

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2022**



**CITY OF PERRY  
FLORIDA**



CITY OF PERRY, FLORIDA

COUNCIL-MANAGER FORM OF GOVERNMENT

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

CITY COUNCIL  
ALAN HALL, MAYOR  
SHIRLIE HAMPTON VICE MAYOR  
VENITA WOODFAULK,  
WARD KETRING

CITY MANAGER  
TAYLOR T. BROWN

PREPARED BY:  
FINANCE DEPARTMENT

PENNY STAFFNEY  
Director of Finance

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## INTRODUCTORY SECTION

**Letter of Transmittal**  
**Governmental Finance Officers Association Certificate of Excellence**  
**Organizational Chart**  
**List of Elected Officials**

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224 S. Jefferson Street, Perry, Florida 32347

(850) 584-7161

April 25, 2023

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

Annual Comprehensive Financial Report of the City of Perry, Florida, for the fiscal year ended September 30, 2022, is submitted herewith pursuant to Section 5.12 of the City Charter, State of Florida Statutes Section 218.39 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. This Annual Financial Report was prepared by the Finance Department and represents the official report of the City's financial condition and results of operations to the citizens, City Council, City administrative personnel, investment firms, rating agencies and other interested parties.

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

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

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

### **PROFILE OF THE CITY**

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

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

## **FINANCIAL INFORMATION**

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

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

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

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

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

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

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

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

The City's Trust Funds are established to account for assets held by the governmental unit in a trustee capacity or an agent for employees. In accordance with Florida law, the City's general employees participate in the Florida Retirement System Pension Plan, which presently covers all City employees except for law enforcement and fire fighters whose pension plan was covered in the paragraph above. This plan was created by the Florida Legislature and is administered by the State of Florida, Department of Management Services, Division of Retirement, and is available to the State's governmental units. The funding methods and the determinations of benefits payable are provided in various acts of the State Legislature. These acts required employers to contribute 11.91% as of July 1, 2022, of regular covered employee's gross wages. This is a multi-employer plan and actuarial information with respect to an individual participating entity is not available.

The debts held by the City are a low interest loan from the EPA for sewer related capital projects.

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

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

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

## **LOCAL ECONOMIC OUTLOOK**

The City of Perry's economic climate is closely tied to various manufacturing concerns located throughout the county. Georgia Pacific is the largest employer in Taylor County. The company's plant produces a variety of high-grade cellulose products used in the manufacture of rayon, tire cord, sausage casings, filter papers, diapers and sanitary products. Besides the City of Perry, other major employers within the City are Super Pufft, a large chip manufacturer, the Taylor County School Board, Doctors' Memorial Hospital, which provides health care services for city and county residents; also there are several aluminum fabrication shops and service type businesses, such as department stores and fast-food restaurants. Taylor County does rate as an economically challenged area, however industry continues to seek our area as well as many families and retirees seeking to buy residential property where hunting, fishing and nature is readily accessible. Our downtown continues to renovate buildings, and shops or eateries have moved in and seem to thrive. Our City Council has several offerings, one is to entice building renovation in our downtown, and several programs to bring a business into our area. We welcome inquiries.

## **LONG TERM FINANCIAL PLANNING**

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

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

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

## **MAJOR INITIATIVES**

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

## **DEPARTMENT FOCUS**

Each year the City selects a department for its efforts and accomplishments. In 2022, Sewer Department has been featured. We are rehabbing our aging infrastructure in the ground and lift stations, as ever increasing requirements for water quality are mandated we strive to keep Florida water clean.

