

**TOWN OF INGLIS, FLORIDA
ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended September 30, 2024

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INTRODUCTORY SECTION

TOWN OF INGLIS, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2024

MAYOR

Isaac Young

COMMISSION MEMBERS

Daryl Lynaugh
Harry Brodhead
Veronica Reardon
Lonnie Parnell
Michael Ahern

TOWN CLERK

Cery Logeman

FINANCIAL SECTION



Powell and Jones CPA

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

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and Members of the Town Commission
Town of Inglis, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Inglis, 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's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

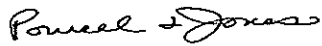
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, 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'S
Lake City, Florida
June 30, 2025

TOWN OF INGLIS, FLORIDA
Management's Discussion and Analysis

This discussion and analysis of the Town of Inglis's (The Town) financial performance provides an easily readable overview of the Town's financial activities for the fiscal year ending September 30, 2024. Please read it in conjunction with the Town's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2024:

- Total ending unrestricted net position was \$2,640,097.
- The Town had total expenses for the year of \$2,342,493, compared to revenues of \$2,239,744.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

In these statements, the Town's activities are divided as follows:

- *Governmental activities* - Most of the Town's basic services are reported here, including administration, fire and police services, road and bridge maintenance, and garbage services. Taxes and charges for services finance most of these activities.
- *Business-type activities* - These activities are financed in whole or in part by fees charged to external parties for goods or services. The activities of the water services are reported as a business-type activities.

Fund Financial Statements

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the Town's funds.

Governmental funds - The General Fund and Road and Bridge Fund are the Town's only governmental funds. These funds are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the governmental fund's financial position. A reconciliation is provided with these statements, which helps to explain the difference between the fund financial statements and the government-wide financial statements.

Proprietary funds - The Water Fund is the Town's only proprietary fund. Proprietary funds are reported using the accrual basis of accounting and, accordingly, there is a correlation between the amounts reported in the fund financial statements and the amounts reported in the government-wide financial statements.

CONDENSED FINANCIAL INFORMATION

Comparative condensed financial information is presented below:

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Non-capital assets	\$ 1,989,616	\$ 1,934,417	\$ 1,249,775	\$ 1,287,273	\$ 3,239,391	\$ 3,221,690
Capital assets	1,077,341	1,099,508	2,584,964	2,686,354	3,662,305	3,785,862
Total assets	3,066,957	3,033,925	3,834,739	3,973,627	6,901,696	7,007,552
Deferred outflows of resources	38,078	45,572	18,323	23,122	56,401	68,694
Liabilities						
Current liabilities	28,086	36,867	115,274	103,861	143,360	140,728
Long-term liabilities	197,431	237,066	97,369	120,094	294,800	357,160
Total liabilities	225,517	273,933	212,643	223,955	438,160	497,888
Deferred inflows of resources	51,241	20,943	24,657	10,626	75,898	31,569
Net position						
Invested in capital assets, net	1,077,341	1,099,508	2,584,964	2,686,354	3,662,305	3,785,862
Restricted	141,637	171,343	-	-	141,637	171,343
Unrestricted	1,609,299	1,513,770	1,030,798	1,075,814	2,640,097	2,589,584
Total net position	\$ 2,828,277	\$ 2,784,621	\$ 3,615,762	\$ 3,762,168	\$ 6,444,039	\$ 6,546,789

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program revenues						
Charges for services	\$ 89,035	\$ 110,463	\$ 581,930	\$ 504,054	\$ 670,965	\$ 614,517
Operating grants and contributions	12,299	12,175	-	-	12,299	12,175
Capital grants and contributions	34,550	-	30,000	-	64,550	-
General revenues						
Property taxes	395,471	360,590	-	-	395,471	360,590
Other taxes and shared revenues	1,056,418	826,374	-	-	1,056,418	826,374
Investment earnings	22,897	9,882	8,863	427	31,760	10,309
Miscellaneous	8,280	39,342	-	-	8,280	39,342
Total revenues	<u>1,618,950</u>	<u>1,358,826</u>	<u>620,793</u>	<u>504,481</u>	<u>2,239,743</u>	<u>1,863,307</u>
Program expenses						
General government	543,938	607,145	-	-	543,938	607,145
Public safety	844,965	669,344	-	-	844,965	669,344
Economic environment	-	-	-	-	-	-
Transportation	86,501	40,430	-	-	86,501	40,430
Culture and recreation	47,900	55,052	-	-	47,900	55,052
Human services	51,990	53,768	-	-	51,990	53,768
Water	-	-	767,199	654,503	767,199	654,503
Total expenses	<u>1,575,294</u>	<u>1,425,739</u>	<u>767,199</u>	<u>654,503</u>	<u>2,342,493</u>	<u>2,080,242</u>
Transfers	-	-	-	-	-	-
Change in net position	43,656	(66,913)	(146,406)	(150,022)	(102,750)	(216,935)
Beginning net position	2,784,621	2,851,534	3,762,168	3,912,190	6,546,789	6,763,724
Ending net position	<u>\$ 2,828,277</u>	<u>\$ 2,784,621</u>	<u>\$ 3,615,762</u>	<u>\$ 3,762,168</u>	<u>\$ 6,444,039</u>	<u>\$ 6,546,789</u>

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$135,884 in program revenues and \$1,483,067 of general revenues and incurred \$1,575,294 of total expenses. This resulted in a \$43,657 increase in net position.

Business-Type Activities

Revenues of the Water Fund were \$620,793 compared to expenses of \$767,199. This resulted in a decrease in net position for the year of \$146,406.

THE TOWN'S INDIVIDUAL FUNDS

General Fund

The General Fund's fund balance increased by \$94,039, from \$1,729,261 to \$1,823,300. At year-end, there was no amount of the fund balance that had been restricted or assigned.

