

**CITY OF PERRY, FLORIDA
ANNUAL FINANCIAL REPORT
September 30, 2024**

**CITY OF PERRY, FLORIDA
ANNUAL FINANCIAL REPORT
September 30, 2024
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FINANCIAL SECTION

**CITY OF PERRY, FLORIDA
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LIST OF PRINCIPAL OFFICERS
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CITY OFFICIALS

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

APPOINTED OFFICIALS

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



Powell and Jones CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
City Council City of Perry
Perry, Florida

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 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 (GAAS) and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States and Governmental Auditing Standards, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the City's internal control over financial reporting and compliance.



POWELL and JONES CPA
Lake City, Florida
June 27, 2025

CITY OF PERRY
Management's Discussion and Analysis

This section of the City of Perry's (the City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024.

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year the City's total assets and deferred outflows exceeded its liabilities and deferred inflows by \$40.6 million (net position). Of this amount, \$8.7 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by 16.5% during the current fiscal year.
- Net position of the City's business-type activities increased by approximately \$4.88 million as the governmental activities increased by approximately \$871 thousand.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$5.3 million, a decrease of \$397 thousand in comparison with the prior year mainly due to the level of tax receipts and net incoming transfers as compared to the general expenditures. Approximately \$2.5 million, or 47%, of the ending fund balances amount, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the general fund was \$2.6 million or 26.7% of total general fund expenditures. The unassigned fund balance for the general fund was \$2.5 million or 25.9% of total general fund expenditures. The non-spendable fund balance was \$72.6 thousand (2.8% of general fund ending fund balance). These designations follow the City's fund balance and financial policies as explained in the notes to the financial statements.
- The City's cash amount of \$13.4 million is held in three banks insured as government funds and per the State Statute.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, garage, fire, community development, police, and transportation. The business-type activities of the City include parks, water, gas, solid waste, sewer, and inventory.

FUND FINANCIAL STATEMENTS

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, utility tax revenue fund, local option gas tax fund, and community development fund, which are considered to be major funds.

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

- 1) Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of the parks, water, gas, solid waste, sewer, and inventory departments. All enterprise funds are considered to be major funds of the City.
- 2) Internal Service funds are used to report activities that provide supplies and services for certain City programs and activities. The City does not have any internal service funds.

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

NOTES TO THE FINANCIAL STATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, the ending net position in the current fiscal year is \$40.6 million.

The largest portion of the City's net position is its investment in capital assets (e.g., land, buildings, machinery, and equipment) net of the amount used to acquire those assets that is still outstanding, the total of which is approximately \$30.9 million. The City of Perry uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. It should be noted that resources needed to repay any debt must be provided from other sources because the capital assets cannot be used to liquidate the liability.

An additional portion of the City of Perry's net position, totaling approximately \$9.1 million, represents resources that are unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

The remaining balance of \$996 thousand, (2.5%), represents resources that are subject to external restrictions on how they may be used.

Statement of Net Position
As of September 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2024	2023	2024	2023	2024	2023	2023-24
Assets							
Current and other assets	\$ 7,413,661	\$ 9,485,507	\$ 9,492,766	\$ 6,982,046	\$ 16,906,427	\$ 16,467,553	2.7%
Capital assets, net of depreciation	4,818,990	3,116,933	32,726,451	30,137,933	37,545,441	33,254,866	12.9%
Total Assets	12,232,651	12,602,440	42,219,217	37,119,979	54,451,868	49,722,419	9.5%
Deferred outflows	1,867,386	3,001,945	156,134	148,938	2,023,520	3,150,883	-35.8%
Liabilities							
Long-term liabilities outstanding	4,588,333	5,464,250	7,309,293	6,980,313	11,897,626	12,444,563	-4.4%
Other liabilities	2,329,095	3,821,011	1,007,148	1,201,683	3,336,243	5,022,694	-33.6%
Total Liabilities	6,917,428	9,285,261	8,316,441	8,181,996	15,233,869	17,467,257	-12.8%
Deferred inflows	487,835	495,617	117,441	48,779	605,276	544,396	11.2%
Net Position							
Net investment in capital assets	4,818,990	3,116,933	26,085,121	23,996,994	30,904,111	27,113,927	14.0%
Restricted	996,079	1,774,981	-	-	996,079	1,774,981	-43.9%
Unrestricted	879,705	931,593	7,856,348	5,061,416	8,736,053	5,993,009	45.8%
Total Net Position	\$ 6,694,774	\$ 5,823,507	\$ 33,941,469	\$ 29,058,410	\$ 40,636,243	\$ 34,881,917	16.5%

Analysis of Change in Net Position

The City's net position overall increased by approximately \$5.8 million or 16.5%, during the current fiscal year.

Statement of Changes in Net Position

Fiscal Years Ended

September 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2024	2023	2024	2023	2024	2023	2023-24
Revenues							
Program revenues:							
Charges for services	\$ 174,633	\$ 132,346	\$ 8,155,426	\$ 7,947,089	\$ 8,330,059	\$ 8,079,435	3.1%
Operating grants and contributions	654,006	-	652,168	-	1,306,174	-	100.0%
Capital grants and contributions	802,098	406,261	3,582,233	113,355	4,384,331	519,616	743.8%
General revenues:							
Property taxes	1,997,826	1,665,028	-	-	1,997,826	1,665,028	20.0%
Business taxes	985,792	994,773	-	-	985,792	994,773	-0.9%
Other taxes and revenues	3,215,101	3,048,812	-	-	3,215,101	3,048,812	5.5%
Interest and investment income	166,391	23,012	13,906	16,447	180,297	39,459	356.9%
Other	284,062	181,260	442,370	300,962	726,432	482,222	50.6%
Total revenues	8,279,909	6,451,492	12,846,103	8,377,853	21,126,012	14,829,345	42.5%
Expenses							
General Government	2,245,974	1,908,188	-	-	2,245,974	1,908,188	17.7%
Garage	176,500	149,506	-	-	176,500	149,506	18.1%
Public Safety	4,620,442	4,325,861	-	-	4,620,442	4,325,861	6.8%
Community Development	49,721	47,494	-	-	49,721	47,494	4.7%
Public works transportation	816,005	668,461	-	-	816,005	668,461	22.1%
Parks	-	-	550,239	370,997	550,239	370,997	48.3%
Water	-	-	1,246,313	1,227,429	1,246,313	1,227,429	1.5%
Gas	-	-	1,271,423	1,510,368	1,271,423	1,510,368	-15.8%
Solid Waste	-	-	1,012,090	1,085,167	1,012,090	1,085,167	-6.7%
Sewer	-	-	2,802,076	2,606,921	2,802,076	2,606,921	7.5%
Inventory	-	-	580,903	473,670	580,903	473,670	22.6%
Total expenses	7,908,642	7,099,510	7,463,044	7,274,552	15,371,686	14,374,062	6.9%
Increase (decrease) in net position before transfers and losses	371,267	(648,018)	5,383,059	1,103,301	5,754,326	455,283	1163.9%
Transfers	500,000	543,514	(500,000)	(543,514)	-	-	0.0%
Loss on disposal of assets	-	(22,248)	-	-	-	(22,248)	-100.0%
Change in net position	871,267	(126,752)	4,883,059	559,787	5,754,326	455,283	1163.9%
Net position at beginning of year	5,823,507	5,950,259	29,058,410	28,498,623	34,881,917	34,448,882	1.3%
Net position at end of year	\$ 6,694,774	\$ 5,823,507	\$ 33,941,469	\$ 29,058,410	\$ 40,636,243	\$ 34,904,165	16.4%

Governmental activities increased the City's net position by \$871 thousand. The business-type activities had an increase of \$4.9 million in net position. Key factors related to the changes were as follows:

For Governmental activities, the occurrence of Hurricane Idalia in August 2023 resulted in higher revenues from insurance and FEMA payments. Additionally, the City received increased revenues from ad valorem taxes due to higher property values and lower rebates provided to Super Pufft. These factors were partially mitigated by the year-over-year increases in spending on capital projects and equipment.

For business activities, the City's observed increase was most notably due to \$2.7 million in loan forgiveness that was received from the Department of Environmental Protection related to the City's carbon filtration addition project. There were also operational gains in the gas and water funds and FEMA payments that were received for damages that were incurred as a result of Hurricane Idalia.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5.3 million, a decrease of \$397 thousand in comparison with the prior year. This decrease is primarily due to increased levels of investment in capital projects and equipment and was partially offset by transfers from the enterprise funds. Approximately 47% of the fund balances, \$2.5 million, constitutes unassigned fund balances, which is available for spending at the City's discretion. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it is restricted for specific uses.

Revenues for governmental functions overall totaled \$8.28 million for the current fiscal year. Expenditures totaled \$9.58 million, which means that expenditures exceeded revenues before transfers by approximately \$1.3 million or 14%.

The general fund is the chief operating fund of the City. At the close of the current fiscal year, the unassigned fund balance of the general fund was approximately \$2.5 million, and total fund balance was \$2.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26% of total general fund expenditures of \$9.18 million, while total fund balance represents 27% of that same amount.

The fund balance of the City's general fund increased by \$229 thousand during the current fiscal year. This is mainly due to transfers.

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

The utility tax revenues are slightly less than \$1 million, which is 11.9% of total governmental revenue and is used to supplement needs in other areas such as other proprietary funds and the General fund; and the local option gas tax revenue is \$336 thousand, which is 4.1% of the total governmental revenue. The proceeds supported the street department and paving projects.

The utility tax fund's fund balance increased by \$142 thousand. Revenues remained largely consistent with the prior year in the utility tax fund; the current year's increase in fund balance was related to the decreased transfer to other funds of \$844 thousand. The local option gas tax fund's fund balance decreased by \$784. This was also due to budgeted transfers exceeding the revenues that were brought in.

The community redevelopment fund increased by \$15.9 thousand due to grants and rental revenues.

Proprietary Funds

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

At the end of the fiscal year, the unrestricted net position for the Gas Fund was \$2.1 million, the Sewer Revenue Fund was \$791 thousand, the Water Revenue Fund was \$3.9 million, the Solid Waste Fund was \$150 thousand, the Parks Fund was \$384 thousand, and the Inventory Fund was \$583 thousand.

The total change in net position for the enterprise funds was an increase of \$4.9 million.

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

Fiduciary Fund

The City maintains fiduciary funds for the assets of the Police Officers' and Firefighters' Pension Funds. As of the end of the current fiscal year, the net position of the Police Officers' and Firefighters' Pension Funds totaled \$16.7 million, which represents an increase of \$2.5 million over the prior fiscal year. This increase is primarily due to an increase in the fair value of plan investments. The note sections 3 and 4 and Required Supplementary Information contain additional statements, clarifications, and actuarial information on these funds.

General Fund budgetary highlights

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

During the year actual revenues and incoming transfers exceeded budgetary estimates by \$2 million. Actual expenditures and other uses were over their budgetary estimates by \$1.8 million. The net of these two factors represents an overall favorable variance with the budget of \$171 thousand. Higher than budgeted revenues from grants, interest earned, SBITA proceeds, and insurance reimbursements from Hurricane Idalia as well as an unbudgeted transfer of \$846 thousand from the local option gas tax fund led to the favorable outcome regarding revenues and transfers, while unanticipated spending on hurricane recovery and other capital projects resulted in the unfavorable outcome pertaining to expenditures. The City reported budgeted expenditures of \$7.7 million and actual expenditures of \$9.5 million.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2024, amount to \$37.5 million (net of accumulated depreciation). Capital assets include land, buildings, improvements, equipment, and infrastructure. The overall total increase in the City's capital assets (net of accumulated depreciation) for the current fiscal year was 12.8%, a 54.7% increase for governmental activities and 8.5% increase for business-type activities. The increases were primarily related to the City's investment in capital projects and other equipment purchases that occurred in the period under audit. Balances as of September 30, 2024 are shown in the table below.

Capital Assets, Net of Depreciation September 30, 2024

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 388,041	\$ 2,264,256	\$ 2,652,297
Construction in progress	899,213	3,947,619	4,846,832
Buildings	272,677	207,948	480,625
Improvements	1,022,468	-	1,022,468
Equipment	1,921,963	1,613,778	3,535,741
Infrastructure	-	24,692,850	24,692,850
Right of use - SBITA	314,628	-	314,628
Total	<u>4,818,990</u>	<u>32,726,451</u>	<u>37,545,441</u>

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

Debt Administration

The following table below illustrates the City's outstanding debt as of September 30, 2024:

Outstanding Debt
September 30, 2024

	Governmental Activities	Business-Type Activities	Total
SRF Pre Construction Loan	\$ -	\$ 127,645	\$ 127,645
SRF Sewer Loan	-	2,739,596	2,739,596
SRF Water Loan	-	1,034,089	1,034,089
USDA Bond Payable	-	2,740,000	2,740,000
Compensated Absences	415,207	99,803	515,010
OPEB Payable	402,176	166,833	569,009
Net Pension Liability	3,731,897	689,274	4,421,171
SBITA Liability	326,865	-	326,865
Total long-term liabilities	<u>4,876,145</u>	<u>7,597,240</u>	<u>12,473,385</u>

At the end of the current fiscal year, the City had total long-term obligations outstanding of approximately \$12.5 million. A pre-construction loan for sewer plant development is \$127 thousand and was utilized for engineering plans. In fiscal year 2018 the City closed on a USDA bond, this loan calls for annual payments of principal and interest, which began in September 2021. At year-end, \$2.74 million remained outstanding on this bond. Over the past few years, the City has closed on a number of SRF loan for sewer and water, their outstanding amounts in this fiscal year total \$3.77 million. The GASB requires the recording of a liability balance for future retiree benefits. This OPEB liability was actuarially determined and recorded in the amount of \$569 thousand. The GASB requires the recording of a liability for the estimated future unfunded balances of employee pension plans. This net pension liability was actuarially determined and recorded in the amount of \$4.4 million. The remainder consists of compensated absences in the amount of \$515 thousand and the \$327 thousand liability related to a Subscription Based IT Arrangement (SBITA) whose term exceeds 12 months.