## **CERTIFICATE OF ACHIEVEMENT**

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

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

## **ACKNOWLEDGEMENTS**

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

Respectfully submitted,



Director of Finance



City Manager

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**Government Finance Officers Association**

# **Certificate of Achievement for Excellence in Financial Reporting**

**Presented to**

**City of Perry  
Florida**

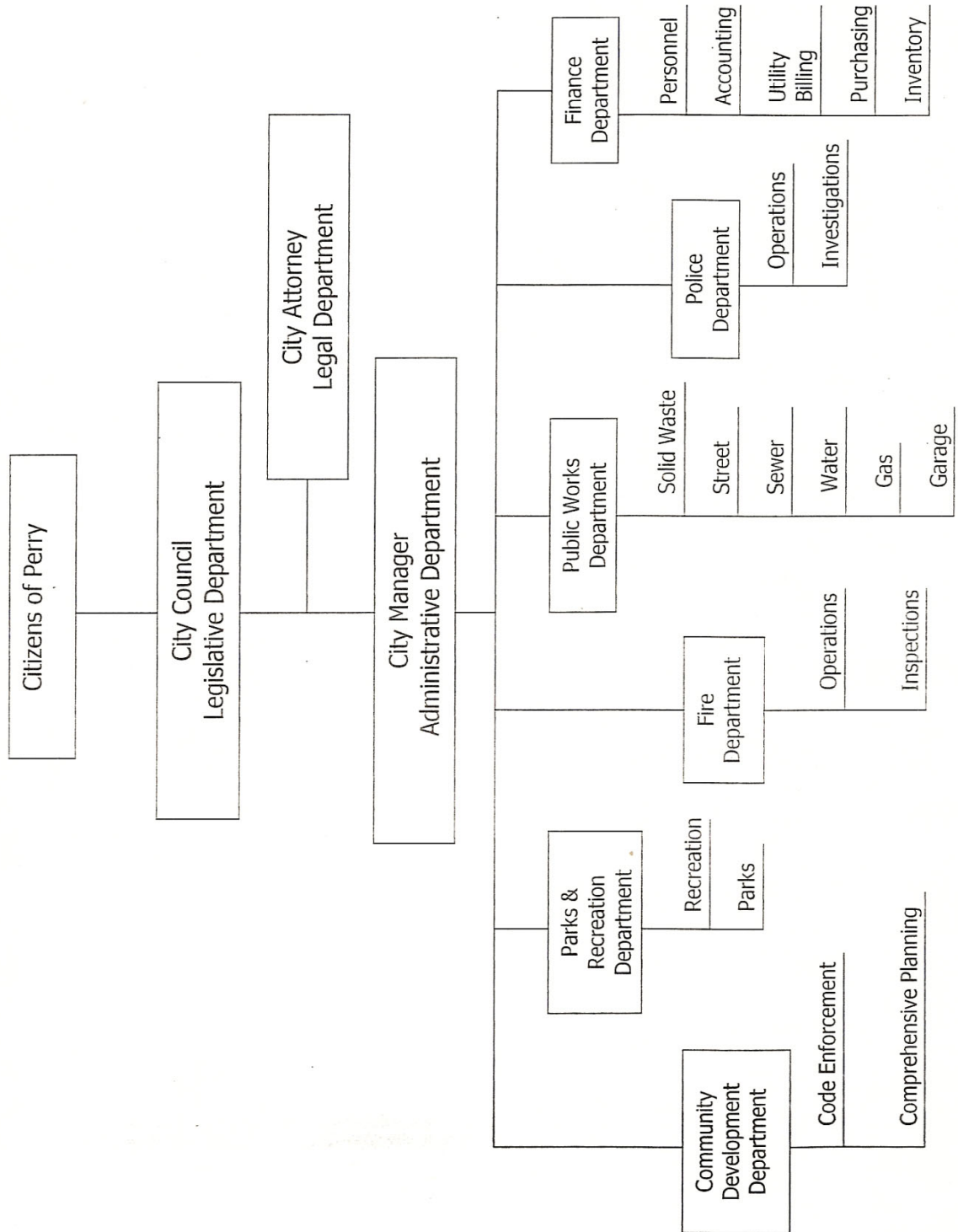
**For its Annual Comprehensive  
Financial Report  
for the Fiscal Year Ended**

**September 30, 2021**

*Christopher P. Morill*

**Executive Director/CEO**

# CITY OF PERRY ORGANIZATIONAL CHART





CITY OF PERRY, FLORIDA  
LISTING OF CITY OFFICIALS  
As of September 30, 2022

CITY OFFICIALS

Mayor	Alan Hall
Vice Mayor/Council Member	Shirley Hampton
Council Members	Venita Woodfaulk Ward Ketring