Road and Bridge Fund

The Road and Bridge fund takes in portions of the Town's local option gas tax and other state shared revenues in order to fund expenditures related to the maintenance of the Town's roads and streets. In the year ending September 30, 2024, the fund balance decreased by \$29,706 to \$141,637. The entire fund balance is considered restricted.

Water Utility Fund

The Water Utility Fund's net position decreased by \$146,406, from \$3,762,168 to \$3,615,762.

BUDGETARY HIGHLIGHTS

Revenues of the General Fund were lower than budgeted by \$990,817; this was due to the fact that the Town budgeted for grant revenues that are now expected to be earned future periods. General fund expenditures and outgoing transfers were below budgeted amounts by \$1,051,356. All of these factors led to an overall favorable outcome of \$60,539. The primary reason for the variances in budget was the timing related to the Town's earning of grant revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2024, the Town had \$3,662,305 invested in capital assets, net of depreciation. This included improvements on bridges, the fire station, and its waste-water plant.

Capital Assets at September 30, 2024 and 2023

	Governmental	Business-type	Totals	
	Funds	Funds	2024	2023
Nondepreciable capital assets	\$ 309,252	\$ 30,000	\$ 339,252	\$ 1,469,577
Depreciable capital assets	2,723,375	6,722,547	9,445,922	8,171,483
Accumulated depreciation	(1,955,286)	(4,167,583)	(6,122,869)	(5,855,198)
Total capital assets, net	<u>\$ 1,077,341</u>	<u>\$ 2,584,964</u>	<u>\$ 3,662,305</u>	<u>\$ 3,785,862</u>

Debt Administration

The Town did not have any debt as of September 30, 2024. Please refer to a note in the accompanying financial statements entitled *Noncurrent Liabilities* for more detailed information about the Town's other long-term liability activity.

ECONOMIC FACTORS

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

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Town Hall at 135 Highway 40 West, Inglis, FL 34449.

BASIC FINANCIAL STATEMENTS

TOWN OF INGLIS, FLORIDA
STATEMENT OF NET POSITION
September 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,357,666	\$ 1,102,116	\$ 2,459,782
Investments	432,101	229,844	661,945
Receivables, net	23,734	39,850	63,584
Internal balances	122,035	(122,035)	-
Due from other governments	54,080	-	54,080
Capital assets:			
Non-depreciable	276,859	30,000	306,859
Depreciable, net	800,482	2,554,964	3,355,446
Total assets	\$ 3,066,957	\$ 3,834,739	\$ 6,901,696
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	\$ 38,078	\$ 18,323	\$ 56,401
LIABILITIES			
Accounts payable	\$ 19,701	\$ 14,541	\$ 34,242
Accrued payroll and employee benefits	4,978	-	4,978
Customer deposits	-	98,915	98,915
Noncurrent liabilities:			
Due within one year:			
Compensated absences	3,407	1,818	5,225
Due in more than one year:			
Compensated absences	10,222	7,273	17,495
Net pension liability	187,209	90,096	277,305
Total liabilities	\$ 225,517	\$ 212,643	\$ 438,160
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 51,241	\$ 24,657	\$ 75,898
NET POSITION			
Net investment in capital assets	\$ 1,077,341	\$ 2,584,964	\$ 3,662,305
Restricted for:			
Stormwater	5,608	-	5,608
Transportation	136,029	-	136,029
Unrestricted	1,609,299	1,030,798	2,640,097
Total net position	\$ 2,828,277	\$ 3,615,762	\$ 6,444,039

See notes to the accompanying financial statements.

TOWN OF INGLIS, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 543,938	\$ -	\$ -	\$ 34,550	\$ (509,388)	\$ -	\$ (509,388)
Public safety	844,965	77,014	-	-	(767,951)	-	(767,951)
Transportation	86,501	-	-	-	(86,501)	-	(86,501)
Culture and recreation	47,900	5,851	9,455	-	(32,594)	-	(32,594)
Human services	51,990	6,170	2,844	-	(42,976)	-	(42,976)
Total governmental activities	1,575,294	89,035	12,299	34,550	(1,439,410)	-	(1,439,410)
Business-type activities							
Water utility	767,199	581,930	-	30,000	-	(155,269)	(155,269)
Total business-type activities	767,199	581,930	-	30,000	-	(155,269)	(155,269)
Total primary government	\$ 2,342,493	\$ 670,965	\$ 12,299	\$ 64,550	(1,439,410)	(155,269)	(1,594,679)

General revenues:

Property taxes	395,471	-	395,471
Sales and use taxes	101,687	-	101,687
Communications service tax	38,963	-	38,963
Franchise fees	125,434	-	125,434
Public service taxes	137,109	-	137,109
Other taxes	34,730	-	34,730
Discretionary sales surtax	202,883	-	202,883
State revenue sharing	68,157	-	68,157
Licenses and permits	38,890	-	38,890
Fire protection assessment	109,608	-	109,608
Other intergovernmental revenues	198,957	-	198,957
Investment earnings/(loss)	22,897	8,863	31,760
Miscellaneous revenues	8,280	-	8,280
Total general revenues	1,483,066	8,863	1,491,929
Change in net position	43,656	(146,406)	(102,750)
Net position - beginning	2,784,621	3,762,168	6,546,789
Net position - ending	\$ 2,828,277	\$ 3,615,762	\$ 6,444,039

See notes to the accompanying financial statements.

TOWN OF INGLIS, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2024

	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,281,613	\$ 76,053	\$ 1,357,666
Investments	432,101	-	432,101
Receivables, net	23,734	-	23,734
Due from other governments	54,080	-	54,080
Due from other funds	152,035	74,439	226,474
Total assets	<u><u>\$ 1,943,563</u></u>	<u><u>\$ 150,492</u></u>	<u><u>\$ 2,094,055</u></u>
LIABILITIES			
Accounts payable	\$ 10,846	\$ 8,855	\$ 19,701
Accrued payroll and employee benefits	4,978	-	4,978
Due to other funds	104,439	-	104,439
Total liabilities	<u><u>120,263</u></u>	<u><u>8,855</u></u>	<u><u>129,118</u></u>
FUND BALANCES			
Restricted for:			
Stormwater	-	5,608	5,608
Transportation	-	136,029	136,029
Unassigned	7- 1,823,300	-	1,823,300
Total fund balance	<u><u>\$ 1,823,300</u></u>	<u><u>\$ 141,637</u></u>	<u><u>\$ 1,964,937</u></u>

See notes to the accompanying financial statements.