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

Economic Factors and Next Year's Budget and Rates

Impact on governmental activities

Funding for the City's governmental activities comes from property and business taxes, and various fees (including franchise fees and occupational license fees). Some funding is also received from state-shared revenues and other intergovernmental revenues. During the FY 2023-2024 budget process, economic uncertainty persisted amid national inflation trends and residual supply chain disruptions. These challenges were considered in budget planning. Hurricane Idalia and the Georgia Pacific Mill Closure were key challenges in FY 2023-2024. With Hurricane Idalia, significant damage to the City of Perry increased demand on municipal services and significantly increased our hurricane expenditures.

Impact on business-type activities

Revenues for the business-type (enterprise) activities are derived from user fees or service charges. Utility consumption continues to be sensitive to local weather patterns, which influence gas and water usage. The City's natural gas operations—representing a significant portion of the Enterprise Fund—are particularly impacted by both weather volatility and global fuel price trends. A gas supply agreement was made in previous years and continues to help stabilize the prices for our natural gas customers.

Fiscal Year 2025's Budget and Rates

The City's operating budget for fiscal year 2025 totals \$13.1 million, \$7.2 million for the Governmental Funds and \$5.9 million for the Enterprise Funds. The General Fund consists of general government activities as well as police, fire, economic development, transportation, and garage. The Enterprise Funds are expected to be self-supporting from user fees and charges for services. The Enterprise Funds consist of parks, water, gas, sewer, solid waste, and inventory.

For the 2025 fiscal year, the millage rate is 5.83%. Ad valorem taxes provide 28.82% of total tax revenues for the City's General Fund.

The City's Capital Outlay Budget totals \$18.8 million with \$1.9 million budgeted in the General Fund and \$16.9 million in the Enterprise Funds. The City will be getting grants from federal and state sources to fund capital improvement projects. The City has a five-year plan for capital improvements for all projects through 2029 with appropriations of funding made on an annual basis.

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

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

CITY OF PERRY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,092,453	\$ 6,885,029	\$ 12,977,482
Receivables (net of allowance for uncollectibles)	33,474	831,768	865,242
Due from other governments	1,024,773	652,168	1,676,941
Inventories	-	460,744	460,744
Restricted cash and cash equivalents	876,413	-	876,413
Lease receivable	49,605	-	49,605
Capital assets (net of accumulated depreciation/amortization:			
Non-depreciable	1,287,254	6,211,875	7,499,129
Depreciable, net	3,217,108	26,514,576	29,731,684
Right of use asset, net	314,628	-	314,628
Internal balances	(663,057)	663,057	-
Total Assets	12,232,651	42,219,217	54,451,868
DEFERRED OUTFLOWS	1,867,386	156,134	2,023,520
LIABILITIES			
Accounts payable and accrued liabilities	643,065	479,297	1,122,362
Customer deposits	2,450	239,904	242,354
Unearned revenue, grants	1,395,768	-	1,395,768
Noncurrent Liabilities:			
Due within one year:			
Compensated absences	207,604	49,900	257,504
SRF loans	-	171,986	171,986
USDA loan	-	50,000	50,000
Preconstruction loan	-	16,061	16,061
SBITA liability	80,208	-	80,208
Due in more than one year:			
SRF loans	-	3,601,699	3,601,699
Pre-construction loan	-	111,584	111,584
USDA loan	-	2,690,000	2,690,000
SBITA liability	246,657	-	246,657
OPEB payable	402,176	166,833	569,009
Compensated absences	207,603	49,903	257,506
Net pension liability	3,731,897	689,274	4,421,171
Total liabilities	6,917,428	8,316,441	15,233,869
DEFERRED INFLOWS	487,835	117,441	605,276
NET POSITION			
Net investment in capital assets	4,818,990	26,085,121	30,904,111
Restricted for:			
Transportation	11,328	-	11,328
Local option gas tax	867,310	-	867,310
Law enforcement	61,298	-	61,298
Community redevelopment	56,143	-	56,143
Unrestricted	879,705	7,856,348	8,736,053
Total net position	\$ 6,694,774	\$ 33,941,469	\$ 40,636,243

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

CITY OF PERRY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2024

Function/Program Activities	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 2,245,974	\$ 148,494	\$ 437,190	\$ 802,098	\$ (858,192)	\$ -	\$ (858,192)
Public works transportation	816,005	-	137,468	-	(678,537)	-	(678,537)
Community redevelopment	49,721	-	26,377	-	(23,344)	-	(23,344)
Public safety	4,620,442	26,139	43,169	-	(4,551,134)	-	(4,551,134)
Garage	176,500	-	9,802	-	(166,698)	-	(166,698)
Total Governmental Activities	7,908,642	174,633	654,006	802,098	(6,277,905)	-	(6,277,905)
Business-type Activities:							
Gas	1,271,423	1,961,545	12,034	22,986	-	725,142	725,142
Sewer	2,802,076	1,807,551	224,488	331,416	-	(438,621)	(438,621)
Water	1,246,313	3,069,607	77,537	2,855,294	-	4,756,125	4,756,125
Solid waste	1,012,090	858,957	68,764	188,034	-	103,665	103,665
Parks	550,239	7,309	269,345	135,747	-	(137,838)	(137,838)
Inventory	580,903	450,457	-	48,756	-	(81,690)	(81,690)
Total business-type activities	7,463,044	8,155,426	652,168	3,582,233	-	4,926,783	4,926,783
Total Primary Government	\$ 15,371,686	\$ 8,330,059	\$ 1,306,174	\$ 4,384,331	(6,277,905)	4,926,783	(1,351,122)
General Revenues							
Property taxes					1,997,826	-	1,997,826
Discretionary tax					775,026	-	775,026
Franchise tax					629,006	-	629,006
Telecommunications tax					267,416	-	267,416
Motor fuel tax					420,480	-	420,480
Sales tax					559,453	-	559,453
Utility taxes					985,792	-	985,792
Intergovernmental					563,720	-	563,720
Interest					166,391	13,906	180,297
Insurance reimbursements					156,880	329,145	486,025
Miscellaneous					127,182	113,225	240,407
Transfers					500,000	(500,000)	-
Total Revenues & Transfers					7,149,172	(43,724)	7,105,448
Change in net position					871,267	4,883,059	5,754,326
Net position - beginning					5,823,507	29,058,410	34,881,917
Net position - ending					\$ 6,694,774	\$ 33,941,469	\$ 40,636,243

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

**CITY OF PERRY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024**

	General	Community Redevelopment	Utility Tax Revenue	Local Option Gas Tax	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,463,683	\$ -	\$ 1,628,770	\$ -	\$ 6,092,453
Receivables (net of allowance for uncollectibles)	33,275	-	199	-	33,474
Lease receivable	49,605	-	-	-	49,605
Due from other funds	833,336	2,500	219,648	31,730	1,087,214
Due from other governments	935,779	26,377	-	62,617	1,024,773
Cash - restricted	72,626	30,824	-	772,963	876,413
Total Assets	<u>6,388,304</u>	<u>59,701</u>	<u>1,848,617</u>	<u>867,310</u>	<u>9,163,932</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	320,544	1,108	-	-	321,652
Accrued liabilities	321,413	-	-	-	321,413
Deposits	-	2,450	-	-	2,450
Unearned revenues	1,395,768	-	-	-	1,395,768
Due to other funds	1,750,271	-	-	-	1,750,271
Total Liabilities	<u>3,787,996</u>	<u>3,558</u>	<u>-</u>	<u>-</u>	<u>3,791,554</u>
Deferred Inflows of Resources					
Leases	<u>44,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,066</u>
Fund Balances:					
Restricted	72,626	56,143	-	867,310	996,079
Assigned	-	-	1,848,617	-	1,848,617
Unassigned	2,483,616	-	-	-	2,483,616
Total Fund Balances	<u>2,556,242</u>	<u>56,143</u>	<u>1,848,617</u>	<u>867,310</u>	<u>5,328,312</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,388,304</u>	<u>\$ 59,701</u>	<u>\$ 1,848,617</u>	<u>\$ 867,310</u>	<u>\$ 9,163,932</u>

The accompanying notes are an integral part of these financial statements

**CITY OF PERRY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2024**

Fund Balances - Total governmental funds	\$ 5,328,312
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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.

Property, plant, and equipment	4,504,362
Right of use asset - SBITA	314,628

Net Pension Liability (Police, Fire, FRS, HIS)	(3,731,897)
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Deferred outflows (Police, Fire, FRS, HIS, OPEB)	1,867,386
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Deferred inflows (Police, Fire, FRS, HIS)	(443,769)
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Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.

OPEB Liability	(402,176)
Compensated absences	(415,207)
SBITA liability	(326,865)

Net Position of governmental activities	\$ <u>6,694,774</u>
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The accompanying notes are an integral part of these financial statements.

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

	General	Community Redevelopment	Utility Tax Revenue	Local Option Gas Tax	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 1,997,826	\$ -	\$ -	\$ -	\$ 1,997,826
Discretionary sales tax	775,026	-	-	-	775,026
Telecommunications	267,416	-	-	-	267,416
Franchise	629,006	-	-	-	629,006
Motor fuel	84,153	-	-	336,327	420,480
Utility	-	-	985,792	-	985,792
Sales tax - 1/2 cent	559,453	-	-	-	559,453
Licenses and permits	148,494	-	-	-	148,494
Intergovernmental	563,720	-	-	-	563,720
Fines and forfeitures	26,139	-	-	-	26,139
Interest	166,391	-	-	-	166,391
Grants	1,429,727	26,377	-	-	1,456,104
Insurance reimbursements	146,562	10,318	-	-	156,880
Miscellaneous	98,291	28,891	-	-	127,182
Total revenues	<u>6,892,204</u>	<u>65,586</u>	<u>985,792</u>	<u>336,327</u>	<u>8,279,909</u>
EXPENDITURES					
Current:					
General government	2,179,168	-	-	-	2,179,168
Garage	165,599	-	-	-	165,599
Police	2,632,722	-	-	-	2,632,722
Fire	1,524,740	-	-	-	1,524,740
Public work transportation	766,086	-	-	-	766,086
Economic development	-	49,721	-	-	49,721
Capital outlay	2,259,862	-	-	-	2,259,862
Total expenditures	<u>9,528,177</u>	<u>49,721</u>	<u>-</u>	<u>-</u>	<u>9,577,898</u>
Excess (deficiency) of revenues over (under) expenditures	(2,635,973)	15,865	985,792	336,327	(1,297,989)
OTHER FINANCING SOURCES (USES)					
Transfers in	2,463,898	-	-	-	2,463,898
Transfers out	-	-	(843,875)	(1,120,023)	(1,963,898)
SBITA proceeds	400,852	-	-	-	400,852
Total other financing sources and uses	<u>2,864,750</u>	<u>-</u>	<u>(843,875)</u>	<u>(1,120,023)</u>	<u>900,852</u>
Net change in fund balances	228,777	15,865	141,917	(783,696)	(397,137)
Fund balances - beginning	2,327,465 *	40,278	1,706,700	1,651,006	5,725,449
Fund balances - ending	<u>\$ 2,556,242</u>	<u>\$ 56,143</u>	<u>\$ 1,848,617</u>	<u>\$ 867,310</u>	<u>\$ 5,328,312</u>

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

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

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

Net change in fund balances – total governmental funds	\$	(397,137)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$2,259,862 was greater than depreciation/amortization of \$557,805 in the current period		1,702,057
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Some revenues (expenses) reported in the statement of activities do not provide (require) the use of current financial resources, therefore, are not reported as revenues (expenditures) in governmental funds.

Net change in other post employment benefits (OPEB)		183,392
Net change in compensated absences		(52,599)
Net change in deferred inflows/outflows		(1,196,050)
Net change in pension liability		965,479
Proceeds on SBITA agreement		(400,852)
Reduction of SBITA/lease liabilities		66,977
Change in net position of governmental activities	\$	871,267

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

CITY OF PERRY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Non-major		Total
					Parks	Inventory	
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 2,098,022	\$ 831,731	\$ 3,632,875	\$ 227,271	\$ 91,256	\$ 3,874	\$ 6,885,029
Accounts receivable (net)	121,503	107,312	371,757	56,629	-	174,567	831,768
Due from other funds	115,175	144,190	819,946	69,210	77,682	25	1,226,228
Due from other governments	12,034	224,488	77,537	68,764	269,345	-	652,168
Inventories	-	-	-	-	-	460,744	460,744
Total Current Assets	2,346,734	1,307,721	4,902,115	421,874	438,283	639,210	10,055,937
Capital Assets:							
Land	-	547,530	1,505,410	-	211,316	-	2,264,256
Construction in progress	-	300,000	3,647,619	-	-	-	3,947,619
Buildings and system	-	76,387	8,785	10,295	1,041,203	100,741	1,237,411
Machinery, equipment, and infrastructure	1,747,904	36,136,640	11,133,117	1,139,799	3,581,885	107,494	53,846,839
Less accumulated depreciation	(1,499,815)	(16,239,795)	(7,421,842)	(873,007)	(2,411,802)	(123,413)	(28,569,674)
Total Non-Current Assets	248,089	20,820,762	8,873,089	277,087	2,422,602	84,822	32,726,451
Total Assets	2,594,823	22,128,483	13,775,204	698,961	2,860,885	724,032	42,782,388
DEFERRED OUTFLOWS	25,618	53,233	35,833	33,193	3,951	4,306	156,134
LIABILITIES							
Current Liabilities:							
Accounts payable	43,602	125,347	103,721	75,920	30,205	28,498	407,293
Accrued liabilities	11,470	28,166	16,107	11,532	1,767	2,962	72,004
Compensated absences	10,680	24,128	9,365	4,473	513	741	49,900
SRF loans	-	107,487	64,499	-	-	-	171,986
USDA loan	-	50,000	-	-	-	-	50,000
Pre-construction loan	-	16,061	-	-	-	-	16,061
Due to Other Fund	-	36,468	526,703	-	-	-	563,171
Utility deposits	99,081	-	139,496	1,327	-	-	239,904
Total Current Liabilities	164,833	387,657	859,891	93,252	32,485	32,201	1,570,319
Non-Current Liabilities:							
Compensated absences	10,681	24,128	9,365	4,474	513	742	49,903
SRF loans	-	2,632,109	969,590	-	-	-	3,601,699
USDA loan	-	2,690,000	-	-	-	-	2,690,000
Pre-construction loan	-	111,584	-	-	-	-	111,584
OPEB payables	27,369	56,901	38,294	35,449	4,211	4,609	166,833
Net pension liability	113,096	235,005	158,188	146,541	17,439	19,005	689,274
Total Non-Current Liabilities	151,146	5,749,727	1,175,437	186,464	22,163	24,356	7,309,293
Total Liabilities	315,979	6,137,384	2,035,328	279,716	54,648	56,557	8,879,612
DEFERRED INFLOWS	19,270	40,041	26,953	24,968	2,971	3,238	117,441
NET POSITION							
Net Investment Capital Assets	248,089	15,213,521	7,839,000	277,087	2,422,602	84,822	26,085,121
Unrestricted	2,037,103	790,770	3,909,756	150,383	384,615	583,721	7,856,348
Total Net Position	\$ 2,285,192	\$ 16,004,291	\$ 11,748,756	\$ 427,470	\$ 2,807,217	\$ 668,543	\$ 33,941,469

