

TOWN OF GRAND RIDGE, FLORIDA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2024

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ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2024

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**TOWN OF GRAND RIDGE, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2024**

TOWN COUNCIL

Chris Harrell, Mayor

Kimberly Applewhite, Councilmember

Tullis Tye, Councilmember

Chris Wright, Jr., Councilmember

TOWN MANAGER

Natalie Curry

FINANCIAL SECTION



Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

INDEPENDENT AUDITOR'S REPORT

To the Honorable Town Council
Town of Grand Ridge, Florida

Disclaimer of Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Grand Ridge, Florida, (The Town) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Grand Ridge, Florida's basic financial statements as listed in the table of contents.

We do not express an opinion on the financial statements of the Town referred to above. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

Our responsibility is to conduct an audit of the Town of Grand Ridge, Florida's financial statements in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards and Comptroller General of the United States. However, because of the matters described below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

During the course of our audit, we were unable to obtain sufficient appropriate audit evidence to support several significant account balances and transactions recorded by the Town. Specifically, the Town was unable to provide adequate supporting documentation for expenses selected for testing, cash reconciliation statements, accounts payable balances and related subsequent unrecorded liabilities testing, as well as documentation supporting subsequent receipts testing. Because of the significance of these matters, we were unable to perform alternative audit procedures to obtain sufficient appropriate audit evidence regarding these balances and transactions. Accordingly, we were unable to determine whether any adjustments might have been necessary to the Town's financial statements. Consequently, we do not express an opinion on the financial statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 responsibility is to conduct an audit of the Town's financial statements in accordance with auditing standards generally accepted in the United States of America. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

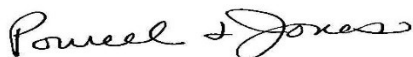
We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Powell and Jones CPA
Lake City, Florida
March 20, 2026

TOWN OF GRAND RIDGE, FLORIDA **Management's Discussion and Analysis**

This discussion and analysis is intended to be an easily readable analysis of the Town of Grand Ridge, Florida's (the Town) financial activities based on currently known facts, decisions, or conditions. This analysis focuses on current-year's activities and should be read in conjunction with the financial statements that follow.

Report Layout

The Town has implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis. Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements, and supplementary and other information. The first several statements are highly condensed and present a government-wide view of the Town's finances. Within this view, all Town operations are categorized as applicable and reported as either governmental or business-type activities. Governmental activities include basic services related to public safety, public works, culture and recreation, and general governmental administration. The Town's water, sewer, and garbage services are reported as business-type activities. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Town.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. This statement presents a snap-shot view of the assets the Town owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the Town is improving or deteriorating.
- The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town 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).

- Fund financial statements focus separately on governmental and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements, focusing on the near-term inflows and outflows of spendable resources and their balances that are available at the end of the fiscal year. The Town has one major governmental fund, the General Fund. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the corresponding government-wide statements in order to

facilitate the comparison between the two presentations. A budgetary comparison is also presented for the General Fund. Statements for the Town's proprietary fund are presented on a full accrual basis of accounting and are located after the governmental fund. Proprietary fund financial statements include statements of net position, revenue, expenses and changes in net position, and cash flows.

- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Town's financial condition.

Other Information

- In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town's budgetary information.

The MD&A is intended to serve as an introduction to the Town's basic financial statements and to explain the significant changes in financial position and differences in operation between the current and prior years.

Town as a Whole

Government-wide Financial Statements

A condensed version of the Statement of Net Position at September 30, 2024 and 2023, follows:

Net Position at September 30, 2024 and 2023

	Governmental Activities	Business-type Activities	Total Government	
			2024	2023
ASSETS				
Current and other assets	\$ 1,042,483	\$ 970,071	\$ 2,012,554	\$ 1,973,666
Capital assets, not being depreciated	242,802	3,314,005	3,556,807	3,236,693
Capital assets, being depreciated	1,296,547	17,242,639	18,539,186	19,030,336
Total assets	<u>2,581,832</u>	<u>21,526,715</u>	<u>24,108,547</u>	<u>24,240,695</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>94,526</u>	<u>18,910</u>	<u>113,436</u>	<u>59,147</u>
LIABILITIES				
Long-term liabilities outstanding	215,798	1,046,909	1,262,707	1,499,283
Deferred revenues	-	-	-	436,744
Net pension liability	256,085	51,229	307,314	259,064
Other liabilities	9,522	125,726	135,248	15,005
Total liabilities	<u>481,405</u>	<u>1,223,864</u>	<u>1,705,269</u>	<u>2,210,096</u>
DEFERRED INFLOWS OF RESOURCES	<u>76,710</u>	<u>15,346</u>	<u>92,056</u>	<u>98,471</u>
NET POSITION				
Invested in capital assets, net				
of related debt	1,339,059	19,511,458	20,850,517	20,783,293
Restricted	12,793	42,988	55,781	159,426
Unrestricted	766,391	751,969	1,518,360	1,048,556
Total net position	<u>\$ 2,118,243</u>	<u>\$ 20,306,415</u>	<u>\$ 22,424,658</u>	<u>\$ 21,991,275</u>

95% of the Town's net position reflects its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position of \$55,781 consists of funds held in an account that have been set aside for public safety and servicing outstanding debts. The remaining balance of unrestricted net position of \$1,518,360 may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's net position increased by \$433,383 or 2% over the year.

The following schedule provides a summary of the changes in net position. A condensed version of the Statement of Activities follows:

Change in Net Position

For the Fiscal Years Ended September 30, 2024 and 2023

	Governmental Activities	Business-type Activities	Total Government	
			2024	2023
Revenues				
Program revenues				
Charges for services	\$ 10,234	\$ 577,478	\$ 587,712	\$ 565,173
Operating grants and contributions	436,894	319,479	756,373	247,808
Capital grants and contributions	214,391	-	214,391	139,200
Investment and other income	22,737	-	22,737	46,506
General revenues				
Taxes, licenses, and permits	413,470	36,581	450,051	389,304
Intergovernmental and other	160,799	-	160,799	177,422
Total revenues	<u>1,258,525</u>	<u>933,538</u>	<u>2,192,063</u>	<u>1,565,413</u>
Expenses				
General government	422,582	-	422,582	360,865
Public safety	83,965	-	83,965	75,613
Public works	174,226	-	174,226	151,127
Culture/recreation	151,220	-	151,220	217,951
Water, sewer, and garbage	-	926,687	926,687	1,025,341
Total expenses	<u>831,993</u>	<u>926,687</u>	<u>1,758,680</u>	<u>1,830,897</u>
Excess of revenues over (under) expenses	426,532	6,851	433,383	(265,484)
Transfers	(38,510)	38,510	-	-
Beginning net position	<u>1,730,221</u>	<u>20,261,054</u>	<u>21,991,275</u>	<u>22,256,759</u>
Ending net position	<u>2,118,243</u>	<u>20,306,415</u>	<u>22,424,658</u>	<u>21,991,275</u>

Governmental activities:

Taxes, licenses, and permits made up 33% of the revenues for Governmental Activities, while grants and contributions also provided 35%. Most of the Governmental Activities resources were spent for General Government (51%) and Public works (21%).