TOWN OF INGLIS, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2024

Fund balances - total governmental funds **\$ 1,964,937**

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	3,032,627	
Less: accumulated depreciation	<u>(1,955,286)</u>	1,077,341

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 plan is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported:

Net pension liability	(187,209)	
Deferred outflows related to pensions	38,078	
Deferred inflows related to pensions	<u>(51,241)</u>	(200,372)

Noncurrent liabilities, including notes and bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities and other long-term liabilities consist of the following:

Compensated absences		(13,629)
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Net position of governmental activities **\$ 2,828,277**

See notes to the accompanying financial statements.

TOWN OF INGLIS, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2024

	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Total</u>
REVENUES			
Taxes	\$ 782,736	\$ 26,420	\$ 809,156
Permits, fees, and special assessments	162,241	-	162,241
Intergovernmental	529,896	25,527	555,423
Charges for services	6,170	-	6,170
Fines and forfeitures	2,083	-	2,083
Interest revenues	22,897	-	22,897
Miscellaneous	24,093	2,337	26,430
Total revenues	<u>1,530,116</u>	<u>54,284</u>	<u>1,584,400</u>
EXPENDITURES			
Current:			
General government	544,639	-	544,639
Public safety	804,380	-	804,380
Transportation	-	74,697	74,697
Culture and recreation	35,773	-	35,773
Human services	51,642	-	51,642
Capital outlay	22,018	21,468	43,486
Total expenditures	<u>1,458,452</u>	<u>96,165</u>	<u>1,554,617</u>
Excess of revenues over expenditures	<u>71,664</u>	<u>(41,881)</u>	<u>29,783</u>
Other financing sources (uses)			
Grant revenues	34,550	-	34,550
Transfers, net	(12,175)	12,175	-
Total other financing source (uses)	<u>22,375</u>	<u>12,175</u>	<u>34,550</u>
Net change in fund balance	94,039	(29,706)	64,333
Fund balance at beginning of year	1,729,261	171,343	1,900,604
Fund balance at end of year	<u>\$ 1,823,300</u>	<u>\$ 141,637</u>	<u>\$ 1,964,937</u>

See notes to the accompanying financial statements.

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

Net change in fund balances - total governmental funds **\$ 64,333**

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

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

Capital outlay, expenditures	43,486	
Depreciation expense	<u>(65,653)</u>	(22,167)

Governmental funds report contributions to defined benefit plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.

Change in net pension liability/(asset) and deferred inflows/outflows related to pensions	2,904
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Under the modified accrual basis of accounting used in 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. These adjustments are as follows:

Change in compensated absences	(1,414)
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Change in net position of governmental activities	<u><u>\$ 43,656</u></u>
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See notes to the accompanying financial statements.

TOWN OF INGLIS, FLORIDA
PROPRIETARY FUND
STATEMENT OF NET POSITION
September 30, 2024

	<u>Water Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,102,116
Investments	229,844
Accounts receivable, net	39,850
Inventory	-
Due from other funds	30,000
Total current assets	<u>1,401,810</u>
Noncurrent assets:	
Capital assets:	
Buildings and improvements	6,574,870
Equipment	147,677
Construction in progress	30,000
Accumulated depreciation	<u>(4,167,583)</u>
Total noncurrent assets	<u>2,584,964</u>
Total assets	<u>3,986,774</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>18,323</u>
LIABILITIES	
Current liabilities	
Accounts payable	14,541
Deposits	98,915
Due to other funds	152,035
Compensated absences	<u>1,818</u>
Total current liabilities	<u>267,309</u>
Noncurrent liabilities	
Compensated absences	7,273
Net pension liability	<u>90,096</u>
Total noncurrent liabilities	<u>97,369</u>
Total liabilities	<u>364,678</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>24,657</u>
NET POSITION	
Net investment in capital assets	2,584,964
Unrestricted	<u>1,030,798</u>
Total net position	<u>\$ 3,615,762</u>

See notes to the accompanying financial statements.

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

	Water Fund
Operating revenues	
User fees	\$ 581,930
Total operating revenues	581,930
 Operating expenses	
Personnel services	209,095
Operating expenses	356,086
Depreciation	202,018
Total operating expenses	767,199
 Operating gain (loss)	 (185,269)
 Other financing sources/(uses)	
Grant revenue	30,000
Interest revenue	8,863
Total other financing sources/uses	38,863
 Change in net position	 (146,406)
 Net position, beginning of year	 3,762,168
Net position, end of year	\$ 3,615,762

See notes to the accompanying financial statements.

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

	Water Fund
Cash flows from operating activities	
Cash received from customers	\$ 567,778
Cash paid to employees	(214,627)
Cash paid to suppliers	(221,001)
Net cash provided by/(used in) operating activities	132,150
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(100,628)
Capital grants	30,000
Net cash provided by/(used in) capital and related financing activities	(70,628)
Net change in cash and cash equivalents	61,522
Cash and cash equivalents, beginning of year	1,040,594
Cash and cash equivalents, end of year	\$ 1,102,116
Reconciliation of operating income/(loss) to net cash provided by/(used in) operating activities:	
Operating income/(loss)	\$ (185,269)
Adjustments to reconcile net operating income/(loss) to net cash provided by/(used in) operating activities:	
Depreciation	202,018
Expenses paid by other funds	122,035
Changes in assets and liabilities	
Accounts receivable	(14,152)
Accounts payable and accrued liabilities	10,710
Compensated absences	3,518
Net pension liability	(6,710)
Net cash provided by/(used in) operating activities	\$ 132,150

See notes to the accompanying financial statements.