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

**CITY OF PERRY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Fiscal Year Ended September 30, 2024

	Gas	Sewer	Water	Solid	Non-Major		
	Revenue	Revenue	Revenue	Waste	Parks	Inventory	Total
Operating Revenues							
Charges for Sales and Services	\$ 1,961,545	\$ 1,807,551	3,069,607	\$ 858,957	\$ 7,309	\$ 450,457	\$ 8,155,426
Miscellaneous	-	1,454	242	17,529	94,000	-	113,225
Total Operating Revenues	<u>1,961,545</u>	<u>1,809,005</u>	<u>3,069,849</u>	<u>876,486</u>	<u>101,309</u>	<u>450,457</u>	<u>8,268,651</u>
Operating Expenses							
Personnel Services	323,124	681,519	454,696	421,461	51,184	42,084	1,974,068
Contractual Services	770	30,374	8,298	1,044	7,702	-	48,188
Supplies and Expenses	171,811	626,001	288,181	447,328	231,474	534,218	2,299,013
Utilities	-	287,130	110,034	-	32,747	-	429,911
Depreciation	31,338	1,078,368	379,407	142,257	227,132	4,601	1,863,103
Gas Resale Contract	744,380	-	-	-	-	-	744,380
Total Operating Expenses	<u>1,271,423</u>	<u>2,703,392</u>	<u>1,240,616</u>	<u>1,012,090</u>	<u>550,239</u>	<u>580,903</u>	<u>7,358,663</u>
Operating Income (Loss)	<u>690,122</u>	<u>(894,387)</u>	<u>1,829,233</u>	<u>(135,604)</u>	<u>(448,930)</u>	<u>(130,446)</u>	<u>909,988</u>
Non-Operating Revenues							
(Expenses)							
Interest Revenue	92	-	13,814	-	-	-	13,906
Interest Expense	-	(98,684)	(5,697)	-	-	-	(104,381)
Insurance reimbursements	-	32,070	60,638	8,587	223,531	4,319	329,145
Total Non-Operating Revenues (Expenses)	<u>92</u>	<u>(66,614)</u>	<u>68,755</u>	<u>8,587</u>	<u>223,531</u>	<u>4,319</u>	<u>238,670</u>
Income (Loss) Before							
Contributions and Transfers	<u>690,214</u>	<u>(961,001)</u>	<u>1,897,988</u>	<u>(127,017)</u>	<u>(225,399)</u>	<u>(126,127)</u>	<u>1,148,658</u>
Transfers In/(Out)							
Interfund transfers	<u>(500,000)</u>	<u>-</u>	<u>(150,483)</u>	<u>-</u>	<u>83,773</u>	<u>66,710</u>	<u>(500,000)</u>
Total Transfers	<u>(500,000)</u>	<u>-</u>	<u>(150,483)</u>	<u>-</u>	<u>83,773</u>	<u>66,710</u>	<u>(500,000)</u>
Capital contributions	22,986	331,416	2,855,294	188,034	135,747	48,756	3,582,233
Operating grants	<u>12,034</u>	<u>224,488</u>	<u>77,537</u>	<u>68,764</u>	<u>269,345</u>	<u>-</u>	<u>652,168</u>
Total Capital Contributions and operating grants	<u>35,020</u>	<u>555,904</u>	<u>2,932,831</u>	<u>256,798</u>	<u>405,092</u>	<u>48,756</u>	<u>4,234,401</u>
Change in Net Position	225,234	(405,097)	4,680,336	129,781	263,466	(10,661)	4,883,059
Net Position - Beginning	<u>2,059,958</u>	<u>16,409,388</u>	<u>7,068,420</u>	<u>297,689</u>	<u>2,543,751</u>	<u>679,204</u>	<u>29,058,410</u>
Net Position - Ending	<u>\$ 2,285,192</u>	<u>\$ 16,004,291</u>	<u>\$ 11,748,756</u>	<u>\$ 427,470</u>	<u>\$ 2,807,217</u>	<u>\$ 668,543</u>	<u>\$ 33,941,469</u>

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

CITY OF PERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2024

	Gas	Sewer	Water	Solid	Non-major		
	Revenue	Revenue	Revenue	Waste	Parks	Inventory	Total
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 2,441,633	\$ 1,756,536	\$ 2,806,234	\$ 846,076	\$ 109,809	\$ 346,245	\$ 8,306,533
Payments to Suppliers	(889,266)	(958,416)	(713,878)	(413,716)	(260,437)	(616,512)	(3,852,225)
Payments to Employees	(335,196)	(683,759)	(467,471)	(412,193)	(51,909)	(40,345)	(1,990,873)
Net Cash Provided by (Used in) Operating Activities	1,217,171	114,361	1,624,885	20,167	(202,537)	(310,612)	2,463,435
Cash Flows from Noncapital Financing Activities:							
Transfers (Out) In	(615,175)	(107,723)	(443,726)	(69,210)	6,091	66,685	(1,163,058)
Net Cash Flows Provided by (Used in) Noncapital Financing Activities	(615,175)	(107,723)	(443,726)	(69,210)	6,091	66,685	(1,163,058)
Cash Flows from Capital & Related Financing Activities							
Capital Contributions & Grants	22,987	363,486	107,151	196,621	359,278	53,075	1,102,598
Loan proceeds	-	-	3,418,868	-	-	-	3,418,868
Additions to Property, Plant & Equipment	(22,987)	(478,741)	(3,520,128)	(187,587)	(173,165)	(48,746)	(4,431,354)
Principal Paid	-	(12,071)	(117,893)	-	-	-	(129,964)
Interest Paid	-	(98,684)	(5,697)	-	-	-	(104,381)
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	-	(226,010)	(117,699)	9,034	186,113	4,329	(144,233)
Cash Flows From Investing Activities;							
Earnings on Investments	92	-	13,814	-	-	-	13,906
Net Cash Flows Provided by (Used in) Investing Activities	92	-	13,814	-	-	-	13,906
Net Increase (Decrease) in Cash & Cash Equivalents	602,088	(219,372)	1,077,274	(40,009)	(10,333)	(239,598)	1,170,050
Cash & Cash Equivalents at October 1, 2023	1,495,934	1,051,103	2,555,601	267,280	101,589	243,472	5,714,979
Cash & Cash Equivalents at September 30, 2024	\$ 2,098,022	\$ 831,731	\$ 3,632,875	\$ 227,271	\$ 91,256	\$ 3,874	\$ 6,885,029

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

CITY OF PERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2024

	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Non-major		Total
					Parks	Inventory	
Operating Income (Loss)	\$ 690,122	\$ (894,387)	\$ 1,829,233	\$(135,604)	\$(448,930)	\$(130,446)	\$ 909,988
Adjustments:							
Depreciation	31,338	1,078,368	379,407	142,257	227,132	4,601	1,863,103
Change in assets and liabilities:							
Decrease(Increase) in							
Inventory	-	-	-	-	-	(72,161)	(72,161)
Decrease (Increase)							
Accounts Receivable	488,428	(52,469)	(263,225)	(30,306)	8,500	(104,212)	46,716
Decrease (Increase) in							
Deferred Outflows	212	(3,601)	(1,140)	(4,224)	(152)	1,709	(6,984)
(Decrease) Increase in							
Accounts Payable	27,695	(14,911)	(307,366)	34,656	11,486	2,622	(218,123)
(Decrease) Increase in							
Customer Deposits	(8,340)	-	(390)	(104)	-	-	(17,174)
(Decrease) Increase in							
Accrued Payables	1,722	6,510	1,499	3,200	949	1,597	17,199
(Decrease) Increase in							
OPEB Payable	(12,277)	(19,216)	(14,947)	(9,000)	(1,650)	(4,590)	(73,957)
(Decrease) Increase in							
Compensated Absences	3,829	4,039	1,921	2,469	6	142	16,235
(Decrease) Increase in							
Net Pension Liability	(16,368)	(13,758)	(15,699)	1,343	(1,605)	(11,142)	(73,597)
(Decrease) Increase in							
Deferred Inflows	10,810	23,786	15,592	15,480	1,727	1,268	79,473
Total Adjustments	527,049	1,008,748	(204,348)	155,771	246,393	(180,166)	1,560,730
Net Cash Provided by (Used in)							
Operating Activities	\$ 1,217,171	\$ 114,361	\$ 1,624,885	\$ 20,167	\$(202,537)	\$(310,612)	\$ 2,463,435

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

**CITY OF PERRY, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2024**

	<u>Police Officers' and Firefighters' Pension Funds</u>
ASSETS	
Cash and short-term investments	<u>\$ 273,751</u>
Receivables	
Employer	51,577
Plan members	5,285
Total Receivables	<u>56,862</u>
Investments at fair value	
Equity	11,548,323
Fixed income	4,218,060
Real estate	718,892
Total Investments	<u>16,485,275</u>
TOTAL ASSETS	<u>16,815,888</u>
LIABILITIES	
Benefit payments	58,322
Investment expenses	8,237
Admin expenses	5,694
TOTAL LIABILITIES	<u>72,253</u>
Net Position held in trust for pension benefits	<u><u>\$ 16,743,635</u></u>

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

CITY OF PERRY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2024

	<u>Police Officers' and Firefighters' Pension Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 364,444
State	151,775
Plan member	61,443
Total Contributions	<u>577,662</u>
Investment Income	
Unrealized gains or losses	2,757,460
Interest and dividends	473,463
Less investment expense	(57,954)
Net Investment Income	<u>3,172,969</u>
Total Additions	<u>3,750,631</u>
DEDUCTIONS	
Benefits	1,155,356
Administrative expense	77,809
Total Deductions	<u>1,233,165</u>
Net Increase	<u>2,517,466</u>
Net Position held in trust for pension benefits	
October 1, 2023	<u>14,226,169</u>
September 30, 2024	<u>\$ 16,743,635</u>

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

CITY OF PERRY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

Note 1 – Summary of Significant Accounting Policies

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

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

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

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

(A) Reporting Entity

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

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

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

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

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

Blended Component Units

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

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

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

The City did not participate in any joint ventures during fiscal year 2023-2024.

(B) Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues may include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities, including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

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

The City reports the following major funds:

1. Governmental Funds:

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

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

2. Proprietary Funds:

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

- a. The Gas Revenue Fund accounts for the operating activities of the natural gas system owned and operated by the City.
- b. The Sewer Revenue Fund accounts for the operating activities of the City's Sewer Utility system.

- c. The Water Revenue Fund accounts for the operating activities of the City's Water Utility system.
- d. The Solid Waste Fund accounts for the activities of the City's residential collection system.

The following is a description of the nonmajor Proprietary Funds of the City which it has chosen to disclose individually though not required:

- a. The Parks Fund accounts for the activities of the City's recreation programs.
- b. The Inventory Fund accounts for the activities of the City's warehouse system.

3. Fiduciary Funds:

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

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

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

1. Deposits and Investments:

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

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

2. Interfund Receivables and Payables

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

3. Accounts Receivable:

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

4. Inventories:

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

5. Restricted Assets:

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

6. Capital Assets:

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

Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most general capital assets. Examples of such assets are roads, bridges, sidewalks, paved paths, utility systems, storm water drainage systems, traffic control and lighting systems. The capitalization threshold for infrastructure assets has been set at \$5,000.

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

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

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

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

7. Net Position Flow Assumption

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

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

8. Fund Balance Flow Assumptions

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

unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. Compensated Absences

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

10. Long-term Obligations

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

11. Fund Equity

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

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

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

13. Use of Estimates

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

14. New Accounting Pronouncements

In June 2022, the Government Accounting Standards Board (GASB) implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. The purpose of this statement is to improve the consistency and transparency of financial reporting by providing clearer guidance on the classification, reporting, and disclosure of accounting changes and errors. The City has adopted this standard in the fiscal period ending September 30, 2024. The implementation of GASB 100 has not had a material impact on the government's financial position or on the result of operations.

15. Current Year Reclassifications

Certain amounts from the financial statements for the fiscal year ending September 30, 2023 may have been reclassified in order to remain comparable and conform to the financial statement groupings for the current fiscal year.

Note 2 – Stewardship, Compliance, and Accountability

A. BUDGETARY INFORMATION

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

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

B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

C. DEFICIT FUND EQUITY – FUND BALANCE OF INDIVIDUAL FUNDS

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

Note 3 – Detail Notes – All Funds

A. Cash and Cash Equivalents

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

B. Deposits and Investments

Custodial credit risk – deposits. At year-end, the bank balance of the City’s deposits was \$12,259,261. The difference between the book balance on the financial statements and bank balance is due to outstanding checks and deposits in transit. The bank balance is insured by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida’s Public Deposits Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

The deposits held by the Police Officers’ Pension Fund at September 30, 2024 consisted of the following:

	Fair Value
Cash with trustees Salem Trust	<u>\$ 132,245</u>

The deposits held by the Firefighter’s Pension Fund at September 30, 2024, consisted of the following:

	Fair Value
Cash with trustees Salem Trust	<u>\$ 141,506</u>

The investments held by the Police Officers' Pension Fund at September 30, 2024 consisted of the following:

	Fair Value
Equity	\$ 7,838,830
Fixed Income	2,623,646
Real Estate	718,892
	<u>\$ 11,181,368</u>

The investments held by the Firefighter's Pension Fund at September 30, 2024 consisted of the following:

	Fair Value
Equity	\$ 3,709,493
Fixed Income	1,594,414
	<u>\$ 5,303,907</u>

Investment securities held by the City's pension trust funds have the following carrying values as of September 30, 2024, based upon the measurement criteria as specified.