Business-type activities increased the Town's net position by \$45,361. Key elements of this increase are as follows:

- Operating revenues were exceeded by operating expenses by \$329,762, which included \$534,226 in depreciation.
- The net of non-operating revenues and expenses totaled \$17,134, incoming transfers were \$38,510, and capital grants were \$319,479, a portion of which had not been received in cash as of year-end and is reported as due from other governments in the statement of net position.

Budgetary Highlights

The Town's general fund operations resulted in an overall favorable outcome of \$408,074 when compared to its budget during the current-year. The primary driver behind this was lower than anticipated expenditures related to general government, public works, and culture and recreation.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2024, the Town had \$22,095,993 invested in capital assets, including fire equipment, park and recreation facilities, buildings, and water and sewer facilities, or 1% less than 2023. The decrease was primarily attributable to depreciation expense.

Capital Assets at September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 242,802	\$ 242,802	\$ 2,968,528	\$ 2,968,528	\$ 3,211,330	\$ 3,211,330
Construction in progress	-	-	345,477	25,363	345,477	25,363
Buildings and improvements	2,225,321	2,039,321	47,686	47,686	2,273,007	2,087,007
Equipment, furniture, fixtures, and vehicles	1,534,455	1,528,455	24,761,176	24,761,176	26,295,631	26,289,631
Infrastructure	88,842	88,842	-	-	88,842	88,842
Subtotal	4,091,420	3,899,420	28,122,867	27,802,753	32,214,287	31,702,173
Accumulated depreciation	(2,552,071)	(2,403,147)	(7,566,223)	(7,031,997)	(10,118,294)	(9,435,144)
Capital assets, net	\$ 1,539,349	\$ 1,496,273	\$ 20,556,644	\$ 20,770,756	\$ 22,095,993	\$ 22,267,029

Long-term Debt

At the end of the current fiscal year, the Town had capital improvement debt outstanding of \$1,245,476.

Long-term Debt at September 30, 2024 and 2023

	Governmental Activities	Business-type Activities	Total
Revolving fund loan	\$ -	\$ 778,186	\$ 778,186
Water revenue bond	-	267,000	267,000
Public improvement revenue bond	200,290	-	200,290
Total	\$ 200,290	\$ 1,045,186	\$ 1,245,476

OTHER FINANCIAL INFORMATION

Economic Factors and Rates

- The current estimated unemployment rate for the Town was **1.1%**.
- The estimated population for the Town in 2024 was **925**.

Financial Contact

The Town's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, please contact the Town Manager at 2086 Porter Ave, Grand Ridge, Florida 32442.

BASIC FINANCIAL STATEMENTS

TOWN OF GRAND RIDGE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 160,926	\$ 93,771	\$ 254,697
Investments	379,555	407,450	787,005
Receivables	13,420	49,762	63,182
Due from other governmental units	431,010	420,879	851,889
Internal balances	44,779	(44,779)	-
Restricted assets:			
Cash and cash equivalents	12,793	42,988	55,781
Capital assets, not being depreciated	242,802	3,314,005	3,556,807
Capital assets, being depreciated, net	1,296,547	17,242,639	18,539,186
Total Assets	<u>\$ 2,581,832</u>	<u>\$ 21,526,715</u>	<u>\$ 24,108,547</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	<u>\$ 94,526</u>	<u>\$ 18,910</u>	<u>\$ 113,436</u>
LIABILITIES			
Accounts payable and accrued expenses	9,522	119,763	129,285
Accrued interest	-	5,963	5,963
Noncurrent liabilities:			
Due within one year	17,154	113,994	131,148
Due in more than one year	198,644	932,915	1,131,559
Net pension liability	256,085	51,229	307,314
Total liabilities	<u>\$ 481,405</u>	<u>\$ 1,223,864</u>	<u>\$ 1,705,269</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	<u>\$ 76,710</u>	<u>\$ 15,346</u>	<u>\$ 92,056</u>
NET POSITION			
Net investment in capital assets	1,339,059	19,511,458	20,850,517
Restricted for debt service	12,793	42,988	55,781
Unrestricted	766,391	751,969	1,518,360
Total net position	<u>\$ 2,118,243</u>	<u>\$ 20,306,415</u>	<u>\$ 22,424,658</u>

See notes to financial statements.

TOWN OF GRAND RIDGE, FLORIDA
GOVERNMENTAL FUND
BALANCE SHEET
September 30, 2024

	General Fund
ASSETS	
Cash and cash equivalents	\$ 160,926
Investments	379,555
Accounts receivable	13,420
Restricted asset:	
Cash and cash equivalents	12,793
Due from other governments	431,010
Due from other fund	44,779
Total assets	\$ 1,042,483
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 9,522
Total liabilities	9,522
Deferred inflows of resources:	
Unavailable revenue	214,975
Fund Balance:	
Restricted	
Debt service	12,793
Unassigned	805,193
Total fund balance	817,986
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,042,483

See notes to financial statements.

TOWN OF GRAND RIDGE, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2024

Fund balances - total governmental funds \$ 817,986

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds

Total governmental capital assets	4,091,420	
Less: accumulated depreciation	(2,552,071)	
		1,539,349

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the Town's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(256,085)	
Deferred outflows related to pensions	94,526	
Deferred inflows related to pensions	(76,710)	
		(238,269)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt.

(200,290)

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

Compensated absences		(15,508)
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Revenues not received within the period of "availability" are considered deferred inflows of resources at the fund level but are recognized in the statement of activities.