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Inglis, Florida (the Town), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the Town's significant accounting policies:

(a) **Reporting entity** – The Town is a political subdivision of the State of Florida established by Chapter 55-30853, Laws of Florida. It is governed by an elected Mayor and Town Commission. As required by generally accepted accounting principles, the accompanying financial statements present the Town as a primary government. Component units are entities for which a primary government is considered to be financially accountable or entities that would be misleading to exclude. There are no component units included in the Town's financial reporting entity. The Town did not participate in any joint ventures during the fiscal year.

The accompanying financial statements present the financial position, results of operations, and cash flows of the applicable funds governed by the Town Commission of the Town, the reporting entity of government for which the Town Commission is considered to be financially accountable. In evaluating the Town as a reporting entity, management has addressed all potential component units that may or may not fall within the Town's oversight and control, and thus, be included in the Town's financial statements. No such entities or component units have been identified.

(b) **Government-wide and fund financial statements** – The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis and are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reflects both the gross and net costs per functional category (public safety, economic environment, etc.), which are otherwise being supported by general government revenues (property, sales taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by the related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). This government-wide statements focus more on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements emphasize the major funds in either the governmental or business-type categories.

The governmental funds' fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to demonstrate legal compliance and demonstrate how the Town's actual experience conforms to the budgeted fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following the Governmental Funds - Balance Sheet and the Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation .

As a general rule the effect of interfund Town activities has been eliminated from the government- wide financial statements.

(c) Measurement focus and basis of accounting – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 property tax 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 pensions, are recorded only when payment is due.

Taxes, intergovernmental revenue, licenses and permits, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

(d) **Financial statement presentation** – The financial transactions of the Town are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB Codification sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures /expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The Town reports the following major governmental fund:

The **General Fund** accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the Town other than proprietary fund activities are financed through revenues received by the General Fund.

The **Road and Bridge Fund** accounts for the assets, operation and maintenance of the Town's road and bridges.

The Town reports the following major proprietary fund:

The **Water Fund** accounts for the assets, operation and maintenance of the Town-owned water system.

(e) **Budgets and budgetary accounting** - Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The proprietary funds' budgets are prepared on a full accrual basis of accounting.

(f) **Use of estimates** – Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(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.

The Town's investments in the form of certificates of deposit are recorded at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

(h) **Receivables and payables** – Activity between funds that are representative of lending /borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered quarterly. Unbilled accounts receivable are accrued by the Town at year-end to recognize the sales revenues earned through the end of the fiscal year. All unpaid property taxes receivable at year end are at least 180 days past due, at which time the applicable property is subject to lien, and penalties and interest are assessed.

(i) **Capital assets** – Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the Town.

Capital assets are defined by the Town as assets with an initial individual cost of \$1,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost, if purchased or constructed. Contributed assets, including donations and easements or other intangible rights of use, are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Maintenance and repairs of capital assets are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

Assets	Years
Buildings and improvements	30 years
Equipment	3 - 10 years
Water system	15 - 5 years
Plant assets and equipment	20 - 50 years
Infrastructure	40 years

(j) **Compensated absences** – The Town's policy is to allow limited vesting of employee vacation pay and accumulated sick leave. In the governmental fund financial statements, a liability has not been reported because it will not be liquidated with expendable available financial resources. A liability for compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements.

(k) **Long-term obligations** – In the government-wide financial statements and proprietary fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Debt issuance costs are expensed when paid.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only item in this category is deferred inflows of resources related to pensions, as discussed further in Note (9).

(m) **Fund balance** – In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as the fund balance of the permanent fund which was restricted in perpetuity by referendum.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e. when the government assesses, levies, charges, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Committed - Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the Town Commission are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned - Fund balance amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the commission or (b) a body or official to which the commission has delegated the authority to assign amounts to be used for specific purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

For spendable resources, is the Town's policy to use its resources in the following order as needed to fund expenses: restricted, committed, assigned, unassigned.

Fund Balance	General Fund	Road and Bridge Fund
Restricted	\$ -	\$ 141,637
Unassigned	1,823,300	-
Total fund balance	\$ 1,823,300	\$ 141,637

(n) **Impact fees** – The Town has not adopted any ordinances or resolutions to levy impact fees in accordance with Section 163.31801, Florida Statutes.

(o) **Net position flow assumption** – Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the Town's policy to consider restricted net position to have been used before unrestricted net position is applied.

(p) **New accounting pronouncements** – Adoption of New Accounting Pronouncements – In June 2022, the Governmental Accounting Standards Board issued Statement of Governmental Accounting Standards (SGAS) No. 101, Compensated Absences. Under SGAS No. 101, compensated absences must be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through non-cash means. Unused leave includes leave for services already rendered, leave that accumulates, and leave that more likely than not will be used for time off or paid to the employee at some point in the future. Additionally, governments are now able to report year-over-year increases and decreases in compensated absences net of each other and disclose them in one lump sum in the notes to the financial statements. The Town adopted the provisions of SGAS No. 101 as of October 1, 2023. Due to the immaterial impact on net positions from prior periods, the Town has decided to implement this standard prospectively

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position** – Following the governmental fund balance sheet is a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities** – Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

NOTE 3. PROPERTY TAX CALENDAR

Under Florida law, the assessment of all properties and collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser. State laws regulating tax assessment are designed to ensure a consistent property valuation method statewide and permit municipalities to levy property taxes at a rate of up to 10 mills. For the fiscal year ended September 30, 2024, the millage rate assessed by the Town was 4.5312 per \$1,000.

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

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties.

Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, 1% in the month of February, and without discount in March.