Firefighters' Retirement Trust Fund	September 30,			
Investments at Fair Value	2024	Level 1	Level 2	Level 3
Mutual funds:				
Fixed income mutual funds	\$ 1,594,414	\$ 1,594,414	\$ -	\$ -
Equity mutual funds	3,709,493	3,709,493	-	-
Total investments at fair value	<u>5,303,907</u>	<u>\$ 5,303,907</u>	<u>\$ -</u>	<u>\$ -</u>
Police Officers' Retirement Trust Fund	September 30,			
Investments at Fair Value	2024	Level 1	Level 2	Level 3
Mutual funds:				
Fixed income mutual funds	\$ 2,623,646	\$ 2,623,646	\$ -	\$ -
Equity mutual funds	7,838,830	7,838,830	-	-
Pooled/Common/Commingled Funds:				
Real estate	718,892	-	-	718,892
Total investments at fair value	<u>\$ 11,181,368</u>	<u>\$ 10,462,476</u>	<u>\$ -</u>	<u>\$ 718,892</u>

C. Receivables

Net receivables at September 30, 2024, were as follows:

	Accounts	Intergovernmental	Total
Governmental Activities by Fund:			
General	\$ 33,275	\$ 935,779	\$ 969,054
Community redevelopment	-	26,377	26,377
Utility tax	199	-	199
Gas tax	-	62,617	62,617
	<u>\$ 33,474</u>	<u>\$ 1,024,773</u>	<u>\$ 1,058,247</u>
	Accounts	Intergovernmental	Total
Business-type Activities by Fund:			
Gas revenue	\$ 121,503	\$ 12,034	\$ 133,537
Sewer revenue	107,312	224,488	331,800
Water revenue	371,757	77,537	449,294
Solid waste	56,629	68,764	125,393
Parks	-	269,345	269,345
Inventory	174,567	-	174,567
	<u>\$ 831,768</u>	<u>\$ 652,168</u>	<u>\$ 1,483,936</u>
	Accounts	Interest	Total
Fiduciary Funds:			
Fund:			
Police officers' pension	\$ 14,062	\$ -	\$ 14,062
Firefighters' pension	42,800	-	42,800
	<u>\$ 56,862</u>	<u>\$ -</u>	<u>\$ 56,862</u>

Receivables of the governmental and enterprise funds are reported net of uncollectible amounts. The total uncollectible amounts as of September 30, 2024 are as follows:

	Accounts
Governmental Activities by Fund:	
Utility Tax	\$ 31,520
	<u>\$ 31,520</u>
	Accounts
Business-type Activities by Fund:	
Gas Revenue	\$ 77,650
Sewer Revenue	65,561
Water Revenue	112,542
Solid Waste	45,069
	<u>\$ 300,822</u>

D. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City at fiscal year beginning October 1, 2023 was 5.9431 mills.

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

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

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

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

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

E. Capital Assets

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

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Reclassifications	
Governmental Activities:					
Non-Depreciable Assets:					
Land	\$ 388,041	\$ -	\$ -	\$ -	\$ 388,041
Construction in Process	-	899,213	-	-	899,213
Depreciable Assets:					
Buildings	1,192,284	2,900	-	-	1,195,184
Equipment	2,810,350	956,897	-	-	3,767,247
Improvements other than buildings	3,348,756	-	-	-	3,348,756
Right of use asset - SBITA	-	400,852	-	-	400,852
	<u>7,739,431</u>	<u>2,259,862</u>	<u>-</u>	<u>-</u>	<u>9,999,293</u>
Less accumulated depreciation/ amortization for:					
Buildings	(889,383)	(33,124)	-	-	(922,507)
Equipment	(1,516,054)	(329,230)	-	-	(1,845,284)
Improvements other than buildings	(2,217,061)	(109,227)	-	-	(2,326,288)
Right of use asset - SBITA	-	(86,224)	-	-	(86,224)
	<u>(4,622,498)</u>	<u>(557,805)</u>	<u>-</u>	<u>-</u>	<u>(5,180,303)</u>
Governmental activities capital assets, net	<u>\$ 3,116,933</u>	<u>\$ 1,702,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,818,990</u>
Business-type Activities					
Non-Depreciable Assets					
Land	\$ 2,264,256	\$ -	\$ -	\$ -	\$ 2,264,256
Construction in Process	-	3,565,019	-	382,600	3,947,619
Depreciable Assets:					
Buildings	1,229,094	8,317	-	-	1,237,411
Equipment	3,560,080	801,039	(42,182)	-	4,318,937
Infrastructure	49,853,524	56,978	-	(382,600)	49,527,902
	<u>56,906,954</u>	<u>4,431,353</u>	<u>(42,182)</u>	<u>-</u>	<u>61,296,125</u>
Less accumulated depreciation for:					
Buildings	(976,634)	(52,829)			(1,029,463)
Equipment	(2,457,409)	(289,932)	42,182		(2,705,159)
Infrastructure	(23,314,710)	(1,520,342)			(24,835,052)
	<u>(26,748,753)</u>	<u>(1,863,103)</u>	<u>42,182</u>	<u>-</u>	<u>(28,569,674)</u>
Business-type activities capital assets, net	<u>\$ 30,158,201</u>	<u>\$ 2,568,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,726,451</u>

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

Government Activities:

General Government	\$	201,449
Police		197,265
Fire		89,235
Garage		10,620
Street/Transportation		59,236
Total depreciation/amortization expense - governmental activities	\$	<u>557,805</u>

Business-type Activities

Parks	\$	227,132
Water		379,407
Gas		31,338
Solid Waste		142,257
Sewer		1,078,368
Inventory		4,601
Total depreciation expense - business-type activities	\$	<u>1,863,103</u>

F. Capitalization of Interest

Due to the implementation of GASB statement 89, interest that once was capitalized on proprietary fund assets acquired with tax-exempt debt is no longer capitalized. Consequently, for the fiscal year ended September 30, 2024, no interest was capitalized.

G. Interfund Transfers

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

At September 30, 2024, interfund transfers were as follows:

	Transfer in	Transfer out
General	\$ 2,463,898	\$ -
Utility Tax	-	843,875
Local Option Gas Tax	-	1,120,023
Parks	83,773	-
Water	-	150,483
Gas	-	500,000
Inventory	66,710	-
	<u>\$ 2,614,381</u>	<u>\$ 2,614,381</u>

H. Leases

The City is engaged in several agreements whereby it leases building space to various individuals and organizations within the community, which is accounted for in its governmental funds. The terms and the payments vary based on the stipulations found in each agreement. As a result of the implementation of SGAS No. 87, *Leases*, the City records a lease receivable and an offsetting deferred inflow of resources at the onset of each lease on the government-wide financial statements. Lease receipts are partially recognized as interest revenue with the remaining balance reducing the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the projected life of each lease, and lease revenue is recognized as the deferred inflow of resources is amortized. For the year ending September 30, 2024, the City has reported a lease receivable and deferred inflow of resources related to leases of \$49,605 and \$44,066, respectively, on its government-wide statement of net position.

Interest revenue and lease revenue for the year ending September 30, 2024 are as follows:

Interest Revenue	\$	4,666
Lease Revenue		57,247

I. Subscription-Based Information Technology Arrangements

This City's administrative and police departments have each engaged in a long-term *Subscription-Based Information Technology Arrangements (SBITA)*, whereby they have locked into a subscription to receive IT support for accounting software and other equipment for a term of greater than 12 months. In accordance with GASB 96, *Subscription-Based Information Technology Arrangements*, on the City's government-wide financial statements, it has recorded a right-of-use asset that is amortized over the life of the subscription on a straight-line basis and a corresponding SBITA liability which is paid down in the same manner as a mortgage would be where each annual payment reduces the principle and contains a portion of interest. For the year ending September 30, 2024, the right-of-use asset was valued at \$314,628 and the SBITA liability was valued at \$326,865. Recorded interest expense for the year was \$23,782.

Note 4 – Other Information

A. Risk Management

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

Through Florida Municipal Insurance Trust (FMIT) Company, insurance against losses is provided for the following types of risk:

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

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

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

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

B. Single Employer Pension Plans

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

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

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

Firefighters' Pension

The Firefighters' Pension Trust Fund of the City of Perry, Florida, has been established to conform to the Retirement Trust Fund provisions of Chapter 175 of the Florida Statutes. This is a defined benefit pension plan, which is administered by the Firefighters' Pension Trust Fund Board of Trustees, which is made up of two firefighters, two residents of the City, who are appointed by the City Council; and a fifth member elected by the other four members and covers substantially all full-time firemen. The fiscal year ending September 30, 2024, contributions totaling \$319,275, \$229,579 from the employer and \$24,419 from the employees were made to the Firefighters' Pension Trust Fund. The on-behalf payments of fringe benefits and salaries for the employees were recognized as revenues and expenditures during this period. Employer contributions represented 31.20% of covered payroll for the fiscal year ended September 30, 2024. The percentage of annual pension cost contributed was 59.70%. The State of Florida's contribution to the pension plan for the year ended amounted to \$65,277.

A firefighter may retire after completing ten or more years of creditable service as a firefighter and attains age 55 or completes 25 years of creditable service as a firefighter and attains age 52. Firefighters

separating from municipal employment prior to attaining ten years of service receive no benefits but do receive a refund of member contributions. The Trust Fund also provides death and disability benefits. The State’s contribution represents a 1.85% tax on all fire insurance premiums collected within the city limits.

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

The components of the net pension liability of the sponsor to be reported on September 30, 2024 were as follows:

Total Pension Liability	\$ 5,935,629
Plan Fiduciary Net Position	(4,584,684)
Sponsor's Net Pension Liability	<u>\$ 1,350,945</u>
Plan Fiduciary Net Position as a percentage of total Pension Liability	<u>77.24%</u>

At September 30, 2024, the City reported a liability of \$1,350,945 for its Pension Plan’s net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2024.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2022 and reported on September 30, 2024 using the following actuarial assumptions applied to all measurement periods.

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2024 are summarized in the following table:

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

Discount Rate:

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

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2023	\$ 5,609,267	\$ 4,055,951	\$ 1,553,316
Changes for a Year:			
Service Cost	159,897	-	159,897
Interest	379,541	-	379,541
Share Plan Allocation	7,916	-	7,916
Differences between Expected and Actual Experience	(7,941)	-	(7,941)
Changes of assumptions	-	-	-
Changes of benefit terms	79,622	-	79,622
Contributions- Employer	-	216,921	(216,921)
Contributions - State	-	57,158	(57,158)
Contributions - Employee	-	14,384	(14,384)
Net Investment Income	-	574,421	(574,421)
Benefit Payments, including Refunds of Employee Contributions	(292,673)	(292,673)	-
Administrative Expense	-	(41,478)	41,478
Net Changes	326,362	528,733	(202,371)
Balances at September 30, 2024	5,935,629	4,584,684	\$ 1,350,945

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

	Current Discount		
	1% Decrease 5.75%	Rate 6.75%	1% Increase 7.75%
Sponsor's Net Pension Liability	\$ 2,038,892	\$ 1,350,945	\$ 776,001

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.

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

For the year ended September 30, 2024, the City will recognize a pension expense of \$518,078 related to the Firefighter's Retirement Trust Fund. On September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,149	\$ 5,955
Changes of assumptions	41,744	-
Net difference between projected and actual earnings on pension plan investments	279,778	-
Pension plan contributions subsequent to the measurement date	294,856	-
Total	<u>\$ 670,527</u>	<u>\$ 5,955</u>

The deferred outflows of resources related to the Pension Plan, totaling \$294,856, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2025	\$ 134,079
2026	105,693
2027	190,381
2028	(60,437)
2029	-
Thereafter	-
	<u>\$ 369,716</u>

Plan Membership as of October 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	11
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	11
Active Plan Members	12
	<u>34</u>

Investment policy:

The following was the Board's adopted asset allocation policy as of September 30, 2024:

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

Concentrations:

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

Rate of Return:

For the year ended September 30, 2024 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 24.97 percent.

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

Deferred Retirement Option Program:

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

Rate of Return: At Participants election:

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

The DROP balance at September 30, 2024 is \$0.

Police Pension

The Police Officers’ Retirement Fund was established to conform to the Retirement Trust Fund provisions of Chapter 185 of the Florida Statutes. This is a defined benefit pension plan which is administered by the Police Officers’ Retirement Fund Board of Trustees, which is made up of two police officers, two residents of the City, who are appointed by the City Council and a fifth member elected by the other four members and covers substantially all full-time police officers. The amortization periods used are closed. The fiscal year ended September 30, 2024, contributions— totaling \$258,387, \$134,865 from employer and \$37,024 from employees—were made to the Police Officers’ Retirement Fund. The on-behalf payments of fringe benefits and salaries for the employees were recognized as revenues and expenditures during this period. Employer contributions represented 22.21% of covered payroll for the fiscal year ended September 30, 2024. The percentage of annual pension cost contributed was 37.00%. The State of Florida’s contribution to the pension plan for year ended amounted to \$86,498.

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

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

The components of the net pension liability of the sponsor to be reported on September 30, 2024 were as follows:

Total Pension Liability	\$ 10,360,785
Plan Fiduciary Net Position	(9,641,485)
Sponsor's Net Pension Liability	<u>\$ 719,300</u>
Plan Fiduciary Net Position as a percentage of total Pension Liability	93.06%

At September 30, 2024, the City reported as a part of its net pension liability is \$719,300 related to the Police pension plan. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2024.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2022 and reported on September 30, 2024 using the following actuarial assumptions applied to all measurement periods.