214,975

Ending net position of governmental activities		\$ 2,118,243
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TOWN OF GRAND RIDGE, FLORIDA
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2024

	General Fund
REVENUES	
Taxes, licenses, and permits	\$ 413,470
Intergovernmental	135,736
Grants	651,285
Other	58,034
Total revenues	1,258,525
EXPENDITURES	
General government	318,570
Public safety	53,264
Public works	123,525
Culture/recreation	106,408
Capital outlay	192,000
Debt Service	
Principal	12,960
Interest	5,214
Total expenditures	811,941
Excess of revenues over expenditures	446,584
OTHER FINANCING SOURCES (USES)	
Interfund transfers	(38,510)
Total other financing sources (uses)	(38,510)
Net change in fund balance	408,074
Fund balance at beginning of year	409,912
Fund balance at end of year	\$ 817,986

See notes to financial statements.

TOWN OF GRAND RIDGE, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2024

Net change in fund balance - total governmental funds \$ 408,074

Differences in amounts reported for governmental activities in the statement of activities are:

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Capital outlay expenditures	192,000	
Depreciation expense	(148,924)	
	43,076	43,076

Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plan reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized in accordance with GASB Statement No. 68.

Change in net pension liability and deferred inflows/outflows related to pensions.		(74,573)
------------------------------------------------------------------------------------	--	----------

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:

Change in compensated absences liability		(1,515)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related activities.

12,960

Change in net position of governmental activities		\$ 388,022
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TOWN OF GRAND RIDGE, FLORIDA
PROPRIETARY FUND
STATEMENT OF NET POSITION
September 30, 2024

	Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 93,771
Investments	407,450
Accounts receivable, net	49,762
Due from other governments	420,879
Restricted assets:	
Cash and cash equivalents	42,988
Total current assets	1,014,850
Noncurrent assets	
Capital assets	
Land	2,968,528
Construction in progress	345,477
Buildings	47,686
Equipment	328,462
Infrastructure	24,432,714
Accumulated depreciation	(7,566,223)
Total capital asset, net	20,556,644
Total noncurrent assets	20,556,644
Total assets	\$ 21,571,494
DEFERRED OUTFLOWS	
Deferred outflows related to pensions	\$ 18,910
LIABILITIES AND NET POSITION	
Liabilities	
Current liabilities:	
Accounts payable and accrued expenses	\$ 119,763
Accrued interest	5,963
Compensated absences, current portion	431
Due to other funds	44,779
Notes payable, current portion	113,563
Total current liabilities	284,499
Net pension liability	51,229
Compensated absences, noncurrent portion	1,292
Notes payable, noncurrent portion	931,623
Total noncurrent liabilities	984,144
Total liabilities	\$ 1,268,643
DEFERRED INFLOWS	
Deferred inflows related to pensions	\$ 15,346
Net position	
Invested in capital assets	\$ 19,511,458
Restricted for debt service	42,988
Unrestricted	751,969
Total net position	\$ 20,306,415

See notes to the financial statements.

TOWN OF GRAND RIDGE, FLORIDA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2024

	<u>Enterprise Fund</u>
OPERATING REVENUES	
Charges for services	\$ 577,478
OPERATING EXPENSES	
Personnel services	9,750
Professional and contractual services	211,102
Materials, supplies, and other	152,162
Depreciation	534,226
Total operating expenses	907,240
Operating loss	(329,762)
NONOPERATING REVENUES (EXPENSES)	
Investment income and other	36,581
Interest expense	(19,447)
	17,134
Income (loss) before contributions and transfers	(312,628)
Capital grants	319,479
Transfers	38,510
Net position at beginning of year	20,261,054
Net position at end of year	\$ 20,306,415

TOWN OF GRAND RIDGE, FLORIDA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2024

	Enterprise Fund
Cash flows from operating activities	
Cash received from customers and others	\$ 575,094
Cash paid to employees	(96,608)
Cash paid to suppliers	(230,298)
Net cash provided by operating activities	248,188
Cash flows from noncapital financing activities	
Transfers from other funds	38,510
Net cash provided by noncapital financing activities	38,510
Cash flows from capital and related financing activities	
Principal paid on capital debt	(225,300)
Purchase of fixed assets	(320,114)
Interest paid on capital debt	(20,095)
Capital grant proceeds	220,615
Net cash used in capital and related financing activities	(344,894)
Cash flows from investing activities	
Net purchases of investments	68,597
Investment returns and nonoperating revenues	36,581
Net cash provided by investing activities	105,178
Net decrease in cash and cash equivalents	46,982
Cash and cash equivalents, beginning of year (including \$45,319 reported in restricted cash and cash equivalents)	89,777
Cash and cash equivalents, end of year (including \$45,319 reported in restricted cash and cash equivalents)	\$ 136,759
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (329,762)
Adjustments to reconcile net operating loss to net cash provided by operating activities:	
Depreciation	534,226
Changes in assets and liabilities	
Increase in accounts receivable	(2,384)
Decrease in prepaids	15,058
Decrease in deferred outflows of resources	7,789
Increase in accounts payable	117,908
Decrease in deferred inflows of resources	(29,104)
Increase in compensated absences	169
Decrease in net pension liability	(65,712)
Total adjustments	577,950
Net cash provided by operating activities	\$ 248,188

TOWN OF GRAND RIDGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity – The Town of Grand Ridge, Florida (the Town) is a municipal corporation formed under Chapter 27576, Laws of Florida, Act of 1951, and is governed by an appointed mayor and a four-member council. The accompanying financial statements present the government only because there are no component units for which the government is considered to be financially accountable.

B. 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

C. Basis of Presentation: Government-wide Financial Statements – While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Town's enterprise fund. Separate financial statements are provided for the governmental fund and proprietary fund. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the Town's water, wastewater and garbage functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation: Fund Financial Statements – The fund financial statements provide information about the Town's funds. Separate statements for each fund category- governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental fund:

General Fund - The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

Enterprise Fund - The water, sewer and garbage fund accounts for the activities of the government's water distribution operations, sewer collection operations, and garbage pick-up services.

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting – The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

F. Budgetary Basis of Accounting – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. The appropriated budget is prepared by fund, function, and department. The Town's management may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Town Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

G. Deposits and Investments – The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Any change in the value of investments recorded at fair value is included in investment earnings. Fair value is based on quoted market prices.

State statutes authorize the Town to invest in direct obligations of the U.S. Treasury, Local Government Surplus Funds Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, SEC registered money market funds with the highest credit quality rating and savings and CD accounts in state-certified public depositories.

H. Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Restricted Assets – Certain proceeds from Florida legislative appropriations to the Town have been set aside for State Revolving Fund long-term debt repayment and are classified as restricted assets on the Statement of Net Position because they are maintained in separate investment accounts and their use is limited by applicable third-party restrictions.

J. Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For financial reporting purposes, capital assets are defined by the government as assets with an initial, individual cost of more than \$500 (amount not rounded) and an estimated useful life in excess of one year. Roads, bridges, and sidewalks are capitalized when their initial costs exceed \$25,000 and possess estimated useful lives of more than one year. For inventory purposes, capital assets are assets with an individual cost of \$500 or more. Such 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.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20-39
Public domain infrastructure	30-50
System infrastructure	7-50
Vehicles	5
Office equipment	5
Computer equipment	5

K. Compensated Absences – It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay and sick pay may be paid to employees up to a maximum amount. Vacation and sick pay are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Long-term Obligations – In the government-wide financial statements, and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

M. Net Position Flow Assumption – Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

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

O. Fund Balance Policies – The fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Town Council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

P. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. Deferred outflows/inflows of resources – In addition to assets and liabilities, the statement of financial position will, if required, report a separate section for deferred outflows of resources and deferred inflows of resources, respectively. These separate financial statement elements, deferred outflows/inflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources (expense/expenditure or revenue) until then. Currently, the only item in this category consisted of deferred amounts related to pension, as discussed further in Note 9.

R. Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deductions from FRS's fiduciary net position have been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

T. Proprietary Funds Operating and Nonoperating Revenues and Expenses – 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 Town's proprietary funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2. DEPOSITS AND INVESTMENTS

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a policy for custodial credit risk. As of September 30, 2024, the Town had no carrying amount of deposits and the bank balance was \$318,275. The bank balance was covered by Federal depository insurance, or by collateral held by the Town’s custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security Deposits Act Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral.

NOTE 3. INVESTMENTS – PRIME

Investments in the Local Government Surplus Funds Trust (“PRIME Fund”) are held with the Florida State Board of Administration. This fund is structured as a “2a-7 like” fund, which is carried at amortized cost. Amortized cost includes accrued income and is a method of calculating an investment’s value by adjusting its acquisition cost for amortization of discount or premium over the period from purchase to maturity. Thus, the balance in the fund is its fair value. A “2a-7 like” fund is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds.

The foremost objective of the Town’s investment policy is the safety of capital and liquidity of funds. Achieving an optimal rate of return is of secondary importance as compared to the safety and liquidity of funds. The Town’s investment policy limits investments to those relatively low risk securities authorized in anticipation of earning a fair return relative to the risk being assumed. How the Town manages credit risk, interest rate risk, and custodial credit risk is as follows:

Credit Risk: The Town minimizes credit risk, the risk of loss due to failure of the security, by limiting investments to authorized investments. The PRIME Fund is rated by Standards and Poor’s. The current rating is AAAM.

Interest Rate Risk: The Town manages its exposure to declines in fair values of investments by investing operating funds primarily in shorter-term securities, Florida State Board of Administration Florida PRIME. The weighted average days to maturity of the Florida PRIME at September 30, 2024 was 39 days. Next interest rate reset dates for floating rate securities are used in the calculation of the weighted average days to maturity.

Custodial Credit Risk: Investments are subject to custodial credit risk if the securities are uninsured, not registered in the Town’s name, and are held by the party that either sells to or buys for the Town. No investments held at year end were subject to custodial credit risk. The Florida State Board of Administration Florida PRIME does not participate in securities lending, but the Town owns shares of the Florida PRIME and not the underlying investments.

As of September 30, 2024, the Town had the following investments reported at fair market values:

	Fair Value
Florida PRIME	\$ 787,005

NOTE 4. CAPITAL ASSETS

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

	Beginning Balance	Additions	Transfer/ Deletions	Ending Balance
Governmental activities:				
Non-depreciable capital assets:				
Land	\$ 242,802	\$ -	\$ -	\$ 242,802
Total non-depreciable capital assets	242,802	-	-	242,802
Depreciable capital assets:				
Buildings and improvements	217,866	-	-	217,866
Equipment, furniture, fixtures, and vehicles	1,528,455	6,000	-	1,534,455
Infrastructure	88,842	-	-	88,842
Improvements other than buildings	1,821,455	186,000	-	2,007,455
Total depreciable capital assets	3,656,618	192,000	-	3,848,618
Accumulated depreciation:				
Buildings and improvements	(129,518)	(5,916)	-	(135,434)
Equipment, furniture, fixtures, and vehicles	(888,386)	(76,224)	-	(964,610)
Infrastructure	(69,489)	(3,195)	-	(72,684)
Improvements other than buildings	(1,315,754)	(63,589)	-	(1,379,343)
Total accumulated depreciation	(2,403,147)	(148,924)	-	(2,552,071)
Total depreciable capital assets, net	1,253,471	43,076	-	1,296,547
Governmental activities capital assets, net	\$ 1,496,273	\$ 43,076	\$ -	\$ 1,539,349

	Beginning Balance	Additions	Transfer/ Deletions	Ending Balance
Business-type activities:				
Non-depreciable capital assets:				
Land	\$ 2,968,528	\$ -	\$ -	\$ 2,968,528
Construction in progress	25,363	320,114	-	345,477
Total non-depreciable capital assets	2,993,891	320,114	-	3,314,005
Depreciable capital assets:				
Buildings	47,686	-	-	47,686
Equipment, utility systems, and improvements	24,761,176	-	-	24,761,176
Total depreciable capital assets	24,808,862	-	-	24,808,862
Less accumulated depreciation	(7,031,997)	(534,226)	-	(7,566,223)
Total depreciable capital assets, net	17,776,865	(534,226)	-	17,242,639
Business-type activities capital assets, net	\$ 20,770,756	\$ (534,226)	\$ -	\$ 20,556,644

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

Governmental activities:	
General government	\$ 22,710
Public safety	30,701
Public works	50,701
Culture/recreation	44,812
Total depreciation expense - governmental activities	\$ 148,924
Business-type activities:	
Water, sewer, and garbage	\$ 534,226

NOTE 5. RECEIVABLES

Receivables as of the end of the year, including applicable allowances for uncollectible accounts are as follows:

	General	Water, Sewer, and Garbage	Total
Accounts	\$ 13,420	\$ 49,762	\$ 63,182
Intergovernmental	431,010	420,879	851,889
Gross receivables	444,430	470,641	915,071
Less: allowance for uncollectible	-	-	-
Net total receivables	<u>\$ 444,430</u>	<u>\$ 470,641</u>	<u>\$ 915,071</u>

NOTE 6. LONG-TERM DEBT

State Revolving Fund Loans:

The Town originally entered into an agreement to borrow \$10,270,122 under revolving fund loan agreement with the State of Florida Department of Environmental Protection for the planning, design and construction of a sewer collection and transmission system. During 2019, the remaining balance was refinanced under new borrowing agreement WW892021. The refinanced revolving fund loan is payable in semi-annual installments of \$117,678 including principal and interest at a rate of approximately 1% until the full amount has been paid off. Payments commenced on July 15, 2019 and as of September 30, 2024, the Town had an outstanding balance on the loan of \$768,442. The Town pledged gross revenues derived from the operation and maintenance of the constructed assets to pay debt service.

