
Combining Statement of Cash Flows
Nonmajor Proprietary Funds

For the year ended September 30, 2024

	Business-type Activities / Enterprise Funds		
	Natural Gas	Cemetery	Total
Operating activities			
Receipts from customers and users	\$ 432,089	\$ 3,800	\$ 435,889
Payments to suppliers	(249,443)	198	(249,245)
Payments to employees	(220,549)	-	(220,549)
Net cash (used for) provided by operating activities	(37,903)	3,998	(33,905)
Noncapital financing activities			
Miscellaneous revenue and contributions	22,981	-	22,981
Transfers from other funds	151,930	-	151,930
Net cash provided by noncapital financing activities	174,911	-	174,911
Capital and related financing activities			
Purchase of capital assets	(68,013)	-	(68,013)
Net cash provided by capital and related financing activities	(68,013)	-	(68,013)
Investing activities			
Purchase of investments	(570)	-	(570)
Interest received	1,423	308	1,731
Net cash provided by investing activities	853	308	1,161
Net (decrease) increase in cash and cash equivalents	69,848	4,306	74,154
Cash and cash equivalents - beginning	88,616	120,892	209,508
Cash and cash equivalents - ending	\$ 158,464	\$ 125,198	\$ 283,662
Classified as			
Current assets - cash and cash equivalents	\$ 156,864	\$ 125,198	\$ 282,062
Restricted assets - cash and cash equivalents	1,600	-	1,600
	\$ 158,464	\$ 125,198	\$ 283,662

(Continued)

City of Blountstown, Florida
Combining Statement of Cash Flows
Nonmajor Proprietary Funds (Continued)

For the year ended September 30, 2024

	<u>Business-type Activities / Enterprise Funds</u>		
	Natural Gas	Cemetery	Total
Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities			
Net operating income (loss)	\$ (62,191)	\$ 3,800	\$ (58,391)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	18,752	-	18,752
(Increase) decrease in accounts receivable	20,989	-	20,989
(Increase) decrease in inventory	(6,685)	198	(6,487)
(Increase) decrease in other assets	1,290	-	1,290
Increase (decrease) in accounts payable and accrued expenses	40,077		40,077
Increase (decrease) in customer deposits	(175)	-	(175)
Net cash provided by (used for) operating activities	\$ 12,057	\$ 3,998	\$ 16,055

**Required Supplementary
Information**

City of Blountstown, Florida
Schedule of Proportional Share of Net Pension Liability
Florida Retirement System (Last 10 fiscal years)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.0073%	0.0072%	0.0073%	0.0074%	0.0069%	0.0074%	0.0069%	0.0066%	0.0069%	0.0063%
City's proportionate share of the net pension liability (asset)	\$ 2,834,763	\$ 2,886,380	\$ 2,725,991	\$ 557,755	\$ 2,078,246	\$ 2,550,004	\$ 2,078,246	\$ 1,958,667	\$ 1,730,343	\$ 814,493
City's covered - employee payroll	\$ 2,769,072	\$ 2,609,905	\$ 2,368,850	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828
City's proportionate share of the net pension liability (asset) as a percentage of its own covered - employee payroll	102.37%	110.59%	115.08%	23.94%	115.90%	130.91%	115.90%	113.58%	102.74%	48.84%
FRS Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	84.26%	82.61%	84.26%	83.89%	84.88%	92.00%

Note: Data was unavailable prior to 2013

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

City of Blountstown, Florida
Schedule of Contributions
Florida Retirement System (Last 10 fiscal years)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 412,843	\$ 267,701	\$ 318,406	\$ 289,277	\$ 196,638	\$ 229,593	\$ 196,638	\$ 172,380	\$ 167,117	\$ 153,744
Contributions in relation to the contractually required contribution	(412,843)	(267,701)	(318,406)	(289,277)	(196,638)	(229,593)	(196,638)	(172,380)	(167,117)	(153,744)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,769,072	\$ 2,609,905	\$ 2,368,850	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828
Contributions as a percentage of covered-employee payroll	14.91%	10.26%	13.44%	12.42%	10.97%	11.79%	10.97%	10.00%	9.92%	9.22%

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

City of Blountstown, Florida
Schedule of Proportional Share of Net Pension Liability
Health Insurance Subsidy (Last 10 fiscal years)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.0063%	0.0062%	0.0063%	0.0064%	0.5500%	0.0060%	0.5500%	0.0052%	0.0053%	0.0053%
City's proportionate share of the net pension liability (asset)	\$ 942,559	\$ 978,722	\$ 665,185	\$ 786,245	\$ 581,075	\$ 671,586	\$ 581,077	\$ 556,620	\$ 621,907	\$ 541,496
City's covered - employee payroll	\$ 2,769,072	\$ 2,609,905	\$ 2,368,850	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828
City's proportionate share of the net pension liability (asset) as a percentage of its own covered - employee payroll	34.04%	37.50%	28.08%	33.75%	32.41%	34.48%	32.41%	32.28%	36.93%	32.47%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Note: Data was unavailable prior to 2013

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

City of Blountstown, Florida
Schedule of Contributions
Health Insurance Subsidy (Last 10 fiscal years)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 53,784	\$ 43,750	\$ 38,019	\$ 37,922	\$ 29,773	\$ 33,330	\$ 29,773	\$ 27,550	\$ 27,351	\$ 20,297
Contributions in relation to the contractually required contribution	(53,784)	(43,750)	(38,019)	(37,922)	(29,773)	(33,330)	(29,773)	(27,550)	(27,351)	(20,297)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,769,072	\$ 2,609,905	\$ 2,368,850	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828
Contributions as a percentage of covered-employee payroll	1.94%	1.68%	1.60%	1.63%	1.66%	1.71%	1.66%	1.60%	1.62%	1.22%