The Town recognizes property tax revenues on an accrual basis. Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. The Town tax calendar is as follows:

Valuation Date	January 1, 2023
Levy Date	October 1, 2023
Due Date	March 31, 2024
Lien Date	June 1, 2024

NOTE 4. DEPOSITS AND INVESTMENTS

The Town's cash and equivalents and investments consist of legally authorized demand deposits and certificates of deposit. The institutions in which these deposits are kept are

certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, in addition to applicable Federal Depository Insurance Corporation (FDIC) insurance, these balances on deposit at September 30, 2024, are insured or collateralized through the Bureau of Collateral Management, Florida Department of Financial Services.

State statutes authorize the Town to invest excess funds in time deposits, obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local-Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

The Town held no assets or investments carried at fair value at September 30, 2024, and subject to the required disclosures of GASB 72.

NOTE 5. RECEIVABLES

The Town’s receivables consist of the following as of September 30, 2024:

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Governmental Activities:			
General Fund			
Accounts receivable	\$ 23,734	\$ -	\$ 23,734
Due from other governments	54,080	-	54,080
Total Governmental Activities	<u>77,814</u>	<u>-</u>	<u>77,814</u>
Business-Type Activities:			
Water Utility Fund			
Accounts receivable	67,472	(27,622)	39,850
Total Business-Type Activities	<u>67,472</u>	<u>(27,622)</u>	<u>39,850</u>
Total	<u>\$ 145,286</u>	<u>\$ (27,622)</u>	<u>\$ 117,664</u>

NOTE 6. NONCURRENT LIABILITIES

For the fiscal year ended September 30, 2024, a summary of the noncurrent liability transactions for the Town is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	\$ 12,215	\$ 1,414	\$ -	\$ 13,629	\$ 3,407
Net pension liability	227,905	-	(40,696)	187,209	-
Total governmental activities					
long-term liabilities	<u>\$ 240,120</u>	<u>\$ 1,414</u>	<u>\$ (40,696)</u>	<u>\$ 200,838</u>	<u>\$ 3,407</u>
Business-type activities					
Compensated absences	\$ 5,573	\$ 3,518	\$ -	\$ 9,091	\$ 1,818
Net pension liability	115,636	-	(25,540)	90,096	-
Total business-type activities					
long-term liabilities	<u>\$ 121,209</u>	<u>\$ 3,518</u>	<u>\$ (25,540)</u>	<u>\$ 99,187</u>	<u>\$ 1,818</u>

NOTE 7 CAPITAL ASSETS

Capital asset activity for the fiscal year ending September 30, 2024, is as follow:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 247,307	\$ -	\$ -	\$ 247,307
Construction in progress	29,552	32,393	-	61,945
Total capital assets not being depreciated	<u>276,859</u>	<u>32,393</u>	<u>-</u>	<u>309,252</u>
Capital assets being depreciated				
Improvements	336,003	-	-	336,003
Infrastructure	396,873	-	-	396,873
Buildings	663,676	-	-	663,676
Building improvements	270,403	11,093	-	281,496
Equipment	620,883	-	-	620,883
Vehicles	424,444	-	-	424,444
Total assets being depreciated	<u>2,712,282</u>	<u>11,093</u>	<u>-</u>	<u>2,723,375</u>
Less: accumulated depreciation	<u>(1,889,633)</u>	<u>(65,653)</u>	<u>-</u>	<u>(1,955,286)</u>
Total assets being depreciated, net	<u>822,649</u>	<u>(54,560)</u>	<u>-</u>	<u>768,089</u>
Governmental activities capital assets, net	<u>\$ 1,099,508</u>	<u>\$ (22,167)</u>	<u>\$ -</u>	<u>\$ 1,077,341</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated				
Construction in progress	\$ 1,192,718	\$ 30,000	\$ (1,192,718)	\$ 30,000
Total capital assets not being depreciated	<u>1,192,718</u>	<u>30,000</u>	<u>(1,192,718)</u>	<u>30,000</u>
Capital assets being depreciated				
Water plant	5,315,562	1,192,718	-	6,508,280
Equipment	82,749	64,928	-	147,677
Improvements	60,890	5,700	-	66,590
Total assets being depreciated	<u>5,459,201</u>	<u>1,263,346</u>	<u>-</u>	<u>6,722,547</u>
Less: accumulated depreciation	<u>(3,965,565)</u>	<u>(202,018)</u>	<u>-</u>	<u>(4,167,583)</u>
Total assets being depreciated, net	<u>1,493,636</u>	<u>1,061,328</u>	<u>-</u>	<u>2,554,964</u>
Business-type activities capital assets, net	<u>\$ 2,686,354</u>	<u>\$ 1,091,328</u>	<u>\$ (1,192,718)</u>	<u>\$ 2,584,964</u>

Depreciation expense was charged to function/programs as follows:

Governmental activities	
General government	\$ 18,365
Public safety	23,009
Physical environment	348
Transportation	11,804
Culture and recreation	<u>12,127</u>
Total Governmental activities depreciation expense	<u><u>\$ 65,653</u></u>
Business-type activities	
Water utility	\$ 202,018
Total Business-type activities depreciation expense	<u><u>\$ 202,018</u></u>

NOTE 8. INTERFUND ACTIVITY

The outstanding balances between funds are short-term loans to cover short-term cash flow needs and expected to be repaid in full over the course of the next fiscal year. Individual fund interfund receivables and payables for the primary government at September 30, 2024, are comprised of the following:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental Activities:		
General Fund		
Water Utility Fund	\$ 152,035	\$ 30,000
Road and Bridge Fund	-	74,439
Road and Bridge Fund		
General fund	74,439	-
Business-Type Activities:		
Water Fund		
General Fund	<u>30,000</u>	<u>152,035</u>
Total of all funds	<u><u>\$ 256,474</u></u>	<u><u>\$ 256,474</u></u>

For the year ending September 30, 2024, the General Fund transferred \$89,335 to the Road and Bridge Fund to purchase capital outlay.