The Town also borrowed \$25,000 under revolving fund loan agreement with the State of Florida Department of Environmental Protection for the planning, design and construction of a sewer collection and transmission system, under new borrowing agreement WW320410. The revolving fund loan is set to be fully paid off on January 15, 2037 with semi-annual payment that include total principal and a .55% interest rate. As of September 30, 2024, the Town had an outstanding balance on the loan of \$9,745. The Town pledged gross revenues derived from the operation and maintenance of the constructed assets to pay debt service.

Estimated annual debt service requirements to maturity for the revolving fund loans is as follows:

Year	Interest	Principal	Total
2025	\$ 10,489	\$ 98,929	\$ 109,418
2026	9,108	100,310	109,418
2027	7,707	101,711	109,418
2028	6,287	103,131	109,418
2029	4,847	104,571	109,418
2030-2034	5,741	266,421	272,161
2035-2039	43	3,113	3,156
	<u>\$ 44,223</u>	<u>\$ 778,186</u>	<u>\$ 822,409</u>

Water Revenue Bonds:

The Town issued water revenue bonds to finance the acquisition, construction, and equipping of improvements to the Town's water system, bonds have been issued for business-type activities. The original amount of water revenue bonds issued was \$279,000. Bonds shall bear interest from March 24, 2017, payable on each March 24 commencing March 24, 2018 at an interest rate of 2.75%. The principal amounts shall be payable through March of 2057, following the schedule below.

These bonds are collateralized by the Town's net sales from water sales from the system being improved upon. Water revenue bonds currently outstanding are as follows:

Purpose	Interest Rate
Water Fund Activities	2.75%

Annual debt service requirements to maturity for capital improvement bonds are as follows:

Year	Interest	Principal	Total
2025	\$ 7,398	\$ 2,000	\$ 9,398
2026	7,343	3,000	10,343
2027	7,260	3,000	10,260
2028	7,178	3,000	10,178
2029	7,095	4,000	11,095
2030-2034	33,743	23,000	56,743
2035-2039	30,085	32,000	62,085
2040-2044	25,273	40,000	65,273
2045-2049	19,195	51,000	70,195
2050-2054	11,468	64,000	75,468
2055-2057	2,448	42,000	44,448
	<u>\$ 158,485</u>	<u>\$ 267,000</u>	<u>\$ 425,485</u>

Public Improvement Revenue Bonds:

The Town issued USDA firetruck bonds R-1 and R-2 to finance the acquisition and equipping of a firetruck, in and for the Town, under the authority of and in full compliance with the Constitution and laws of the State of Florida. The original amount of USDA public improvement revenue bonds issued was \$176,200 for R-1 and \$49,700 for R-2. Bonds shall bear interest beginning May 2023, payable annual at an interest rate of 2.50% and 2.25%, respectively. The principal amounts shall be payable from May 2023 through May 2037, following the schedule below.

These bonds are collateralized by the Town's gross revenues derived from the Interlocal Agreement (Fire Protection), dated November 12, 2019, between Jackson County and the Town. USDA firetruck bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
Fire Truck	2.50%	\$ 156,300
Fire Truck	2.25%	43,990
		<u>\$ 200,290</u>

Annual debt service requirements to maturity for USDA public improvement revenue bonds are as follows:

Year	Interest	Principal	Total
2025	\$ 4,897	\$ 13,277	\$ 18,174
2026	4,573	13,601	18,174
2027	4,240	13,934	18,174
2028	3,900	14,274	18,174
2029	3,551	14,623	18,174
2030-2034	12,212	78,658	90,870
2035-2037	2,559	51,923	54,482
	<u>\$ 35,932</u>	<u>\$ 200,290</u>	<u>\$ 236,222</u>

Changes in Long-term Liabilities:

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	\$ 13,993	\$ 1,515	\$ -	\$ 15,508	\$ 3,877
Public improvement revenue bonds	213,250	-	12,960	200,290	13,277
Total governmental activities	<u>\$ 227,243</u>	<u>\$ 1,515</u>	<u>\$ 12,960</u>	<u>\$ 215,798</u>	<u>\$ 17,154</u>
Business-type Activities					
Compensated absences	\$ 1,554	\$ 169	\$ -	\$ 1,723	\$ 431
Revolving fund loans	1,001,486	-	223,300	778,186	111,563
Water revenue bonds	269,000	-	2,000	267,000	2,000
Total business-type activities	<u>\$ 1,272,040</u>	<u>\$ 169</u>	<u>\$ 225,300</u>	<u>\$ 1,046,909</u>	<u>\$ 113,994</u>

The total interest incurred for the year ended September 30, 2024 was \$7,701, which was charged to expense. For governmental activities, compensated absences are liquidated by the general fund.

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

Litigation – The Town is party to routine legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such actions will have no material impact on the Town’s financial condition.

NOTE 8. EMPLOYEE RETIREMENT PLANS

A. Florida Retirement System

The Town participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Town's full-time employees. The System is administered by the State of Florida, Department of Management to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined- contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS 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. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45, and the maximum payment is \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 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.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Annual Comprehensive Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services – Division of Retirement, Research, and Education Services at P.O. Box 9000, Tallahassee, FL, 32315-9000.

Contributions

The Town participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at September 30, 2024, as follows (contributions rates are in agreement with actuarially determined rates):

FRS Membership Plan and Class	Through June 30, 2024	After June 30, 2024
Regular Class	13.57%	13.63%
Special Risk	32.67%	32.79%
Special Administrative Support	39.82%	39.82%
Elected Officials	58.68%	58.68%
Senior Management Services	34.52%	34.52%
DROP Participants	21.13%	21.13%

Current-year employer HIS contributions were made at a rate of 2.00%, which are included in the rates above.