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

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

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

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

Discount Rate:

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

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at Setpember 30, 2023	\$ 10,246,118	\$ 9,015,839	\$ 1,230,279
Changes for a Year:			
Service Cost	234,351	-	234,351
Interest	737,184	-	737,184
Differences between Expected and Actual Experience	(232,037)	-	(232,037)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions- Employer	-	170,963	(170,963)
Contributions - State	-	72,798	(72,798)
Contributions - Employee	-	39,833	(39,833)
Net Investment Income	-	1,002,636	(1,002,636)
Benefit Payments, including Refunds of Employee Contributions	(624,831)	(624,831)	-
Administrative Expense	-	(35,753)	35,753
Net Changes	114,667	625,646	(510,979)
Balances at September 30, 2024	\$ 10,360,785	\$ 9,641,485	\$ 719,300

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Liability	\$ 1,835,304	\$ 719,300	\$ (215,727)

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.

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

For the year ended September 30, 2024, the City will recognize a pension expense of \$294,298 related to the Police Officers' Retirement Trust Fund. On September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,829	\$ 154,692
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	610,321	-
Pension plan contributions subsequent to the measurement date	221,363	-
Total	<u>\$ 843,513</u>	<u>\$ 154,692</u>

The deferred outflows of resources related to the Pension Plan, totaling \$221,363, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2025	\$ 46,755
2026	82,979
2027	410,255
2028	(72,531)
2029	-
Thereafter	-
	<u>\$ 467,458</u>

Plan Membership as of October 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	21
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	12
Active Plan Members	16
	<u>49</u>

Investment policy:

The following was the Board's adopted asset allocation policy as of September 30, 2024:

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

Concentrations:

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

Rate of Return:

For the year ended September 30, 2024 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 21.84 percent.

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

Deferred Retirement Option Program:

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

Rate of Return:

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

The DROP balance at September 30, 2024 is \$0.

C. Multiple Employer Cost Sharing Pension and Other Post Employment Benefits Plan.

Florida Retirement System

General Information - Many of the City’s employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, which include the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees who work in a regularly established position for a state agency, county government, district

school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

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

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

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

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

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before August 1, 2011, the annual cost-of-living adjustment is three percent per year. The cost-of-living adjustment for participants with a retirement date or DROP participation date after August 1, 2011 is determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement and multiplying by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2023 through June 30, 2024 and from July 1, 2024 through September 30, 2024, respectively, were as follows:

Class	October 1 2023 - June 30, 2024	July 1, 2024 - September 30, 2024
Regular Class	13.57%	13.63%
Special Risk Class	32.67%	32.79%
Special Risk Administrative Support	39.82%	39.82%
Elected Officers Class	58.68%	58.68%
Senior Management Class	34.52%	34.52%
Deferred Retirement Option Program (DROP)	21.13%	21.13%

The City's contributions, including employee contributions, to the Pension Plan totaled \$314,801 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2024, the City reported a liability of \$1,510,467 for its proportionate share of the Pension Plan's net pension liability. 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 June 30, 2024. The City's proportionate share of the net pension liability was based on the City's 2023-2024 fiscal year contributions relative to the 2022-2023 fiscal year contributions of all participating members. At June 30, 2024, the City's proportionate share was 0.003904559 percent, which was an decrease of 11.00 percent from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2024, the City recognized a pension expense of \$245,259. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 152,598	\$ -
Changes in assumptions	207,023	-
Net difference between projected and actual earnings on Pension Plan investments	-	100,394
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	35,984	169,137
City Pension Plan contributions subsequent to the measurement date	51,335	-
Total	<u>\$ 446,940</u>	<u>\$ 269,531</u>

The deferred outflows of resources related to the Pension Plan, totaling \$51,335 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a change in the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2025	\$ (11,168)
2026	121,319
2027	8,844
2028	418
2029	6,661
Thereafter	-
	<u>\$ 126,074</u>

Actuarial Assumptions – The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	3.50%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation
Discount rate	6.70%

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

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an

adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.30%	3.30%	1.10%
Fixed Income	29.00%	5.70%	5.60%	3.90%
Global Equity	45.00%	8.60%	7.00%	18.20%
Real Estate	12.00%	8.10%	6.80%	16.60%
Private Equity	11.00%	12.40%	8.80%	28.40%
Strategic Investments	2.00%	6.60%	6.20%	8.70%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.50%

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

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

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
City's proportionate share of the net pension liability	<u>\$ 2,656,859</u>	<u>\$ 1,510,467</u>	<u>\$ 550,121</u>

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

Payables to the Pension Plan - The City had a \$50,884 payable for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2024.

HIS Plan

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

Benefits Provided – For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2024, the HIS contribution for the period October 1, 2023 through June 30, 2024 and from July 1, 2024 through September 30, 2024 was 2.00%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions, including employee contributions to the HIS Plan totaled \$67,536 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2024, the City reported a liability of \$840,459 for its proportionate share of the HIS Plan's net pension liability. 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 July 1, 2023. The City's proportionate share of the net pension liability was based on the City's 2023-2024 fiscal year contributions relative to the 2022-2023 fiscal year contributions of all participating members. At June 30, 2024, the City's proportionate share was 0.005602694 percent, which was an decrease of 2.54 percent from its proportionate share measured as of June 30, 2023.

For the fiscal year ended September 30, 2024, the City recognized pension expense of \$38,365. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,115	\$ 1,614
Changes in assumptions	14,874	99,500
Net difference between projected and actual earnings on HIS Plan investments	-	304
Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions	7,081	29,614
City HIS Plan contributions subsequent to the measurement date	11,082	-
Total	<u>\$ 41,152</u>	<u>\$ 131,032</u>

The deferred outflows of resources related to the HIS Plan, totaling \$11,082 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2025	\$ (12,804)
2026	(15,799)
2027	(23,015)
2028	(16,091)
2029	(8,768)
Thereafter	(24,485)
	<u>\$ (100,962)</u>

Actuarial Assumptions - The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.93%

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

The actuarial valuations were prepared as of July 1, 2024 valuation was based on the results of an actuarial experience study, completed in 2024, for the period July 1, 2018 through June 30, 2023.

Discount Rate - The discount rate used to measure the total pension liability was 3.93%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.93%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
City's proportionate share of the net pension liability	<u>\$ 956,755</u>	<u>\$ 840,459</u>	<u>\$ 743,915</u>

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

Payables to the Pension Plan - The City had a \$10,916 payable for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2024.

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 Comprehensive Annual 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. District 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 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 2023 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 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 City.

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

The City had 17 participants in the Investment Plan for the fiscal year ended September 30, 2024.

Other Post Employment Benefits (OPEB)

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

Plan Description:

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

Employees Covered by Benefit Terms:

At September 30, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1
Active Plan Members	87
	89

Funding Policy:

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

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

Currently, the City’s subsidy to OPEB benefits is unfunded. There are no separate Trust Funds or equivalent arrangements into which the City makes contributions to advance-fund the OPEB obligations, as it does for its retiree pension plans. The City’s change in the OPEB benefits, funded on a pay-as-you-go basis, was a decrease of \$245,072 for the year ended September 30, 2024.

The ultimate implicit and explicit subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to its current investment policy. The City selected an interest discount rate of 4.87% per annum, which is the long-range expected return on such short-term fixed income instruments, to calculate the present values and costs of the OPEB. This is consistent with GASB Statement No. 45 guidelines.

Basis Accounting:

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

Annual OPEB cost and Net OPEB Obligation:

The Annual OPEB Cost is the amount that was expensed for the fiscal year. For the year ended September 30, 2024, the City recognized a decrease in OPEB expenses of \$219,751. Since the City's OPEB plan is currently unfunded, the offset to that expense comes from subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the Employer Contribution and equals the total age-adjusted premiums paid by the City for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year). The cumulative difference between the Annual OPEB Cost for the year and the Employer Contribution for the year is called the Net OPEB Obligation. The Net OPEB Obligation is reflected as a liability in the statement of net position.

Total OPEB Liability

The measurement date is September 30, 2023.
The measurement period of the OPEB expense was October 1, 2022 to September 30, 2023. The reporting period is October 1, 2023 through September 30, 2024.

The City's Total OPEB Liability was measured as of September 30, 2023.

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

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.87%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	51

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

Discount Rate:

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.87%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices as of the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by the Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Changes in the Total OPEB Liability (Unaudited):

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2022	\$ 814,081
Changes for a Year:	
Service Cost	38,723
Interest	40,132
Differences Between Expected and Actual Experience	(95,299)
Changes of Assumptions	(205,427)
Changes of Benefit Terms	-
Contributions - Employer	-
Benefit Payments	(23,201)
Other Changes	-
Net Changes	(245,072)
Reporting Period Ending September 30, 2023	\$ 569,009

Changes of assumptions reflect a change in the discount rate from 4.77% for the fiscal year ending September 30, 2023 to 4.87% for the fiscal year ending September 30, 2024.

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

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.87%) or 1-percentage-point higher (5.87%) than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability (Asset)	3.87%	4.87%	5.87%
	\$ 652,687	\$ 569,009	\$ 500,168

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (Asset)	3.00% - 6.00%	4.00% - 7.00%	5.00% - 8.00%
	\$ 497,881	\$ 569,009	\$ 655,385

OPEB Liabilities and OPEB Expense – At September 30, 2024, the City reported an amount of \$569,009 for its OPEB liability. The City has historically used the General Fund to pay the OPEB liability.

For the fiscal year ended September 30, 2024, the City recognized a decrease in OPEB expenses of \$245,072. Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense.

Fiscal Year Ending	9/30/2024
Service Cost	\$ 38,723
Interest	40,132
Differences between Expected and Actual Experience	-
Recognition of Changes in Total OPEB Liability	(205,427)
Administrative Expenses	(23,201)
Total OPEB Expense	<u>\$ (149,773)</u>

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

Deferred outflows and inflows of resources of pension costs related to pensions are as follow.

Deferred outflows	Retirement Plan					Total
	FRS	HIS	OPEB	Firefighters	Police	
Difference between expected and actual experience	\$ 152,598	\$ 8,115	\$ -	\$ 54,149	\$ 11,829	\$ 226,691
Changes in assumptions	207,023	14,874	-	41,744	-	263,641
Net difference between projected and actual earnings on Pension Plan investments	-	-	-	279,778	610,321	890,099
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	35,984	7,081	-	-	-	43,065
City Pension Plan contributions subsequent to the measurement date	51,335	11,082	21,388	294,856	221,363	600,024
Total	<u>\$ 446,940</u>	<u>\$ 41,152</u>	<u>\$ 21,388</u>	<u>\$ 670,527</u>	<u>\$ 843,513</u>	<u>\$ 2,023,520</u>

Deferred inflows	FRS	HIS	OPEB	Firefighters	Police	Total
Difference between expected and actual experience	\$ -	\$ 1,614	\$ -	\$ 5,955	\$ 154,692	\$ 162,261
Changes in assumptions	-	99,500	-	-	-	99,500
Net difference between projected and actual earnings on Pension Plan investments	100,394	304	-	-	-	100,698
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	169,137	29,614	-	-	-	198,751
City Pension Plan contributions subsequent to the measurement date	-	-	-	-	-	-
Total	<u>\$ 269,531</u>	<u>\$ 131,032</u>	<u>\$ -</u>	<u>\$ 5,955</u>	<u>\$ 154,692</u>	<u>\$ 561,210</u>
Pension Expense (Income)	<u>\$ 245,259</u>	<u>\$ 38,365</u>	<u>\$ (219,751)</u>	<u>\$ 518,078</u>	<u>\$ 294,298</u>	<u>\$ 876,249</u>

Note 5 – Summary of Disclosure of Significant Contingencies

A. Litigation

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

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

B. Grants

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

C. Long-term Debt

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

The State of Florida Department of Environmental Protection Revolving Fund loans above all contain provisions that in the event of default are subject to the rights of superior liens on the pledged revenues, the lender may request a court to appoint a receiver to manage the water and sewer systems, intercept

the delinquent amount from any unobligated funds due to the City under any revenue or tax sharing fund established by the State of Florida, impose a penalty in the amount not to exceed a rate of 18 percent per annum on the amount due, notify financial market credit rating agencies and potential creditors, sue for payment of amounts due and may accelerate the repayment schedule or increase the interest rate on the unpaid principal on the loan.

Description of Long-Term Debt – Summarized below are the City's long-term debt issues, which are outstanding at September 30, 2024.