APPOINTED OFFICIALS

City Manager/ Director of Community Development	Taylor T. Brown
City Attorney	Donald Curtis
Fire Chief/Command Captain	Robbie Moon
Director of Public Works	Chester V. McAfee
Personnel Technician	Stephanie Bailey
Director of Finance	Penny Staffney
Chief of Police	Jamie Cruse

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## FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

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

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**Powell and Jones CPA**

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Lake City, FL 32025  
Phone 386.755.4200  
Fax 386.719.5504

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

Honorable Mayor and City Council  
City of Perry  
Perry, Florida

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perry, Florida (the "City") as of and for the year ended September 30, 2022, 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, 2022, 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. 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.

### **Emphasis of Matter – Adoption of New Accounting Pronouncement**

As discussed in Note 1, effective October 1, 2021, the City has adopted the provisions contained in the Statement of Governmental Accounting Standards No. 87, *Leases*. Our opinions are not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, 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 the 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 comparison information, and pension and OPEB 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City'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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March \_\_, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the City's internal control over financial reporting and compliance.

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

**POWELL and JONES CPA**

Lake City, Florida  
April 25, 2023



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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## **Management's Discussion and Analysis**

This section of the City of Perry's (the "City") Annual Comprehensive Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### **FINANCIAL HIGHLIGHTS**

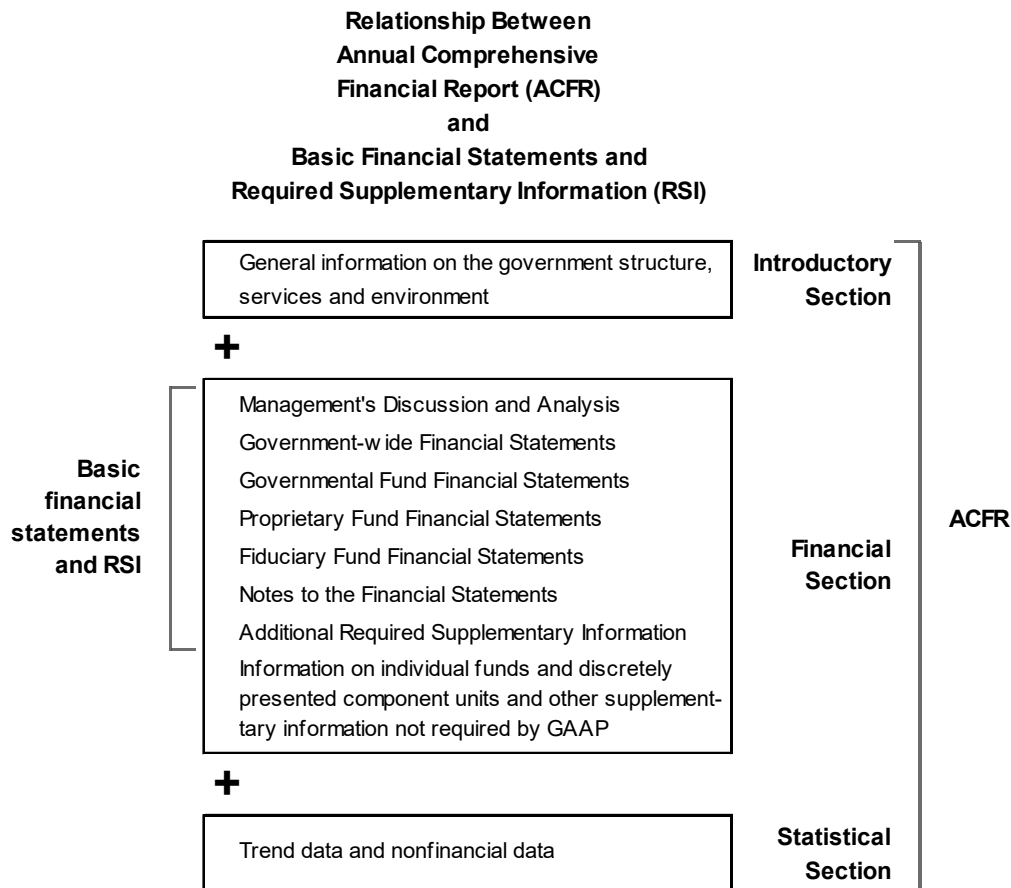
- At the close of the fiscal year the City's total assets and deferred outflows exceeded its liabilities and deferred inflows by \$34.4 million ("net position"). Of this amount, \$4.5 million ("unrestricted net position") may be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by 2.6% during the current fiscal year.
- Net position of the City's business-type activities decreased by approximately \$405 thousand and increased by approximately \$1.3 million for governmental activities. Transfers between funds were the primary drivers for the observed changes in net position.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$5.6 million, an increase of \$913 thousand in comparison with the prior year mainly due to the level of tax receipts compared to the general expenditures. Approximately \$1.8 million, or 33%, 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 \$1.9 million or 30.5% of total general fund expenditures. The unassigned fund balance for the general fund was \$1.8 million or 29.2% of total general fund expenditures. The non-spendable fund balance was \$87 thousand (4.5% 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 \$12.3 million is held in two banks insured as government funds as per the State Statute.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