For the plan year ended June 30, 2024, actual contributions for employees participating in FRS and HIS were as follows:

Town Contributions - FRS	\$ 34,713
Town Contributions - HIS	4,729
Employee Contributions	6,731

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

At September 30, 2024, the Town reported a liability related to FRS and HIS as follows:

Plan	Net Pension Liability	
FRS	\$	227,081
HIS		80,233
Total	\$	<u>307,314</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The entity's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2024 and June 30, 2023, the entity's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2024	2023
FRS	0.000587004%	0.000470437%
HIS	0.000534851%	0.000450905%

For the year ended June 30, 2024, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$	24,909
HIS		2,079
Total	\$	<u>26,988</u>

Deferred outflows/inflows related to pensions

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

	FRS		HIS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,941	\$ -	\$ 775	\$ 154	\$ 23,716	\$ 154
Changes in assumptions	31,123	-	1,420	9,499	32,543	9,499
Net difference between projected and actual investment earnings	-	15,093	-	29	-	15,122
Change in proportionate share	35,585	57,108	11,800	10,173	47,385	67,281
Contributions subsequent to measurement date	8,719	-	1,073	-	9,792	-
	<u>\$ 98,368</u>	<u>\$ 72,201</u>	<u>\$ 15,068</u>	<u>\$ 19,855</u>	<u>\$ 113,436</u>	<u>\$ 92,056</u>

The above amounts for deferred outflows of resources for contributions related to pensions resulting from entity contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

Year Ended	FRS	HIS	Total
2025	\$ (1,546)	\$ (743)	\$ (2,289)
2026	16,789	(918)	15,871
2027	1,224	(1,336)	(112)
2028	58	(934)	(876)
2029	923	(509)	414
Thereafter	-	(1,420)	(1,420)
Total	<u>\$ 17,448</u>	<u>\$ (5,860)</u>	<u>\$ 11,588</u>

Actuarial Assumption

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2024 for the period July 1, 2018, through June 30, 2023. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay- as-you-go funding structure, a municipal bond rate of 3.93% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.54%. Mortality assumptions for both the FRS and HIS programs were based on the PUB-2010 base mortality tables, with adjustments for member category and sex. The tables were projected generationally using Scale MP-2018.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2022, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward- looking capital market economic model.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.30%	3.30%	1.10%
Fixed income	29.00%	5.70%	5.60%	3.90%
Global equities	45.00%	8.60%	7.00%	18.20%
Real estate	12.00%	8.10%	6.80%	16.60%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.60%	6.20%	8.70%
	<u>100.00%</u>			
Assumed inflation - mean			2.40%	1.50%

(1) - As outlined in the pension plan's investment policy

Sensitivity of the net pension liability to changes in the discount rate

The following presents the proportionate share of the FRS and His net pension liability of the entity calculated using the current discount rates, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1% higher or 1% lower than the current rate:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.70%	\$ 399,428	\$ 227,081	\$ 82,704
HIS	3.93%	91,335	80,233	71,017

NOTE 9. RISK MANAGEMENT

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

NOTE 10. RECENT ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are the pronouncements with required implementation dates, as adjusted based on the impacts of GASB Statement 95, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Town's financial statements.

- A. GASB issued Statement No. 101, Compensated Absences, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions for GASB 101 are effective for the fiscal years beginning after December 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF GRAND RIDGE, FLORIDA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended September 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes, licenses, and permits	\$ 420,748	\$ 420,748	\$ 413,470	\$ (7,278)
Intergovernmental	131,092	131,092	135,736	4,644
Grants	8,304,556	8,304,556	651,285	(7,653,271)
Other	43,590	43,590	58,034	14,444
Total revenues	<u>8,899,986</u>	<u>8,899,986</u>	<u>1,258,525</u>	<u>(7,641,461)</u>
Expenditures				
General government	382,393	382,393	318,570	63,823
Public safety	47,953	47,953	53,264	(5,311)
Public works	192,562	192,562	123,525	69,037
Culture and recreation	166,594	166,594	106,408	60,186
Capital outlay	8,088,644	8,088,644	192,000	7,896,644
Debt service				
Principal	16,626	16,626	12,960	3,666
Interest	5,214	5,214	5,214	-
Total expenditures	<u>8,899,986</u>	<u>8,899,986</u>	<u>811,941</u>	<u>8,088,045</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>446,584</u>	<u>446,584</u>
Other financing sources (uses)				
Transfers in (out)	-	-	(38,510)	(38,510)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(38,510)</u>	<u>(38,510)</u>
Change in net fund balance	<u>-</u>	<u>-</u>	<u>408,074</u>	<u>408,074</u>
Fund balances, beginning of year				
Fund balances, end of year	<u>\$ 409,912</u>	<u>\$ 409,912</u>	<u>\$ 817,986</u>	<u>\$ 408,074</u>

See the following notes to budgetary comparison schedule.

TOWN OF GRAND RIDGE, FLORIDA
NOTES TO REQUIRED BUDGETARY COMPARISON SCHEDULE
September 30, 2024

I. Budgetary Information

The Town adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. All annual appropriations lapse at the end of the fiscal year.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, the Town Council prepares a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means for financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. Revisions that alter the total expenditures of any fund must be approved by the Town Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
6. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

II. Budgetary Variances

The Town anticipated that certain projects would begin during the fiscal year ending September 30, 2024. However, due to their delay in progress both revenues and expenditures were substantially under budget.