NOTE 9. EMPLOYEE RETIREMENT PLANS

A. Florida Retirement System

The entity 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 Administration, Division of Retirement 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 Administrative Support	32.67%	32.79%
Special Risk	39.82%	39.82%
Senior Management Services	34.52%	34.52%
Elected Officials	58.68%	58.68%
Drop Participants	21.13%	21.13%

Current-year employer HIS contributions were made at a rate of 2.00% of covered payroll through June 30, 2024 and 2.00% thereafter, 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	\$ 37,873
Town Contributions - HIS	12,693
Employee Contributions - FRS	11,166

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	\$ 148,348
HIS	128,957
Total	<u>\$ 277,305</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	0.000383479%	0.000498725%
HIS	0.000859656%	0.000911854%

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

Plan	Pension Expense
FRS	\$ 29,498
HIS	11,454
Total	<u>\$ 40,952</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	\$ 14,987	\$ -	\$ 1,245	\$ 248	\$ 16,232	\$ 248
Changes in assumptions	20,332	-	2,282	15,267	22,614	15,267
Net difference between projected and actual earnings on Pension Plan investments	-	9,860	-	47	-	9,907
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	430	39,730	9,535	10,746	9,965	50,476
Town Pension Plan contributions subsequent to the measurement date	5,647	-	1,943	-	7,590	-
	<u>\$ 41,396</u>	<u>\$ 49,590</u>	<u>\$ 15,005</u>	<u>\$ 26,308</u>	<u>\$ 56,401</u>	<u>\$ 75,898</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 year ended September 30, 2024. 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	FRS	HIS	Total
2025	\$ 1,226	\$ (1,680)	\$ (454)
2026	(13,320)	(2,074)	(15,394)
2027	(971)	(3,019)	(3,990)
2028	(46)	(2,111)	(2,157)
2029	(730)	(1,150)	(1,880)
Thereafter	-	(3,211)	(3,211)
Total	<u>\$ (13,841)</u>	<u>\$ (13,245)</u>	<u>\$ (27,086)</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 2019 for the period July 1, 2013, through June 30, 2018. 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 3.25%. 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 3.65%. Mortality assumptions for FRS and HIS were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

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.

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equities	45.0%	8.6%	7.0%	18.2%
Real estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.5%

(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	NPL with	NPL at	NPL with
	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
FRS	6.70%	\$ 260,939	\$ 148,348	\$ 54,029
HIS	3.93%	146,801	128,957	114,144

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Town employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected District Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts at the end of the 2024 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 11.51%, Special Risk Administrative Support class 37.76%, Special Risk class 30.61%, Senior Management Service class 32.46% and District Elected Officers class 56.62%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Town.

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

The Town had seven participants in the Investment Plan for the fiscal year ended September 30, 2024, and contributions of \$23,682, which included both the employee's and employer's shares, were made to the Investment Plan for the year then ended.

NOTE 10. OTHER POST EMPLOYMENT BENEFITS

Florida Law provides for the opportunity to continue healthcare coverage for retirees of the Town through the Florida Health Insurance Coverage Continuation Act (Florida Continuation). Due to the fact that there were no retirees participating in Florida Continuation during the year and it is anticipated that this situation will continue in the future. Because most employees work until they are eligible for Medicare benefits, management had determined that the Town's OPEB obligation at year end would be of a de minimis amount. Management will monitor this situation in the future and take appropriate steps to properly comply with other post-employment benefit-related GASB reporting and disclosure requirements.

NOTE 11 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. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in coverage from the prior year.

The Town is engaged in routine litigation incidental to the conduct of its municipal affairs. In the opinion of the Town's legal counsel, no legal proceedings are pending which would have a material adverse effect on the financial position or results of operations of the Town.

NOTE 12 CONTIGENCIES

Amounts received or receivable from grantor agencies in current and prior years 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 fund(s). The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

The Town is involved in various legal proceedings incidental to the conduct of its affairs. It is the Town's policy to accrue for amounts related to these legal matters if it is possible that a liability has been incurred and an amount is reasonably estimable. At September 30, 2024, no amounts have been accrued.

The Town incurred expenditures of \$54,320 relating to its CDBG roofing and paving project. These expenditures were made in advance of finalizing the grant agreement, with the expectation that the Town will submit the costs for reimbursement during the subsequent fiscal year. Reimbursement is anticipated, but the related revenue has not been recognized as of September 30, 2024.

NOTE 13 RELATED PARTY TRANSACTIONS

On March 24, 2022, the Town entered into an agreement whereby it sold a piece of property owned by the Town to the sitting mayor. Terms of the agreement are available from the Town upon request. This transaction resulted in a complaint being filed by a Town citizen that has been reviewed by the Florida Commission on Ethics (the Commission). As of the date of this report, no opinion has been officially rendered by the Commission.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF INGLIS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
REVENUES				
Taxes	\$ 789,000	\$ 789,000	\$ 782,736	\$ (6,264)
Licenses and permits	140,165	140,165	162,241	22,076
Intergovernmental	468,981	468,981	529,896	60,915
Charges for services	1,050	1,050	6,170	5,120
Fines and forfeitures	3,500	3,500	2,083	(1,417)
Interest revenues	3,550	3,550	22,897	19,347
Miscellaneous	10,862	10,862	24,093	13,231
Total revenues	<u>1,417,108</u>	<u>1,417,108</u>	<u>1,530,116</u>	<u>113,008</u>
EXPENDITURES				
Current:				
General government				
Legislative	31,649	31,649	24,735	6,914
Executive	336,475	336,475	340,404	(3,929)
Legal	9,250	9,250	11,429	(2,179)
Other general government	154,204	154,204	168,071	(13,867)
Public safety				
Code enforcement	99,231	99,231	88,169	11,062
Police	313,690	313,690	313,690	-
Fire	324,097	324,097	366,079	(41,982)
Transportation	24,800	24,800	36,442	(11,642)
Culture and recreation	38,759	38,759	35,773	2,986
Human services	50,065	50,065	51,642	(1,577)
Capital Outlay	124,500	124,500	22,018	102,482
Total expenditures	<u>1,506,720</u>	<u>1,506,720</u>	<u>1,458,452</u>	<u>48,268</u>
Excess (deficiency) of revenues over expenditures	<u>(89,612)</u>	<u>(89,612)</u>	<u>71,664</u>	<u>161,276</u>
Other financing sources (uses)				
Grant revenues	1,138,375	1,138,375	34,550	(1,103,825)
Transfers, net	(1,015,263)	(1,015,263)	(12,175)	1,003,088
Total other financing sources (uses)	<u>123,112</u>	<u>123,112</u>	<u>22,375</u>	<u>(100,737)</u>
Net change in fund balance	<u>33,500</u>	<u>33,500</u>	<u>94,039</u>	<u>60,539</u>
Fund balance at beginning of year	<u>1,729,261</u>	<u>1,729,261</u>	<u>1,729,261</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,762,761</u>	<u>\$ 1,762,761</u>	<u>\$ 1,823,300</u>	<u>\$ 60,539</u>