A. STATE REVOLVING FUND LOAN

1. State Revolving Loan (Pre-Construction Loan)

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

Fiscal Year Ended September	Principal	Interest	Total
2025	\$ 16,061	\$ 1,051	\$ 17,112
2026	16,203	909	17,112
2027	16,346	766	17,112
2028	16,490	622	17,112
2029	16,635	477	17,112
Thereafter	45,910	1,023	46,933
	<u>\$ 127,645</u>	<u>\$ 4,848</u>	<u>\$ 132,493</u>

2. Construction Loan Agreement (WW570011)

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

Fiscal Year Ended September	Principal	Interest	Total
2025	\$ 99,600	\$ -	\$ 99,600
2026	99,600	-	99,600
2027	99,600	-	99,600
2028	99,600	-	99,600
2029	99,600	-	99,600
Thereafter	2,091,596	-	2,091,596
	<u>\$ 2,589,596</u>	<u>\$ -</u>	<u>\$ 2,589,596</u>

3. Construction Loan Agreement (DW620201)

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

Fiscal Year Ended September	Principal	Interest	Total
2025	\$ 4,494	\$ 387	\$ 4,881
2026	4,520	361	4,881
2027	4,545	336	4,881
2028	4,571	311	4,881
2029	4,596	285	4,881
Thereafter	47,841	1,692	49,534
	<u>\$ 70,130</u>	<u>\$ 3,372</u>	<u>\$ 73,939</u>

4. Construction Loan Agreement (DW620250)

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

Fiscal Year Ended September	Principal	Interest	Total
2025	\$ 21,253	\$ 431	\$ 21,684
2026	21,278	406	21,684
2027	21,304	380	21,684
2028	21,329	355	21,684
2029	21,355	329	21,684
Thereafter	258,285	2,170	260,455
	<u>\$ 364,792</u>	<u>\$ 4,071</u>	<u>\$ 368,875</u>

5. Construction Loan Agreement (DW620260)

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

Fiscal Year Ended September	Principal	Interest	Total
2025	\$ 8,269	\$ 1,255	\$ 9,524
2026	8,415	1,109	9,524
2027	8,563	961	9,524
2028	8,715	809	9,524
2029	8,869	655	9,524
Thereafter	30,580	1,611	32,191
	<u>\$ 73,411</u>	<u>\$ 6,400</u>	<u>\$ 79,811</u>

6. Construction Loan Agreement (DW620261)

The State of Florida Department of Environmental Protection Drinking Water State Revolving Fund Construction Loan Agreement, DW620261 is secured by pledged revenues from the water system. The loan is payable semiannually with principal and interest payments of \$28,410 due each August 15 and February 15 over the course of seventeen years, which is set to begin in August 2025. The loan is a reimbursement of expenditures of \$3,702,000 on improvements to City's Water Treatment Facility related to carbon filters, which were partially incurred in the fiscal year ending September 30, 2023 and partially in subsequent years. In the fiscal year ending September 30, 2023, \$2,752,578 was forgiven and recognized as revenue. The remaining unforgiven amount that is considered to be principal and accrued capitalized interest as of September 30, 2024, was \$525,756. Subsequent to September 30, 2024, The City borrowed an additional amount on the loan and this amount has been included in the following schedule of anticipated future payments:

Fiscal Year Ended September	Principal	Interest	Total
2025	\$ 23,710	\$ 4,700	\$ 28,410
2026	47,773	9,047	56,820
2027	48,248	8,572	56,820
2028	48,726	8,094	56,820
2029	49,210	7,610	56,820
Thereafter	731,755	6,905	738,660
	<u>\$ 949,422</u>	<u>\$ 44,928</u>	<u>\$ 994,350</u>

7. Construction Loan Agreement (DW620261)

The State of Florida Department of Environmental Protection Clean Water State Revolving Fund Planning Loan Agreement, WW620270 is secured by pledged revenues from the utility system. The purpose of the loan was to pay for improvements to the wastewater collection system. The loan was a reimbursement of \$300,000, of which half was forgiven, leaving a year-end balance of \$150,000. The balance is payable semiannually with principal and interest payments of \$7,887 due each August 15 and February 15 over the course of seventeen years and is set to begin in February 2025. The following is a schedule of payments that will be made under the loan agreement:

Fiscal Year Ended September	Principal	Interest	Total
2025	\$ 7,737	\$ 150	\$ 7,887
2026	15,497	277	15,774
2027	15,528	246	15,774
2028	15,559	215	15,774
2029	15,590	184	15,774
Thereafter	80,089	6,668	86,757
	<u>\$ 150,000</u>	<u>\$ 7,740</u>	<u>\$ 157,740</u>

B. STATE REVOLVING FUND LOAN

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

Year	Beginning Balance	Interest	Principal	Ending Balance	Total Payments
2025	2,740,000	75,350	50,000	2,690,000	125,350
2026	2,690,000	73,975	51,000	2,639,000	124,975
2027	2,639,000	72,573	53,000	2,586,000	125,573
2028	2,586,000	71,115	54,000	2,532,000	125,115
2029	2,532,000	69,630	55,000	2,477,000	124,630
Thereafter	2,477,000	1,148,345	2,477,000	-	3,625,345
		<u>\$ 1,510,988</u>	<u>\$ 2,740,000</u>		<u>\$ 4,250,988</u>

Changes in long-term liabilities:

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

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 362,608	\$ 52,599	\$ -	\$ 415,207	\$ 207,604
OPEB Payable	585,568	-	(183,392)	402,176	-
Net Pension Liability	4,697,378	-	(965,481)	3,731,897	-
SBITA Liability	-	400,852	(73,987)	326,865	80,208
Governmental Activities Total	\$ 5,645,554	\$ 453,451	\$ (1,222,860)	\$ 4,876,145	\$ 287,812
Business-type Activities:					
SRF Pre Construction Loan	\$ 142,117	\$ -	\$ (14,472)	\$ 127,645	\$ 16,061
SRF Sewer Loan	2,689,196	150,000	(99,600)	2,739,596	99,600
SRF Water Loan	541,894	3,247,037	(2,754,842)	1,034,089	72,386
USDA Bond Payable	2,788,000	-	(48,000)	2,740,000	50,000
Compensated Absences	87,397	12,406	-	99,803	49,900
OPEB Payable	228,513	-	(61,680)	166,833	-
Net Pension Liability	746,503	-	(57,229)	689,274	-
Business-type Activities Total	\$ 7,223,620	\$ 3,409,443	\$ (3,035,823)	\$ 7,597,240	\$ 287,947

Note 6 – Fund Balances of Governmental Funds

As of September 30, 2024, fund balances of the governmental funds are classified as follows:

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

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

Unassigned – all other spendable amounts.

Fund	Restricted	Assigned	Unassigned
General			
Law enforcement	\$ 61,298	\$ -	\$ -
Other	-	-	2,483,616
Transportation	11,328	-	-
Community redevelopment	56,143	-	-
Utility Tax Revenue	-		
Reserves	-	1,848,617	-
Local Option Gas Tax	867,310		
	<u>\$ 996,079</u>	<u>\$ 1,848,617</u>	<u>\$ 2,483,616</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PERRY, FLORIDA
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Property	\$ 2,012,251	\$ 2,012,251	\$ 1,997,826	\$ (14,425)
Discretionary Sales Tax	793,086	793,086	775,026	(18,060)
Communication service tax	247,126	247,126	267,416	20,290
Franchise	650,000	650,000	629,006	(20,994)
Motor Fuel	81,657	81,657	84,153	2,496
Licenses & permits	82,000	82,000	148,494	66,494
Intergovernmental	535,385	535,385	563,720	28,335
Fines & Forfeitures	15,010	15,010	26,139	11,129
Sales Tax - 1/2 Cent	597,827	597,827	559,453	(38,374)
Interest	15,000	15,000	166,391	151,391
Grants	901,055	901,005	1,429,727	528,722
Insurance reimbursements	-	-	146,562	146,562
Miscellaneous	76,200	76,200	98,291	22,091
Total Revenues	6,006,597	6,006,547	6,892,204	885,657
EXPENDITURES				
Current:				
Legislative (Council)	104,577	104,577	122,537	(17,960)
Administration	497,467	497,467	950,558	(453,091)
Finance	592,686	592,686	733,269	(140,583)
Legal	40,000	40,000	39,221	779
Comprehensive Planning	67,589	67,589	71,143	(3,554)
Garage	161,157	161,157	165,599	(4,442)
Police	2,833,887	2,833,887	2,632,722	201,165
Fire	1,668,203	1,668,203	1,524,740	143,463
Protective Inspections	206,976	206,976	262,440	(55,464)
Transportation (Street)	625,874	625,874	766,086	(140,212)
Capital Outlay	901,055	901,055	2,259,862	(1,358,807)
Total Expenditures	7,699,471	7,699,471	9,528,177	(1,828,706)
Excess (deficiency) of revenues over (under) expenditures	(1,692,874)	(1,692,924)	(2,635,973)	(943,049)
OTHER FINANCING SOURCES - USES				
Transfers In	1,750,469	1,750,469	2,463,898	713,429
SBITA procceds	-	-	400,852	400,852
Total other financing sources & uses	1,750,469	1,750,469	2,864,750	1,114,281
Net change in fund balances	57,595	57,545	228,777	171,232
Fund balances - beginning	2,327,465	2,327,465	2,327,465	-
Fund balances - ending	\$ 2,385,060	\$ 2,385,010	\$ 2,556,242	\$ 171,232

See notes to required supplementary information.

CITY OF PERRY, FLORIDA
Budgetary Comparison Schedule
Community Redevelopment Fund
For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts			Variance with Final budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
County	\$ 25,076	\$ 25,076	\$ -	\$ (25,076)
City	21,659	21,659	-	(21,659)
Depot Rental	15,000	15,000	28,891	13,891
Insurance reimbursements	-	-	10,318	10,318
Grants	-	-	26,377	26,377
Total Revenues	61,735	61,735	65,586	3,851
EXPENDITURES				
Current:				
Expenses	60,652	60,652	49,721	10,931
Total Expenditures	60,652	60,652	49,721	10,931
Net change in fund balances	1,083	1,083	15,865	14,782
Fund balances-beginning	40,278	40,278	40,278	-
Fund balances-ending	\$ 41,361	\$ 41,361	\$ 56,143	\$ 14,782

See notes to required supplementary information.

CITY OF PERRY, FLORIDA
Budgetary Comparison Schedule
Utility Tax Revenue Fund
For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts			Variance with Final budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Electric	\$ 750,000	\$ 750,000	\$ 757,684	\$ 7,684
Water	200,000	200,000	124,120	(75,880)
Propane/Natural Gas	150,000	150,000	101,583	(48,417)
Fines & Forfeitures	4,000	4,000	2,405	(1,595)
Total Revenues	1,104,000	1,104,000	985,792	(118,208)
EXPENDITURES				
Current:				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,104,000	1,104,000	985,792	(118,208)
OTHER FINANCING SOURCES-USES				
Transfers In (Out)	(1,020,591)	(1,020,591)	(843,875)	176,716
Total other financing sources & uses	(1,020,591)	(1,020,591)	(843,875)	176,716
Net change in fund balances	83,409	83,409	141,917	58,508
Fund balances-beginning	1,706,700	1,706,700	1,706,700	-
Fund balances-ending	\$ 1,790,109	\$ 1,790,109	\$ 1,848,617	\$ 58,508

See notes to required supplementary information.

CITY OF PERRY, FLORIDA
Budgetary Comparison Schedule
Local Option Gas Tax Fund
For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Motor Fuel	\$ 329,878	\$ 329,878	\$ 336,327	\$ 6,449
Interest	-	-	-	-
Total Revenues	<u>329,878</u>	<u>329,878</u>	<u>336,327</u>	<u>6,449</u>
EXPENDITURES				
Current:				
Miscellaneous	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>329,878</u>	<u>329,878</u>	<u>336,327</u>	<u>6,449</u>
OTHER FINANCING SOURCES-USES				
Budgeted transfers in (out)	(329,878)	(329,878)	(273,464)	56,414
Other transfers in (out)	-	-	(846,559)	(846,559)
Total other financing sources & uses	<u>(329,878)</u>	<u>(329,878)</u>	<u>(1,120,023)</u>	<u>(790,145)</u>
Net change in fund balances	-	-	(783,696)	(783,696)
Fund balances - beginning	<u>1,651,006</u>	<u>1,651,006</u>	<u>1,651,006</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,651,006</u>	<u>\$ 1,651,006</u>	<u>\$ 867,310</u>	<u>\$ (783,696)</u>

See notes to required supplementary information.

CITY OF PERRY, FLORIDA
Notes to the Required Supplementary Information on
Budgetary Comparison Schedule
For the Fiscal Year Ended September 30, 2024

Budgetary Accounting

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

Budget Requirements

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

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

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

SCHEDULE OF CHANGES IN FIREFIGHTERS' PENSION FUND

NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Measurement Date	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Total Pension Liability										
Service Cost	\$ 172,863	\$ 159,897	\$ 149,160	\$ 153,198	\$ 149,168	\$ 139,074	\$ 128,341	\$ 118,446	\$ 102,147	\$ 68,009
Interest	395,579	379,541	357,616	339,699	330,230	331,056	329,241	317,117	309,146	302,674
Share Plan Allocation	11,975	7,916	3,830	1,097	-	-	-	-	-	-
Changes of Benefit Terms	-	79,622	-	-	-	(191)	-	-	-	-
Differences Between Expected and Actual Experience	(548)	(7,941)	79,690	57,211	69,143	(63,746)	(37,464)	(25,456)	(189,134)	(79,654)
Changes of Assumptions	-	-	-	166,975	(142,052)	120,283	112,233	111,855	223,700	-
Benefit Payments, Including Refunds of Employee Contributions	(496,115)	(292,673)	(259,771)	(278,153)	(272,342)	(498,642)	(234,324)	(233,295)	(236,004)	(252,512)
Net Change in Total Pension Liability	83,754	326,362	330,525	440,027	134,147	27,834	298,027	288,667	209,855	38,517
Total Pension Liability - Beginning	5,935,629	5,609,267	5,278,742	4,838,715	4,704,568	4,676,734	4,378,707	4,090,040	3,880,185	3,841,668
Total Pension Liability - Ending	<u>\$ 6,019,383</u>	<u>\$ 5,935,629</u>	<u>\$ 5,609,267</u>	<u>\$ 5,278,742</u>	<u>\$ 4,838,715</u>	<u>\$ 4,704,568</u>	<u>\$ 4,676,734</u>	<u>\$ 4,378,707</u>	<u>\$ 4,090,040</u>	<u>\$ 3,880,185</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 229,579	\$ 216,921	\$ 260,804	\$ 288,438	\$ 265,534	\$ 236,821	\$ 195,748	\$ 192,146	\$ 281,438	\$ 176,554
Contributions - State	65,277	57,158	48,987	43,751	32,683	41,083	36,114	39,613	38,522	49,773
Contributions - Employee	24,419	14,384	7,257	6,870	6,441	6,819	6,098	6,019	5,703	4,115
Net Investment Income	1,114,732	574,421	(928,352)	812,828	399,488	165,671	267,505	387,624	158,924	(32,885)
Benefit Payments, Including Refunds of Employee Contributions	(496,115)	(292,673)	(259,771)	(278,153)	(272,342)	(498,642)	(234,324)	(233,295)	(236,004)	(252,512)
Administrative Expense	(38,728)	(41,478)	(34,241)	(43,295)	(31,967)	(38,551)	(28,303)	(16,895)	(16,976)	(15,607)
Net Change in Plan Fiduciary Net Position	899,164	528,733	(905,316)	830,439	399,837	(86,799)	242,838	375,212	231,607	(70,562)
Plan Fiduciary Net Position - Beginning	4,584,684	4,055,951	4,961,267	4,130,828	3,730,991	3,817,790	3,574,952	3,199,740	2,968,133	3,038,695
Plan Fiduciary Net Position - Ending	<u>\$ 5,483,848</u>	<u>\$ 4,584,684</u>	<u>\$ 4,055,951</u>	<u>\$ 4,961,267</u>	<u>\$ 4,130,828</u>	<u>\$ 3,730,991</u>	<u>\$ 3,817,790</u>	<u>\$ 3,574,952</u>	<u>\$ 3,199,740</u>	<u>\$ 2,968,133</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 535,535</u>	<u>\$ 1,350,945</u>	<u>\$ 1,553,316</u>	<u>\$ 317,475</u>	<u>\$ 707,887</u>	<u>\$ 973,577</u>	<u>\$ 858,944</u>	<u>\$ 803,755</u>	<u>\$ 890,300</u>	<u>\$ 912,052</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.24%	77.24%	72.31%	93.99%	85.37%	79.31%	81.63%	81.64%	78.23%	76.49%
Covered-Employee Payroll	\$ 842,041	\$ 735,924	\$ 726,147	\$ 686,580	\$ 644,045	\$ 681,942	\$ 610,905	\$ 601,947	\$ 570,338	\$ 468,196
Net Position Liability as a Percentage of Covered-Employee Payroll	63.60%	183.57%	213.91%	46.24%	109.91%	142.77%	140.60%	133.53%	156.10%	194.80%