TOWN OF GRAND RIDGE, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS AS OF SEPTEMBER 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the FRS net pension liability (asset)	0.000587004%	0.000450905%	0.000772990%	0.000743297%	0.000724362%	0.000804114%	0.000844177%	0.000836668%	0.000915433%	0.000959102%
Town's proportionate share of the FRS net pension liability (asset)	\$ 227,081	\$ 187,454	\$ 287,615	\$ 56,148	\$ 313,949	\$ 276,926	\$ 254,271	\$ 247,481	\$ 231,148	\$ 123,882
Town's proportion of the HIS net pension liability (asset)	0.000534851%	0.000470437%	0.000517775%	0.000534857%	0.000552789%	0.000623003%	0.000676715%	0.000658648%	0.000755851%	0.000843667%
Town's proportionate share of the HIS net pension liability (asset)	80,233	71,610	54,841	65,608	67,495	69,708	71,623	70,426	88,091	86,042
Town's proportionate share of the total net pension liability (asset)	\$ 307,314	\$ 259,064	\$ 342,456	\$ 121,756	\$ 381,444	\$ 346,634	\$ 325,894	\$ 317,907	\$ 319,239	\$ 209,924
Town's covered-employee payroll	\$ 204,863	\$ 200,131	\$ 188,733	\$ 189,391	\$ 191,895	\$ 208,402	\$ 221,075	\$ 212,107	\$ 233,339	\$ 255,960
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	150.01%	129.45%	181.45%	64.29%	198.78%	166.33%	147.41%	149.88%	136.81%	82.01%
Plan fiduciary net position as a percentage of the total pension liability	78.79%	77.04%	79.09%	99.96%	81.85%	85.24%	86.41%	85.53%	85.85%	92.50%

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

TOWN OF GRAND RIDGE, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS AS OF SEPTEMBER 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	\$ 40,637	\$ 33,888	\$ 32,985	\$ 28,316	\$ 24,067	\$ 24,933	\$ 24,058	\$ 22,111	\$ 22,415	\$ 24,458	\$ 21,484
Contractually required HIS contribution	5,536	4,441	3,133	3,144	3,185	3,459	3,670	3,521	3,873	3,225	3,009
Total Contractually Required Contributions	46,173	38,329	36,118	31,460	27,252	28,392	27,728	25,632	26,288	27,683	24,493
Contributions in relation to the contractually required contribution	(46,173)	(38,329)	(36,118)	(31,460)	(27,252)	(28,392)	(27,728)	(25,632)	(26,288)	(27,683)	(24,493)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 224,373	\$ 200,131	\$ 188,733	\$ 189,391	\$ 191,895	\$ 208,402	\$ 221,075	\$ 212,107	\$ 233,339	\$ 255,960	\$ 250,780
Contributions as a percentage of covered-employee payroll	20.58%	19.15%	19.14%	16.61%	14.20%	13.62%	12.54%	12.08%	11.27%	10.82%	9.77%

OTHER INFORMATION

TOWN OF GRAND RIDGE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2024

Federal Grantor/State Grantor/ Pass-Through Grantor Program Title	CFDA/CSFA Number	Grantor Number	Program Award/Matching Amount	Current Year Expenditures	Revenue Recognized
FEDERAL AWARDS					
<i>U.S. Department of Housing and Urban Development</i>					
Passed through the Department Commerce					
CDBG - M0119	14.228	M0119	1,017,050	164,936	164,936
CDBG - M0117	14.228	M0117	7,508,451	93,978	93,978
			<u>8,525,501</u>	<u>258,914</u>	<u>258,914</u>
<i>U.S. Department of Energy</i>					
Passed through the Florida Department of Agriculture and Consumer Services					
State Energy Program	81.041		200,000	186,000	186,000
<i>U.S. Department of Treasury</i>					
Passed through the Florida Executive office of the Governor					
Coronavirus State and Local Fiscal Recovery Fund**	21.027		436,744	436,744	436,744
Total federal awards			<u>9,162,245</u>	<u>881,658</u>	<u>881,658</u>
STATE FINANCIAL ASSISTANCE					
<i>Florida Department of Environmental Protection</i>					
Statewide Water Quality Restoration Projects	37.039	LPA0527	832,500	61,200	61,200
Total state financial assistance			<u>832,500</u>	<u>61,200</u>	<u>61,200</u>
Total federal awards and state financial assistance			<u>\$ 9,994,745</u>	<u>\$ 61,200</u>	<u>\$ 942,858</u>

See notes to schedule of expenditures of federal and state financial assistance

**Selected for Examination of Compliance Requirements

TOWN OF GRAND RIDGE, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state award activity of the Town of Grand Ridge, Florida and is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

A. Reporting Entity

The reporting entity consists of the Town of Grand Ridge. The Town includes a Schedule of Expenditures of Federal Awards and State Financial Assistance for the purpose of additional analysis.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus.

The accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the accrual basis, revenues are recognized when they become earned. Expenses generally are recorded when a liability is incurred.

C. Subrecipients

The Schedule of Expenditures of Federal Awards and State Financial Assistance is required to identify amounts passed through to subrecipients of grant funding. The Town did not have any subrecipients of grant funding in the current fiscal year ended September 30, 2024.

D. Indirect Cost Rate

The Town did not elect to use the de minimis indirect cost rate for the fiscal year ended September 30, 2024.

OTHER REPORTS AND LETTERS



Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

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

To the Honorable Town Council
Town of Grand Ridge, Florida

We were engaged to audit the Town of Grand Ridge, Florida's (the Town) financial statements, 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 Town, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 20, 2026, which contains a disclaimer of opinion.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings as item 2024-001 that we consider to be a significant deficiency and as item 2024-002 that we consider to be a material weakness.

Compliance and Other Matters

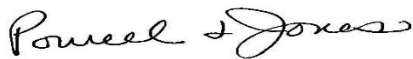
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Management's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying corrective action plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Powell and Jones CPA
Lake City, Florida
March 20, 2026



Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE OF THE AUDITOR GENERAL

To the Honorable Town Council
Town of Grand Ridge, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Grand Ridge, Florida (the Town), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 20, 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 20, 2026, should be considered in conjunction with this management letter.

Prior Year 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 annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted in the table below:

Tabulation of Uncorrected Audit Findings			
Description	Current year Finding #	FY 2023 Finding #	FY 2022 Finding #
Preparation of Financial Statements and Significant Adjustments	2024-001	2023-001	2022-001

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town was established by Chapter 27576, Laws of Florida, Acts of 1951. The Town does not have any component units.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy Programs (PACE)

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the Town's geographical boundaries during the fiscal year under audit.

Additional Matters

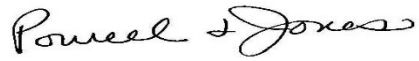
Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect of the financial statements that is less than material but which warrants the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

Purpose of this Letter

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

Conclusion

We very much enjoyed the challenges and experiences associated with this year's audit of the Town. We appreciate the helpful assistance, and courtesy afforded us by all Town employees and look forward to working with you in the future.