See notes to the accompanying schedule of revenues, expenditures, and changes in fund balance - budget and actual

TOWN OF INGLIS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – ROAD AND BRIDGE FUND
For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes	\$ 26,000	\$ 26,000	\$ 26,420	\$ 420
Intergovernmental	20,816	20,816	25,527	4,711
Interest revenues	30	30	-	(30)
Miscellaneous	-	-	2,337	2,337
Total revenues	<u>46,846</u>	<u>46,846</u>	<u>54,284</u>	<u>7,438</u>
EXPENDITURES				
Current:				
Transportation	50,000	50,000	74,697	(24,697)
Capital outlay	1,168,573	1,168,573	21,468	1,147,105
Total expenditures	<u>1,218,573</u>	<u>1,218,573</u>	<u>96,165</u>	<u>1,122,408</u>
Excess of revenues over expenditures	(1,171,727)	(1,171,727)	(41,881)	1,129,846
Other financing sources (uses)				
Transfers, net	1,171,727	1,171,727	12,175	(1,159,552)
Total other financing source (uses)	<u>1,171,727</u>	<u>1,171,727</u>	<u>12,175</u>	<u>(1,159,552)</u>
Net change in fund balance	-	-	(29,706)	(29,706)
Fund balance at beginning of year	<u>171,343</u>	<u>171,343</u>	<u>171,343</u>	<u>-</u>
Fund balance at end of year	<u>\$ 171,343</u>	<u>\$ 171,343</u>	<u>\$ 141,637</u>	<u>\$ (29,706)</u>

See notes to the accompanying schedule of revenues, expenditures, and changes in fund balance - budget and actual

TOWN OF INGLIS, FLORIDA
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
September 30, 2024

The Town adopts an annual budget for the General Fund. The Town generally follows these procedures in establishing the budgetary data reflected in the schedule:

1. Prior to September 1, the Town Clerk submits to the Town Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of an ordinance.
4. Any revision that alters the expenditures of any fund must be approved by the Town Commission. The fund is the legal level of control.

The budget amounts presented in the accompanying financial schedules were prepared on a basis that does not materially differ from the modified accrual basis of accounting.

TOWN OF INGLIS, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 46,236	\$ 41,272	\$ 31,826	\$ 21,092	\$ 18,947	\$ 17,465	\$ 15,693	\$ 14,574	\$ 13,726	\$ 11,181
Contractually required HIS contribution	15,496	10,318	14,280	4,760	5,220	4,770	4,202	4,055	3,994	2,689
Total Contractually Required Contributions	<u>61,732</u>	<u>51,590</u>	<u>46,106</u>	<u>25,852</u>	<u>24,167</u>	<u>22,235</u>	<u>19,895</u>	<u>18,629</u>	<u>17,720</u>	<u>13,870</u>
Contributions in relation to the contractually required contribution	(61,732)	(51,590)	(46,106)	(25,852)	(24,167)	(22,235)	(19,895)	(18,629)	(17,720)	(13,870)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 372,199	\$ 351,891	\$ 326,727	\$ 286,752	\$ 314,486	\$ 287,322	\$ 263,127	\$ 244,292	\$ 231,274	\$ 202,194
Contributions as a percentage of covered-employee payroll	16.59%	14.66%	14.11%	9.02%	7.68%	7.74%	7.86%	7.63%	7.66%	6.86%

TOWN OF INGLIS, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the FRS net pension liability (asset)	0.000333479%	0.000498726%	0.000533011%	0.000541271%	0.000510249%	0.000563226%	0.000550636%	0.000537772%	0.000529740%	0.000467932%
City's proportionate share of the FRS net pension liability (asset)	\$ 148,348	\$ 198,726	\$ 199,473	\$ 40,887	\$ 247,154	\$ 193,990	\$ 165,854	\$ 159,069	\$ 133,760	\$ 60,440
City's proportion of the HIS net pension liability (asset)	0.000859656%	0.000911854%	0.000943738%	0.000823332%	0.000905933%	0.000858927%	0.000774825%	0.000759402%	0.000740352%	0.000666480%
City's proportionate share of the HIS net pension liability (asset)	128,957	144,815	89,365	100,994	110,613	96,105	82,008	81,199	86,285	67,970
City's proportionate share of the total net pension liability (asset)	\$ 277,305	\$ 343,541	\$ 288,838	\$ 141,881	\$ 357,767	\$ 290,085	\$ 247,862	\$ 240,268	\$ 220,045	\$ 128,410
City's covered-employee payroll	\$ 361,490	\$ 345,600	\$ 326,727	\$ 291,539	\$ 314,486	\$ 287,322	\$ 253,127	\$ 241,292	\$ 231,274	\$ 202,194
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	76.1%	99.40%	88.40%	48.67%	113.76%	100.96%	97.92%	98.35%	95.14%	63.51%
Plan fiduciary net position as a percentage of the total pension liability	50.78.79%	77.04%	79.09%	99.96%	81.85%	85.24%	86.41%	85.53%	85.85%	92.50%

OTHER REPORTS



Powell and Jones CPA

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Lake City, FL 32025
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 Mayor
and Members of the Town Commission
Town of Inglis, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Inglis, 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's basic financial statements, and have issued our report thereon dated June 30, 2025.