SCHEDULE OF CONTRIBUTIONS FOR FIREFIGHTERS' PENSION FUND

Last 10 Fiscal Years

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Actuarially Determined Contribution	\$ 305,661	\$ 260,517	\$ 298,446	\$ 324,065	\$ 295,625	\$ 278,233	\$ 232,144	\$ 231,148	\$ 319,960	\$ 226,327
Contributions in Relation to the Actuarially Determined Contribution	<u>282,881</u>	<u>266,163</u>	<u>305,961</u>	<u>331,092</u>	<u>298,217</u>	<u>277,904</u>	<u>231,862</u>	<u>231,759</u>	<u>319,960</u>	<u>226,327</u>
	<u>\$ 22,780</u>	<u>\$ (5,646)</u>	<u>\$ (7,515)</u>	<u>\$ (7,027)</u>	<u>\$ (2,592)</u>	<u>\$ 329</u>	<u>\$ 282</u>	<u>\$ (611)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employees Payroll	\$ 842,041	\$ 735,924	\$ 686,580	\$ 644,065	\$ 681,942	\$ 610,905	\$ 601,947	\$ 570,338	\$ 468,196	\$ 385,197
Contributions as a Percentage of										
Covered-Employee Payroll	33.59%	36.17%	44.56%	51.41%	43.73%	45.49%	38.52%	40.64%	68.34%	58.76%

SCHEDULE OF FIREFIGHTERS' PENSION FUND INVESTMENT RETURNS

Last 10 Fiscal Years

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>09/30/2017</u>	<u>09/30/2016</u>	<u>09/30/2015</u>
Annual Money-Weighted Rate of Return										
Net of Investment Expense	24.97%	14.32%	-18.82%	19.81%	10.81%	4.66%	7.58%	12.29%	5.40%	-1.10%

Notes to the RSI for Firefighters' Pension

Valuation Date	October 1, 2022
Presentation	GASB 68 requires information for 10 years.
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.	
Methods and assumptions used to determine contribution rates:	
Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level dollar, closed
Remaining Amortization period	15 years
Mortality	All rates are projected generationally with Mortality Improvement Scale MP-2018
Interest Rate	6.75% per year, compounded annually, net of investment-related expenses. This assumption is supported by the target asset allocation of the trust and expected long-term return by asset class.
Retirement Age;	Earlier of age 55 and 10 years of service or 25 years service, regardless of age.
Early Retirement	Commencing with the earliest Early Retirement Age (50). Members are assumed to retire with an Immediate subsidized benefit at the rate of 5% per Year.
Disability Rates	See table below.
Termination Rates	See table below.
Salary Increase	Service based
Payroll Growth	None
Asset Valuation Method	Each year the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value

Termination and Disability Rate Tables:

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

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

Reporting Period Ending Measurement Date	9/30/2025 9/30/2024	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015
Total Pension Liability										
Service Cost	\$ 196,521	\$ 234,351	\$ 188,929	\$ 210,241	\$ 246,666	\$ 245,631	\$ 201,904	\$ 223,106	\$ 201,527	\$ 211,890
Interest	741,508	737,184	709,760	721,305	711,299	684,451	642,122	589,625	592,602	582,837
Change in Excess State Money	-	-	-	-	-	-	-	(27,217)	-	-
Share Plan Allocation	-	-	-	-	-	(13,608)	-	13,608	-	-
Changes of Benefit Terms	-	-	-	-	-	136,411	-	-	-	-
Differences Between Expected and Actual Experience	(175,152)	(232,037)	35,487	(463,345)	(98,395)	8,874	(14,909)	267,370	(286,364)	(20,807)
Changes of Assumptions	-	-	-	282,712	(170,644)	239,641	-	-	187,750	-
Contributions - Buy Back	-	-	-	-	-	-	-	-	5,729	-
Benefit Payments, Including Refunds of Employee Contributions	(659,241)	(624,831)	(577,856)	(536,553)	(501,625)	(525,686)	(400,461)	(389,811)	(654,738)	(628,255)
Net Change in Total Pension Liability	103,636	114,667	356,320	214,360	187,301	775,714	428,656	676,681	46,506	145,665
Total Pension Liability - Beginning	10,360,785	10,246,118	9,889,798	9,675,438	9,488,137	8,712,423	8,283,767	7,607,086	7,560,580	7,414,915
Total Pension Liability - Ending	<u>\$ 10,464,421</u>	<u>\$ 10,360,785</u>	<u>\$ 10,246,118</u>	<u>\$ 9,889,798</u>	<u>\$ 9,675,438</u>	<u>\$ 9,488,137</u>	<u>\$ 8,712,423</u>	<u>\$ 8,283,767</u>	<u>\$ 7,607,086</u>	<u>\$ 7,560,580</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 134,865	\$ 170,963	\$ 253,732	\$ 300,488	\$ 215,673	\$ 235,783	\$ 214,135	\$ 209,331	\$ 392,928	\$ 363,840
Contributions - State	86,498	72,798	67,764	68,784	60,041	67,550	57,494	52,972	40,967	52,719
Contributions - Employee	37,024	39,833	38,094	35,784	33,942	35,584	21,351	21,429	20,961	18,978
Contributions - Buy Back	-	-	-	-	-	-	-	-	5,729	-
Net Investment Income	2,058,237	1,002,636	(1,632,694)	1,929,216	869,567	398,725	601,006	771,054	392,453	(55,592)
Benefit Payments, Including Refunds of Employee Contributions	(659,241)	(624,831)	(577,856)	(536,553)	(501,625)	(525,686)	(400,461)	(389,811)	(654,738)	(628,255)
Administrative Expense	(39,081)	(35,753)	(36,071)	(42,989)	(32,205)	(28,971)	(28,436)	(25,830)	(30,495)	(26,275)
Net Change in Plan Fiduciary Net Position	1,618,302	625,646	(1,887,031)	1,754,730	645,393	182,985	465,089	639,145	167,805	(274,585)
Plan Fiduciary Net Position - Beginning	9,641,485	9,015,839	10,902,870	9,148,140	8,502,747	8,319,762	7,854,673	7,215,528	7,047,723	7,322,308
Plan Fiduciary Net Position - Ending	<u>\$ 11,259,787</u>	<u>\$ 9,641,485</u>	<u>\$ 9,015,839</u>	<u>\$ 10,902,870</u>	<u>\$ 9,148,140</u>	<u>\$ 8,502,747</u>	<u>\$ 8,319,762</u>	<u>\$ 7,854,673</u>	<u>\$ 7,215,528</u>	<u>\$ 7,047,723</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (795,366)</u>	<u>\$ 719,300</u>	<u>\$ 1,230,279</u>	<u>\$ (1,013,072)</u>	<u>\$ 527,298</u>	<u>\$ 985,390</u>	<u>\$ 392,661</u>	<u>\$ 429,094</u>	<u>\$ 391,558</u>	<u>\$ 512,857</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107.60%	93.06%	87.99%	110.24%	94.55%	89.61%	95.49%	94.82%	94.85%	93.22%
Covered-Employee Payroll	\$ 1,194,315	\$ 1,284,922	\$ 1,228,851	\$ 1,154,325	\$ 1,094,916	\$ 1,147,872	\$ 1,067,547	\$ 1,071,441	\$ 1,048,055	\$ 975,095
Net Position Liability as a Percentage of Covered-Employee Payroll	-66.60%	55.98%	100.12%	-87.76%	48.16%	85.84%	36.78%	40.05%	37.36%	52.60%

SCHEDULE OF CONTRIBUTIONS FOR POLICE OFFICERS' PENSION FUND

Last 10 Fiscal Years

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Actuarially Determined Contribution	\$ 197,062	\$ 253,129	\$ 312,128	\$ 369,384	\$ 309,861	\$ 295,003	\$ 255,143	\$ 252,860	\$ 433,895	\$ 416,559
Contributions in Relation to the Actuarially Determined Contribution	221,363	243,761	321,496	369,272	275,714	303,333	271,629	262,303	433,895	416,559
	<u>\$ (24,301)</u>	<u>\$ 9,368</u>	<u>\$ (9,368)</u>	<u>\$ 112</u>	<u>\$ 34,147</u>	<u>\$ (8,330)</u>	<u>\$ (16,486)</u>	<u>\$ (9,443)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 1,194,315	\$ 1,284,922	\$ 1,154,325	\$ 1,094,916	\$ 1,147,872	\$ 1,067,547	\$ 1,071,441	\$ 1,048,055	\$ 975,095	\$ 918,167
Contributions as a Percentage of										
Covered-Employee Payroll	18.53%	18.97%	27.85%	33.73%	24.02%	28.41%	25.35%	25.03%	44.50%	45.37%

SCHEDULE OF POLICE OFFICERS' PENSION FUND INVESTMENT RETURNS

Last 10 Fiscal Years

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>09/30/2018</u>	<u>09/30/2017</u>	<u>09/30/2016</u>	<u>09/30/2015</u>
Annual Money-Weighted Rate of Return										
Net of Investment Expense	21.84%	11.38%	-15.23%	21.37%	10.41%	4.89%	7.78%	10.84%	5.63%	-0.77%

Notes to the RSI for Police Officers' Pension

Valuation Date	October 1, 2022
Presentation	GASB 68 requires information for 10 years.
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.	
Methods and assumptions used to determine contribution rates:	
Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization period	15 years
Mortality	All rates are projected generationally with Mortality Improvement ScaleMP-2018
Interest Rate	7.25% per year, compounded annually, net of of investment expenses. This is supported by the target asset class allocation of the trust and expected long-term return by asset class.
Retirement Age;	Earlier of age 55 and 10 years of service or 20 years service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
Early Retirement	It is assumed that members who are eligible for Early Retirement (age 50) will retire at a rate of 5.00% per year.
Disability Rates	See table below.
Termination Rates	See table below.
Salary Increase	15.0% increase in the first year, 5.0% for the following four Years, and 4.5% thereafter.
Payroll Growth	None
Asset Valuation Method	Each year the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value

Termination and Disability Rate Tables:

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the FRS net pension liability (asset)	0.003904559%	0.004387206%	0.004419894%	0.004623785%	0.004252204%	0.004592558%	0.004485714%	0.004789156%	0.004770012%	0.005339440%
City's proportionate share of the FRS net pension liability (asset)	\$ 1,510,467	\$ 1,748,163	\$ 1,644,556	\$ 349,274	\$ 1,842,968	\$ 1,581,613	\$ 1,351,120	\$ 1,416,600	\$ 1,204,432	\$ 689,660
City's proportion of the HIS net pension liability (asset)	0.005602694%	0.005743372%	0.005769096%	0.005763863%	0.005751697%	0.005966489%	0.005604617%	0.005934001%	0.005796838%	0.005914848%
City's proportionate share of the HIS net pension liability (asset)	840,459	912,124	611,039	707,024	702,273	667,590	593,199	634,491	675,597	603,221
City's proportionate share of the total net pension liability (asset)	<u>\$ 2,350,926</u>	<u>\$ 2,660,287</u>	<u>\$ 2,255,595</u>	<u>\$ 1,056,298</u>	<u>\$ 2,545,241</u>	<u>\$ 2,249,203</u>	<u>\$ 1,944,319</u>	<u>\$ 2,051,091</u>	<u>\$ 1,880,029</u>	<u>\$ 1,292,881</u>
City's covered-employee payroll	\$ 2,423,178	\$ 2,273,554	\$ 2,104,430	\$ 2,102,439	\$ 1,965,127	\$ 2,051,523	\$ 1,877,629	\$ 1,931,891	\$ 1,844,091	\$ 1,793,752
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	97.02%	117.01%	107.18%	50.24%	129.52%	109.64%	103.55%	106.17%	101.95%	72.08%
Plan fiduciary net position as a percentage of the total pension liability	78.79%	77.04%	79.09%	91.09%	74.46%	78.22%	79.86%	79.30%	79.30%	86.53%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 314,801	\$ 302,972	\$ 263,875	\$ 189,963	\$ 160,079	\$ 148,058	\$ 170,822	\$ 131,395	\$ 125,987	\$ 128,376
Contractually required HIS contribution	67,536	54,236	48,839	36,537	37,554	34,447	40,613	33,097	32,180	22,654
Total Contractually Required Contributions	382,337	357,208	312,714	226,500	197,633	182,505	211,435	164,492	158,167	151,030
Contributions in relation to the contractually required contribution	(382,337)	(357,208)	(312,714)	(226,500)	(197,633)	(182,505)	(211,435)	(164,492)	(158,167)	(151,030)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,429,492	\$ 2,270,088	\$ 2,148,080	\$ 2,041,203	\$ 2,025,904	\$ 1,991,770	\$ 1,935,700	\$ 1,875,622	\$ 1,901,125	\$ 1,741,507
Contributions as a percentage of covered-employee payroll	15.74%	15.74%	14.56%	11.10%	9.76%	9.16%	10.92%	8.77%	8.32%	8.67%

CITY OF PERRY, FLORIDA
Notes to the Required Supplementary Information on
Proportionate Share of the Net Pension Liability and Required Contributions
Florida Retirement System and Health Insurance Subsidy Program
For the Fiscal Year Ended September 30, 2024

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of September 30, 2024, are shown below:

	FRS	HIS
Total pension liability	\$ 237,370,289,000	\$ 15,757,751,902
Plan fiduciary net position	\$ (198,685,586,034)	(756,775,056)
	<u>\$ 38,684,702,966</u>	<u>\$ 15,000,976,846</u>
Plan fiduciary net position as a percentage of the total pension liability	83.70%	4.80%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated June 30, 2024. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements, and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The HIS actuarial valuation was prepared as of June 30, 2024. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. The fiduciary net position is reported in the financial statements, and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's current and several prior measurement dates. For fiscal years June 30, 2015 through June 30, 2024, in addition to contributions from employers the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportionate basis. The division administers the Plans and therefore cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's ACFR for that fiscal year.