## Government-wide Financial Statements

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

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

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

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

### Fund Financial Statements

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

### Governmental Funds

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

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

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

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

### Proprietary Funds

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

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

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

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

### Fiduciary Funds

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

### Notes to the Financial Statements

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

### Required Supplementary Information

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, the ending net position in the current fiscal year is \$34.4 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 \$28 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 \$4.5 million, represents resources that are unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

**Statement of Net Position**  
As of September 30, 2022 and 2021

	<b>Governmental Activities</b>		<b>Business- Type Activities</b>		<b>Total</b>		<b>Total % Change</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2021-22</b>
<b>Assets</b>							
Current and other assets	\$9,339,271	\$5,053,780	\$ 5,281,258	\$ 5,329,879	\$14,620,529	\$10,383,659	40.8%
Capital Assets, net of depreciation	3,176,827	3,238,078	31,137,933	31,904,755	34,314,760	35,142,833	-2.4%
Total Assets	12,516,098	8,291,858	36,419,191	37,234,634	48,935,289	45,526,492	7.5%
Deferred outflows	1,337,606	1,578,320	88,295	221,043	1,425,901	1,799,363	11.0%
<b>Liabilities</b>							
Long-term liabilities outstanding	1,801,895	2,966,865	7,042,369	7,191,809	8,844,264	10,158,674	-12.9%
Other liabilities	3,773,452	650,640	903,702	836,200	4,677,154	1,486,840	214.6%
Total Liabilities	5,575,347	3,617,505	7,946,071	8,028,009	13,521,418	11,645,514	16.1%
Deferred inflows	2,328,098	1,567,655	62,792	524,061	2,390,890	2,091,716	2.9%
<b>Net Position</b>							
Net investment in capital assets	3,176,827	3,238,078	24,870,772	25,452,470	28,047,599	28,690,548	-2.2%
Restricted	1,769,757	1,673,437	90,930	-	1,860,687	1,673,437	11.2%
Unrestricted	1,003,675	(226,497)	3,536,921	3,451,137	4,540,596	3,224,640	40.8%
Total Net Position	\$5,950,259	\$4,685,018	\$28,498,623	\$28,903,607	\$34,448,882	\$33,588,625	2.6%

The remaining balance of \$1.8 million, (5.2%), represents resources that are subject to external restrictions on how they may be used.



## Analysis of Change in Net Position

The City's net position, overall, increased by approximately \$860 thousand, or 2.6%, during the current fiscal year.