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

Powell and Jones CPA
Lake City, Florida
March 20, 2026



Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

Independent Accountant's Report on the Examination of the Town of Grand Ridge, Florida's Compliance with Requirements in the OMB Compliance Supplement related to the Coronavirus State and Local Fiscal Recovery Funds Program

To the Honorable Town Council
Town of Grand Ridge, Florida

We have examined the management of the Town of Grand Ridge, Florida's (the Town) assertion that the Town complied with the types of compliance requirements identified as subject to examination in the OMB Compliance Supplement that could have a direct and material effect on the usage of funds from the Department of Treasury's Coronavirus State and Local Fiscal Recovery Funds program (ALN# 21.027) during the fiscal year ending September 30, 2024. The Town's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (the AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion. Whether due to fraud or error. We believe that the evidence that we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, management's assertion that the Town complied with the specified requirements is fairly stated, in all material respects.

Powell and Jones CPA
Lake City, Florida
March 20, 2026



Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH *FLORIDA STATUTES* RELATING TO LOCAL GOVERNMENT INVESTMENTS

To the Honorable Town Council
Town of Grand Ridge, Florida

We have examined the Town of Grand Ridge, Florida's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2024. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

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

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

Powell and Jones CPA
Lake City, Florida
March 20, 2026



Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

Communication with Those Charged with Governance

To the Honorable Town Council
Town of Grand Ridge, Florida

We have audited the financial statements of the Town of Grand Ridge, Florida for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. New accounting policies that were adopted and the application of existing policies during 2024 are also discussed in Note 1. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the Town's financial statements.

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

Difficulties Encountered in Performing the Audit

We encountered significant difficulties in obtaining information and documentation to support various transactions which resulted in a disclaimer of opinion.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have communicated these misstatements, to which the Town agreed and has successfully rectified.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 20, 2026.

Management Consultations with Other Independent Accountants

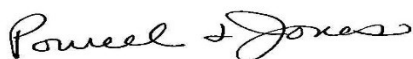
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination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

Other Audit Findings or Issues

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

This information is intended solely for the use of the Town Council and management of the Town of Grand Ridge, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Powell and Jones CPA
Lake City, Florida
March 20, 2026



Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

TOWN OF GRAND RIDGE, FLORIDA SCHEDULE OF FINDINGS For the Year Ended September 30, 2024

Financial Statement Findings:

Significant Deficiency

2024-001 Preparation of Financial Statements

Condition and Criteria: The internal controls of the Town of Grand Ridge, Florida have focused primarily on the objective of effectiveness and efficiency of operations (i.e., performance and mission goals and safeguarding of resources). However, the system of internal control over the objectives of reliability of financial reporting contains certain deficiencies. A key element of financial reporting is the ability of management to select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles.

Cause: For the year ended September 30, 2024, certain adjustments were required to be made to the accounting records subsequent to the start of the audit process. Since these adjustments resulted in material misstatements of the financial statements, this deficiency is deemed to be a material weakness.

Effect: Financial statements would be materially misstated if significant adjustments were not made.

Recommendation: We recommend management select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles.

Material Weakness

2024-002 Records Retention

Condition and Criteria: The Town of Grand Ridge, Florida is required to maintain adequate records to support all financial transactions in accordance with Florida public records laws and generally accepted accounting principles (GAAP). Proper records retention is a fundamental internal control activity designed to ensure that financial information is accurate, complete, and available for audit and management review. During the audit, it was noted that the Town did not consistently maintain or retain supporting documentation for various transactions, and required records were not made available upon request.

Cause: The Town did not follow appropriate records retention practices, resulting in missing or incomplete documentation for multiple financial transactions. The absence of proper recordkeeping prevented auditors from verifying the validity, accuracy, and completeness of

financial activity. Because the Town was unable to provide adequate support for significant portions of audit testing, this deficiency constitutes a material weakness in internal control over financial reporting.

Effect: Due to the lack of sufficient and appropriate audit evidence, the auditors were unable to obtain assurance over material account balances. As a result, the auditors were required to issue a disclaimer of opinion on the Town's financial statements, as the missing documentation created pervasive uncertainties about the reliability of reported financial information.

Recommendation: We recommend that management implement and enforce a comprehensive records retention policy to ensure all financial transactions are supported by proper documentation and maintained in accordance with state retention requirements and GAAP. Management should also provide training to staff on documentation requirements and establish periodic monitoring procedures to ensure compliance.



Powell and Jones CPA

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**TOWN OF GRAND RIDGE, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2024**

2023-001 Preparation of Financial Statements and Material Adjustments -

See repeat finding 2024-001.

Corrective action not taken.

P.O. Drawer 180
Grand Ridge, FL 32442
Phone: (850) 592-4621

Town of Grand Ridge

2086 Porter Avenue
Grand Ridge, FL 32442
Fax: (850) 592-5583



clerk@grandridgefl.com

March 31, 2026

Response to Schedule of Findings

Finding 2024-001: Preparation of Financial Statements

Corrective Action Plan – With respect to the preparation of financial statements and footnotes, it has been the Town's practice to have its Town Clerk prepare monthly as well as annual financial reports.

These reports have traditionally been prepared and reviewed in preparation for annual audits. While the reports have been reviewed by the Town Council as well as the Town Manager, the Town of Grand Ridge has relied upon the audit firm to identify and draft the financial statements and note disclosures.

It would be cost-prohibitive to engage another accounting firm to draft the financial statements and related disclosure in advance of year-end audit procedures; consequently, the Town of Grand Ridge declines to do so at this time.

Finding 2024-002: Records Retention

Corrective Action Plan - The Town of Grand Ridge acknowledges the finding regarding records retention and the importance of maintaining complete and accessible documentation in compliance with Florida public records laws and generally accepted accounting principles (GAAP).

The Town recently experienced a complete turnover in staffing. Due to that turnover, as well as the productivity of that staff, many regulated procedures were simply not completed accurately. The Town acknowledges responsibility for all inaccuracies. The Town has new staff that are working together diligently to assure that the retention policy for record keeping allows for a more successful auditing process.

As stated above, The Town of Grand Ridge is currently moving forward in a positive direction, taking actions to strengthen its records retention practices. Management has implemented standardized procedures for the collection, organization, and retention of supporting documentation for all financial transactions. This includes establishing centralized filing protocols (both physical and electronic), improving document tracking, and ensuring that all required records are maintained in accordance with applicable retention schedules.

The Town is also evaluating additional safeguards, including periodic internal reviews, to verify that documentation is complete, properly retained, and readily available for audit and management purposes.

Michelle Burnett
Grand Ridge Town Clerk