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

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

Actuarial Methods and Assumptions

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2024 for the period July 1, 2018 through June 30, 2023. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both Plans is assumed at 2.40%. Payroll growth, including inflation, for both Plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.93 % was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both Plans were based on the Pub-2010 base table.

The following changes in actuarial assumptions occurred in 2024:

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

CITY OF PERRY, FLORIDA
Other Post-Employment Benefits (OPEB) Retirement Healthcare Plan
September 30, 2024

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

Reporting Period Ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability							
Service Cost	\$ 38,723	\$ 58,036	\$ 57,203	\$ 42,863	\$ 36,034	\$ 38,602	\$ 41,673
Interest	40,132	26,748	31,860	43,080	34,536	30,775	26,693
Changes of benefit terms	-	-	(444,469)	-	-	-	-
Differences between Expected and Actual Experience	(95,299)	-	-	-	232,304	-	-
Changes of Assumptions	(205,427)	(302,583)	10,033	248,102	114,654	(53,509)	(62,236)
Benefit Payments	(23,201)	(21,582)	(65,154)	(60,608)	(33,955)	(31,223)	(28,711)
Net Change in Total OPEB Liability	(245,072)	(239,381)	(410,527)	273,437	383,573	(15,355)	(22,581)
Total OPEB Liability - Beginning	814,081	1,053,462	1,463,989	1,190,552	806,979	822,334	844,915
Total OPEB Liability - Ending	<u>\$ 569,009</u>	<u>\$ 814,081</u>	<u>\$ 1,053,462</u>	<u>\$ 1,463,989</u>	<u>\$ 1,190,552</u>	<u>\$ 806,979</u>	<u>\$ 822,334</u>
 Covered-Employee Payroll*	 \$ 4,084,051	 \$ 3,814,594	 \$ 3,721,555	 \$ 3,769,197	 \$ 3,677,265	 \$ 3,811,244	 \$ 3,718,287
Total OPEB Liability as a percentage of Covered-Employee Payroll	13.93%	21.34%	28.31%	38.84%	32.38%	21.17%	22.12%

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

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

Notes to the RSI for Total OPEB Liability and Related Ratios

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

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

Fiscal Year Ending September 30, 2024	4.87%
Fiscal Year Ending September 30, 2023	4.77%
Fiscal Year Ending September 30, 2022	2.43%
Fiscal Year Ending September 30, 2021	2.14%
Fiscal Year Ending September 30, 2020	3.58%
Fiscal Year Ending September 30, 2019	4.18%
Fiscal Year Ending September 30, 2018	3.64%
Fiscal Year Ending September 30, 2017	3.06%

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

<u>Program</u>	<u>Pre-65 Cost</u>
Medical Insurance	\$16,359

Blended Annual Premium Amounts

<u>Program</u>	<u>Employee Contribution</u>	<u>Spouse Contribution</u>
Medical Insurance	\$11,729	\$10,064

Member Statistical Data

	<u>9/30/2023</u>
Number of Active Participants	87
Average Current Age	46.0
Average Age at Employment	37.9
Average Past Service	8.2
Covered-Employee Payroll*	\$ 4,084,051
Average Salary	46,943
Number of Inactives Receiving Benefits	
Retirees, Beneficiaries and Disabled Members	1
Covered Spouses	1
Total	<u>2</u>
Average Current Age of Retirees	62

*FY 2024 Covered-Employee Payroll projected based on actual FY 2023
Covered-Employee Payroll

Actuarial Assumptions and Funding Methods:

Valuation Date	9/30/2023
Measurement Date	9/30/2023
Fiscal Year End	9/30/2024
Actuarial Value of Assets	Market Value
Mortality Rate	PubG-2010 Mortality Table projected to the valuation date using MP-2019
Discount Rate	4.87% Based on the September 30, 2023 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices
Retirement Rates	100% at Normal Retirement Eligibility
Inflation	2.50% per year.
Salary Increase Rate	2.50% per year.
Marital Status	100% assumed married, with male spouses 3 years older than female spouses.
Health Care Participation	25% participation assumed, with 50% electing spouse coverage.
Health Care Inflation	Initial rate of 7.00% in fiscal 2023, grading down to the ultimate trend rate of 4.00% in fiscal 2075.
Termination Rates	Selected rates for various ages listed below:

% Remaining Employed	
Age	Until Assumed Retirement Age
20	29.60%
30	59.30%
40	84.10%
50	100.00%

OTHER INFORMATION

CITY OF PERRY, FLORIDA
Combining Statement of Net Position
Fiduciary Funds
September 30, 2024

	Police Officers' Pension Fund	Firefighters' Pension Fund	Total
ASSETS			
Cash and short-term investments	\$ 132,245	\$ 141,506	\$ 273,751
Receivables			
Employer	10,709	40,868	51,577
Plan Member	3,353	1,932	5,285
Total Receivables	14,062	42,800	56,862
Investments at fair value			
Equity	7,838,830	3,709,493	11,548,323
Fixed Income	2,623,646	1,594,414	4,218,060
Real Estate	718,892	-	718,892
Total investments	11,181,368	5,303,907	16,485,275
Total Assets	11,327,675	5,488,213	16,815,888
LIABILITIES			
Payables:			
Benefit payments	58,322	-	58,322
Investment expenses	6,862	1,375	8,237
Administrative Expenses	2,704	2,990	5,694
Total Liabilities	67,888	4,365	72,253
Net Position restricted for pension benefits	\$ 11,259,787	\$5,483,848	\$16,743,635

CITY OF PERRY, FLORIDA
Combining Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2024

	Police Officers' Pension Fund	Firefighters' Pension Fund	Total
ADDITIONS			
Contributions			
Employer	\$ 134,865	\$ 229,579	\$ 364,444
State	86,498	65,277	151,775
Plan Member	37,024	24,419	61,443
	<u>258,387</u>	<u>319,275</u>	<u>577,662</u>
Total Contributions			
Investment Income			
Net Increase in Fair Value of Investments	1,785,704	971,756	2,757,460
Interest and Dividends	307,231	166,232	473,463
Less Investment Expense	(34,698)	(23,256)	(57,954)
	<u>2,058,237</u>	<u>1,114,732</u>	<u>3,172,969</u>
Total investment income			
	<u>2,316,624</u>	<u>1,434,007</u>	<u>3,750,631</u>
Total Additions			
DEDUCTIONS			
Benefits	659,241	496,115	1,155,356
Administrative Expense	39,081	38,728	77,809
Total deductions	698,322	534,843	1,233,165
Net Increase	<u>1,618,302</u>	<u>899,164</u>	<u>2,517,466</u>
Net Position restricted for pension benefits			
October 1, 2022	9,641,485	4,584,684	14,226,169
September 30, 2023	<u>\$ 11,259,787</u>	<u>\$ 5,483,848</u>	<u>\$ 16,743,635</u>

CITY OF PERRY, FLORIDA
Combining Final Components of Pension Expense
For the Fiscal Year Ended September 30, 2024

	Police Officers' Pension Fund	Firefighters' Pension Fund	Total
Service cost	\$ 234,351	\$ 159,897	\$ 394,248
Interest on total pension liability	737,184	379,541	1,116,725
Share plan allocation	-	7,916	7,916
Change in benefit terms		79,622	79,622
Contributions - employee	(39,833)	(14,384)	(54,217)
Projected earnings on investments	(639,982)	(272,235)	(912,217)
Administrative expenses	35,753	41,478	77,231
Recognition of deferred outflows/(inflows)			
Experience gains/losses	(244,563)	49,526	(195,037)
Assumption changes	51,576	6,231	57,807
Investment returns	159,812	80,486	240,298
Net change	<u>\$ 294,298</u>	<u>\$ 518,078</u>	<u>\$ 812,376</u>

COMPLIANCE SECTION

CITY OF PERRY, FLORIDA
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the fiscal year ended September 30, 2024

<u>Program Titles and Grant Numbers</u>	<u>Assistance Listing #/ CSFA#</u>	<u>Award Number</u>	<u>Award/ Contract Amount</u>	<u>Program Expenses</u>	<u>Sub- recipients</u>
Federal Awards					
<i>U.S. Department of Transportation passed through Florida Department of Transportation</i>					
National Priority Safety Programs	20.616	G2P54	\$ 39,500	\$ 15,348	\$ -
State and Community Highway Safety	20.600	G2R51	20,000	1,545	-
Total U.S. Department of Transportation			<u>59,500</u>	<u>16,893</u>	<u>-</u>
<i>U.S. Department of Treasury passed through Florida Executive Office of the Governor</i>					
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5263	<u>3,445,372</u>	<u>1,510,600</u>	<u>-</u>
<i>U.S. Environmental Protection Agency (EPA) passed through Florida Department of Environmental Protection</i>					
Drinking Water SRF Loan**	66.468	DW620261	949,422	522,587	
Drinking Water SRF Loan Forgiveness**	66.468	DW620261	<u>2,752,578</u>	<u>2,721,281</u>	<u>-</u>
			<u>3,702,000</u>	<u>3,243,868</u>	
<i>Department of Homeland Security/Federal Emergency Management Agency passed through Florida Executive Office of the Governor</i>					
Public Assistance Grants	97.036	Z3190	<u>-</u>	<u>1,177,753</u>	<u>-</u>
Total Federal Awards			<u><u>\$ 7,206,872</u></u>	<u><u>\$ 5,949,114</u></u>	<u><u>\$ -</u></u>
State Awards					
<i>State of Florida Department of Environmental Protection</i>					
Wastewater Treatment Facility Construction	37.077	WW620270	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>
<i>Florida Department of Commerce</i>					
Rural Community Development Infrastructure	40.042	D0291	<u>300,000</u>	<u>4,500</u>	<u>-</u>
<i>Florida Executive Office of the Governor</i>					
Public Assistance Grants	N/A	Z3190	<u>-</u>	<u>128,422</u>	<u>-</u>
Total State Awards			<u><u>\$ 600,000</u></u>	<u><u>\$ 432,922</u></u>	<u><u>\$ -</u></u>

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

CITY OF PERRY, FLORIDA
Note to Schedule of Expenditures of Federal Awards and
State Financial Assistance
For the Fiscal Year Ended September 30, 2024

I. Basis of Presentation

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

II. Indirect Cost Rate

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

III. Summary of Significant Accounting Policies

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

IV. Subrecipients

The City of Perry did not pass any of the State or Federal funding received through to subrecipients.

V. Drinking Water SRF Loan

Total expenditures as reported above represent a principal forgiveness grant that was applied to the City's DW620261 installment note to the Florida Department of Environmental Protection (FDEP) and includes current year City expenditures/expenses. As part of the Drinking Water State Revolving Fund (SRF) Construction Loan Agreement DW620261, the City was awarded \$3,702,000 in SRF loan funding for a major sewer rehabilitation project for which loan proceeds were used to fund project costs during the 2023 and 2024 fiscal years. The grant agreement provides for up to \$2,752,578 of principal forgiveness.



Powell and Jones CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of Perry, Florida (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 27, 2025.

Internal Control Over Financial Reporting

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

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

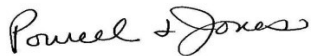
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Powell and Jones CPA
Lake City, Florida
June 27, 2025



Powell and Jones CPA

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Perry, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

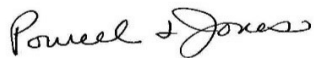
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance

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

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

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

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

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

Powell & Jones CPA
Lake City, Florida
June 27, 2025

CITY OF PERRY, FLORIDA
Schedule of Findings and Questioned Costs
For the fiscal year ended September 30, 2024

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>CFDA Number/Grant Number</u>	<u>Name of Program or Cluster</u>
66.468	U.S. Environmental Protection Agency Capitalization Grants for Drinking Water SRF

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

None

Federal Award Findings and Questioned Costs

None



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MANAGEMENT LETTER

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the City of Perry, Florida (the City), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 27, 2025.

AUDITOR'S RESPONSIBILITY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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).

OTHER PREPORTING REQUIREMENTS

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Controls Over Compliance; Schedule of Findings and Questioned Costs; 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 27, 2025, should be considered in conjunction with this management letter.

PRIOR AUDIT FINDINGS

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations identified in the preceding financial audit reports for the prior two years.

OFFICIAL TITLE AND LEGAL AUTHORITY

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

FINANCIAL CONDITION AND MANAGEMENT

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

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

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

PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAMS

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

SPECIAL DISTRICT COMPONENT UNITS

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the City's Community Development Agency (CRA) reported the following unaudited data:

- a. The total number of CRA employees compensated in the last pay period of the district's fiscal year as -0-.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as -0-.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$-0-.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$-0-.
- e. Budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amended a final adopted budget under Section 189.016(6) – See page 74 of this annual financial report.

f. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as none.

ADDITIONAL MATTERS

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

PURPOSE OF THIS LETTER

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

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

Powell and Jones CPA
Lake City Florida
June 27, 2025



Powell and Jones CPA

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Perry, Florida's (the City) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2024. We also examined the City's compliance with Sections 163.387(6) and (7), *Florida Statutes* regarding the Perry Community Redevelopment Agency during the year ended September 30, 2024. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

Powell and Jones CPA
Lake City, Florida
June 27, 2025



Powell and Jones CPA

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

COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

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

We have audited the financial statements of City of Perry, Florida (the City) for the year ended September 30, 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 City are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus.

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 27, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

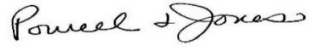
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses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

Other Information in Documents Containing Audited Financial Statements

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

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

Very truly yours,

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

Powell & Jones CPA
Lake City, Florida
June 27, 2025