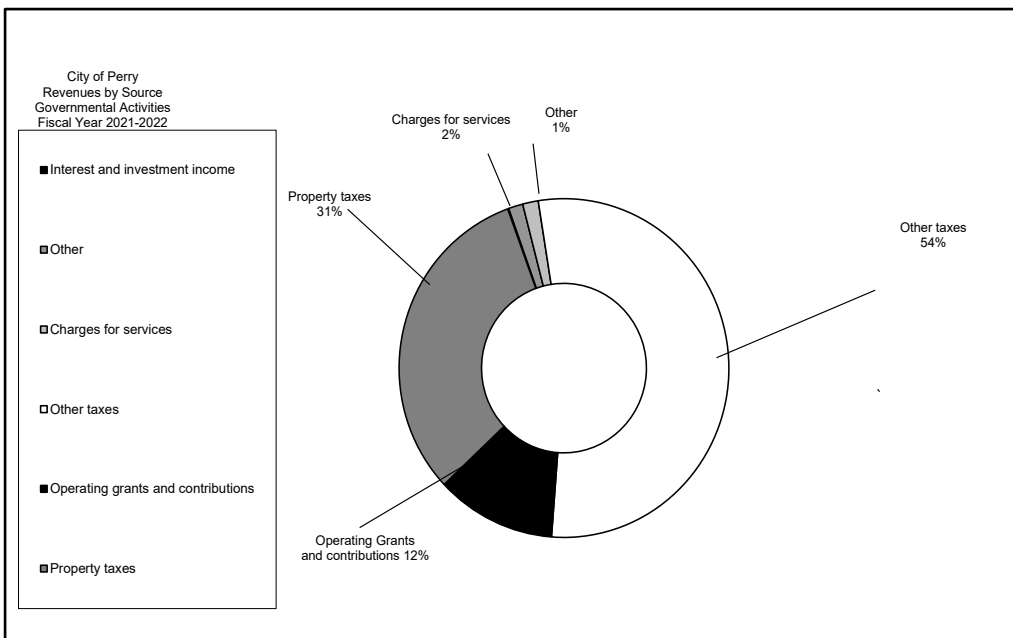
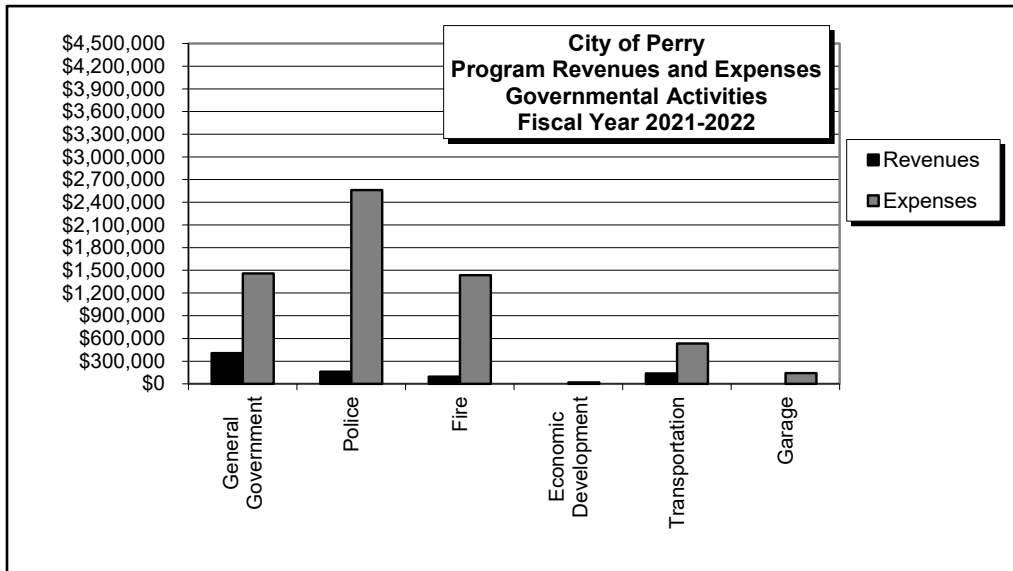
<b>Statement of Changes in Net Position</b>						
Fiscal Years Ended						
September 30, 2022 and 2021						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 92,153	\$ 112,528	\$ 7,981,743	\$ 5,727,675	\$ 8,073,896	\$ 5,840,203
Operating grants and contributions	511,198	503,984	-	-	511,198	503,984
Capital grants and contributions	193,620	324,391	317,470	4,397,125	511,090	4,721,516
General revenues:						
Property taxes	1,888,634	1,619,424	-	-	1,888,634	1,619,424
Business taxes	1,017,320	957,645	-	-	1,017,320	957,645
Other taxes and revenues	2,202,807	2,530,873	-	-	2,202,807	2,530,873
Interest and investment income	7,359	1,606	2,437	1,663	9,796	3,269
Other	84,245	79,294	98,454	66,636	182,699	145,930
Total revenues	5,997,336	6,129,745	8,400,104	10,193,099	14,397,440	16,322,844
<b>Expenses</b>						
General Government	1,459,004	1,397,033	-	-	1,459,004	1,397,033
Garage	142,165	130,674	-	-	142,165	130,674
Public Safety	3,999,614	4,441,496	-	-	3,999,614	4,441,496
Economic Development	16,052	43,610	-	-	16,052	43,610
Transportation	532,287	591,044	-	-	532,287	591,044
Recreation	-	-	368,756	343,955	368,756	343,955
Water	-	-	1,175,023	1,066,451	1,175,023	1,066,451
Gas	-	-	1,882,504	1,212,756	1,882,504	1,212,756
Solid Waste	-	-	797,300	705,164	797,300	705,164
Sewer	-	-	2,661,749	2,167,327	2,661,749	2,167,327
Inventory	-	-	502,729	358,080	502,729	358,080
Total expenses	6,149,122	6,603,857	7,388,061	5,853,733	13,537,183	12,457,590
Increase (decrease) in net position before transfers	(151,786)	(474,112)	1,012,043	4,339,366	860,257	3,865,254
Transfers	1,417,027	1,292,850	(1,417,027)	(1,292,850)	-	-
Change in net position	1,265,241	818,738	(404,984)	3,046,516	860,257	3,865,254
Net position at beginning of year	4,685,018	3,866,280	28,903,607	25,857,091	33,588,625	29,723,371
Net position at end of year	\$ 5,950,259	\$ 4,685,018	\$ 28,498,623	\$ 28,903,607	\$ 34,448,882	\$ 33,588,625