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

City of Blountstown, Florida
Schedule of Changes in the Sponsor's Total OPEB Liability and Related Ratio

Reporting Period	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement Period	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total OPEB Liability						
Service Cost	\$ 59,717	\$ 62,181	\$ 64,348	\$ 85,304	\$ 90,384	\$ 62,826
Interest	25,638	30,443	33,058	17,172	13,142	16,750
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	14,821	(3,946)	(92,283)	27,239	(17,946)	-
Changes of Assumptions	(8,837)	(64,950)	(69,051)	(120,838)	12,456	(36,957)
Benefit Payments	(8,428)	(11,149)	(2,755)	(422)	(359)	(219)
Net Change in Total OPEB Liability	82,911	12,579	(66,683)	8,455	97,677	42,400
Total OPEB Liability - Beginning	575,926	563,347	630,030	621,575	523,898	397,440
Total OPEB Liability - Ending	\$ 658,837	\$ 575,926	\$ 563,347	\$ 630,030	\$ 621,575	\$ 439,840

Covered Employee Payroll * \$2,203,013 \$2,147,093 \$1,853,332 \$1,887,423 \$1,696,260

Sponsor's Total OPEB Liability as a percentage
of Covered Employee Payroll 29.91% 26.82% 30.40% 33.38% 36.64%

*FY 2023 covered Payroll, projected based on actual FY 2023 Covered Payroll

Notes to Schedule:

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

FY 2024	4.06%
FY 2023	4.91%
FY 2022	4.77%
FY 2021	2.43%
FY 2020	2.14%
FY 2019	3.58%

COMPLIANCE SECTION

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Blountstown, Florida (the City), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated January 22, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Profession Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 22, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. No such findings and recommendations were made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Property Assessed Clean Energy (PACE) Programs

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

Additional Matters

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

Purpose of this Letter

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

January 22, 2026
Marianna, Florida

Grimsley & Associates

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

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

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blountstown, Florida (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 22, 2026.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

January 22, 2026
Marianna, Florida

Grimsley & Associates

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida

We have examined City of Blountstown, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2024. Management is responsible for City of Blountstown, Florida's compliance with those requirements. Our responsibility is to express an opinion on City of Blountstown, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Blountstown, Florida, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Blountstown, Florida, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on City of Blountstown, Florida's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, City of Blountstown, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Grimsley & Associates

January 22, 2026
Marianna, Florida

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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida

Report on Compliance for Each Major State Project

We have audited the City of Blountstown, Florida's (the "City") compliance with the types of compliance requirements described in the Florida Department of Financial Services' State Project Compliance Supplement that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2024. The City's major state projects 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 state projects for the year ended September 30, 2024.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, State of Florida Rules of the Auditor General. Our responsibilities under those standards and Chapter 10.550, State of Florida Rules of the Auditor General are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County 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 state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Management's Responsibility 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 provision of contracts or grant agreements applicable to its state projects.

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, Uniform Guidance and Chapter 10.550, State of Florida Rules of the Auditor General 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 requirement of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, Uniform Guidance and Chapter 10.550, State of Florida Rules of the Auditor General 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 Chapter 10.550, State of Florida Rules of the Auditor General 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 state project on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section 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 described 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 Chapter 10.550, State of Florida Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Grimsley & Associates

January 22, 2026
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

City of Blountstown, Florida
Schedule of Expenditures of State Awards

For the year ended September 30, 2024

State Agency	Contract/Grant Number	CFDA Number	Expenditures
Florida Department of Environmental Protection			
Blountstown WW Effluent Project	LP07014	37.039	352,460
Blountstown Inflow & Infiltration Improvement	LPR0008	37.039	522,446
Blountstown WWTF Sand and Grit Removal	SG076	37.075	31,175
Blountstown Comprehensive Lulnerability Assessment	24PLN08	37.098	15,000
Total Florida Department of Environmental Protection			921,081
Department of Financial Services			
Volunteer Firefighter Assistance Program	N/A	43.006	3,548
Volunteer Firefighter Assistance Program	FM-FY23-24	43.006	35,075
Total Department of Financial Services			38,623
Florida Department of Transportation			
Highway Beautification Grant	G2561	55.003	43,875
Total Florida Department of Transportation			43,875
Total Expenditures of State Projects			\$ 1,003,579

NOTE 1: BASIS OF ACCOUNTING

The supplementary Schedule of Expenditures of State Financial Assistance includes the grant activity of the City of Blountstown, Florida (The "City"). State expenditures are presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: REPORTING ENTITY

The City for purposes of the supplementary Schedule of State Financial Assistance Projects includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

NOTE 3: OTHER TYPES OF FINANCIAL ASSISTANCE

There were no other types of financial assistance to include endowments, insurance in effect, non-cash assistance, donated property or free rent received or included in the schedule of expenditures of state financial assistance.

City of Blountstown, Florida
Schedule of Findings and Questioned Costs
Year ended September 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|----------------------------------------------------------------------------------|------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

State Projects

- | | |
|--------------------------------------------------------------------------------------------------------------|------------|
| 1. Type of auditor's report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None noted |
| 4. Identification of major programs | |

CFDA Number	State Program
37.039	Statewide Water Quality Restoration Projects

- | | |
|----------------------------------------------------------------------------|------------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$ 301,074 |
|----------------------------------------------------------------------------|------------|

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

The City was not subject to federal single audit for current fiscal year.

Section IV – State Project Findings and Questioned Costs

The audit did not disclose any audit findings required to be reported pursuant to Section 10.557, Rules of the Auditor General. (Section 10.554(1)(l)1.f, Rules of the Auditor General).

Section V – Summary of Prior Year Audit

None Noted.