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 items 2024-001 and 2024-002 to be significant deficiencies.

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*.

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'S
Lake City, Florida
June 30, 2025



Powell and Jones CPA

1359 S.W. Main Blvd.
Lake City, FL 32025
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 Mayor
and Members of the Town Commission
Town of Inglis, Florida

We have audited the financial statements of the Town of Inglis, Florida (the Town), as of and for the year ended September 30, 2024, and have issued our report thereon dated June 30, 2025, which is unmodified

Auditor's Responsibility

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to the 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 for Federal Awards (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 30, 2025, 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 financial audit report. The following finding was included in the preceding reports:

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2022-23 FY Finding No.	2021-22 FY Finding No.
2024-001	2022-001	2022-001
2024-002	2022-002	2022-002

AUDITOR GENERAL COMPLIANCE MATTERS

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

Financial Condition Assessment - 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 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.

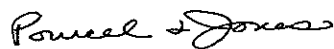
Pursuant to Sections 10.554 (1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations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

Purpose of This Letter

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



POWELL AND JONES, CPA'S
Lake City, Florida
June 30, 2025



Powell and Jones CPA

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

INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor
and Members of the Town Commission
Town of Inglis, Florida

We have examined the Town of Inglis, Florida's (the Town) 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 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'S
Lake City, Florida
June 30, 2025



Powell and Jones CPA

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

Communication with Those Charged with Governance

To the Honorable Mayor
and Members of the Town Commission
Town of Inglis, Florida

We have audited the financial statements of the Town of Inglis, Florida (the Town) 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 Note 1 to the financial statements. New accounting policies that were adopted have also been discussed in Note 1; the application of all other existing policies was not changed during 2024. 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 no significant difficulties when attempting to obtain various supporting documentation while performing and completing our audit.

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

We have requested certain representations from management that are included in the management representation letter dated October 8, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

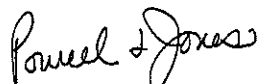
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses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

Other Information in Documents Containing Audited Financial Statements

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

This information is intended solely for the use of the Mayor and Members of the Town Commission and management of the Town 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'S
Lake City, Florida
June 30, 2025



Powell and Jones CPA

1359 S.W. Main Blvd.
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Phone 386.755.4200

TOWN OF INGLIS, FLORIDA SCHEDULE OF FINDINGS

CURRENT YEAR FINDINGS

Findings for Significant Deficiencies

Significant Deficiency 2024-001 – Cutoff

During the audit, there were several instances in which the Town recognized revenue or expense transactions in the period in which the funds were received or disbursed rather than in the period in which the revenue was earned, or the expense was incurred. We recommend that during the Town's year-end closeout, that they include a procedure whereby significant disbursements and receipts occurring soon after the end of the year be reviewed to ensure that proper cutoff has been achieved.

Significant Deficiency 2024-002 – Classification

During the audit, there were several instances in which revenues earned were misclassified and recorded in the improper account. While misclassification of revenues has no impact on net assets overall, if uncaught, they could unintentionally mislead stakeholders who rely on accuracy in financial reporting to make decisions. We recommend that the Town include as a part of its transaction review procedures a post-entry review that increases assurance that revenues earned, and expenses incurred have been properly classified on the financial statements.

Summary Schedule of Prior Audit Findings

2022-001 – Cutoff - In the prior year the auditor referenced that the Town had significant deficiency in the internal control due to revenue or expense transactions in the period in which the funds were received or disbursed rather than in the period in which the revenue was earned, or the expense was incurred.

The auditor recommended that "...steps should be taken that the Town's year-end closeout, that they include a procedure whereby significant disbursements and receipts occurring soon after the end of the year be reviewed.

The circumstances surrounding this finding are substantially the same, and this finding has been continued as finding 2024-1.

2022-002 Classification - In the prior year the auditor referenced that the Town had significant deficiency in the internal control due revenues earned were misclassified and recorded in the improper account. While misclassification of revenues has no impact on net assets overall, if uncaught, they could unintentionally mislead stakeholders who rely on accuracy in financial reporting to make decisions.

The auditor recommended that "...steps should be taken that the Town include as a part of its transaction review procedures a post-entry review that increases assurance that revenues earned, and expenses incurred have been properly classified.

The circumstances surrounding this finding are substantially the same, and this finding has been continued as finding 2024-2.

2023-001 - Bank Reconciliations - In the prior year the auditor referenced that the Town had significant deficiency in the internal control due to for the period from October 1, 2022 through September 30, 2023 that no bank reconciliations were able to be completed.

The auditor recommended that "...steps should be taken that Town update its familiarity with its accounting software's ability to aid in the reconciliation of its bank statements, and that it begins to complete bank reconciliations on a monthly basis.

The circumstances surrounding this finding have been substantially corrected.

2023-002 Financial Statement Preparation - In the prior year the auditor referenced that the Town had significant deficiency in the internal control due to the Town does not have the expertise necessary to prevent, detect, and correct misstatements A deficiency in internal control exists in instances where the Town is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. Possessing suitable skill, knowledge or experience to oversee service an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures.

The circumstances surrounding this finding have been substantially corrected.

135 Highway 40 West
Post Office Drawer 429
Inglis, Florida 34449

(352) 447-2203
(352) 447-2204
Fax (352) 447-1879



To Whom It May Concern

REF: Deficiencies 2024-1, 2024-2

The Town is still trying to recover from prior personnel changes. We have managed to correct two deficiencies from 2023 and are working on correcting the remaining one from 2022 and the one from 2023.

We will work on the deficiencies for 2024 and plan to make corrections per recommendations from our auditor.

Thank you

A handwritten signature in black ink, appearing to read "Isaac Young", is written over a horizontal line.

Mayor Isaac Young