Governmental activities increased the City's net position by \$1.2 million. The Business-type activities had a decrease of \$503 thousand in net position. Key factors related to the changes were as follows:

Property tax revenue resulting from the increased value of taxable property and increased tax revenues from the State of Florida helped to lower the year over year decrease in net position before transfers in the governmental funds. The overall increase in net position for governmental activities was primarily the result of transfers from the excesses in business-type activities.

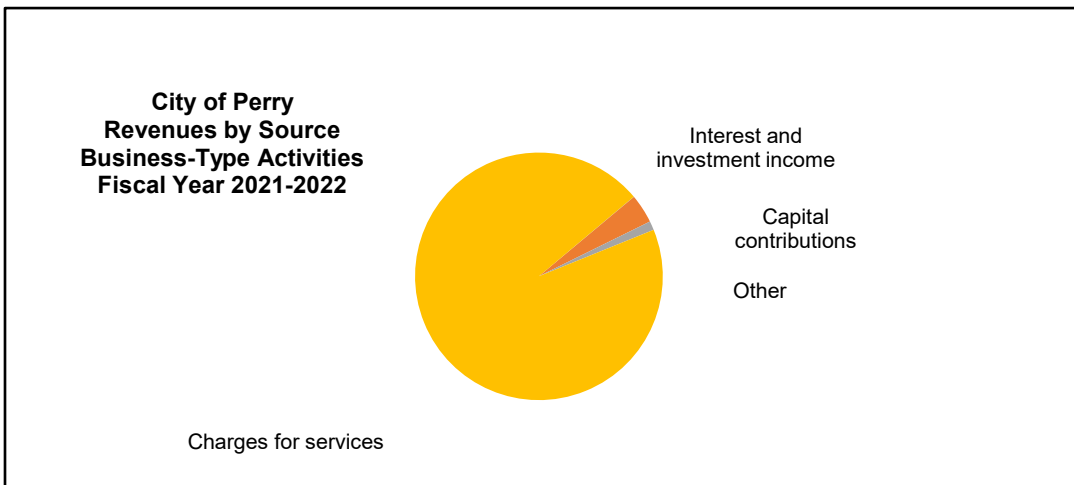
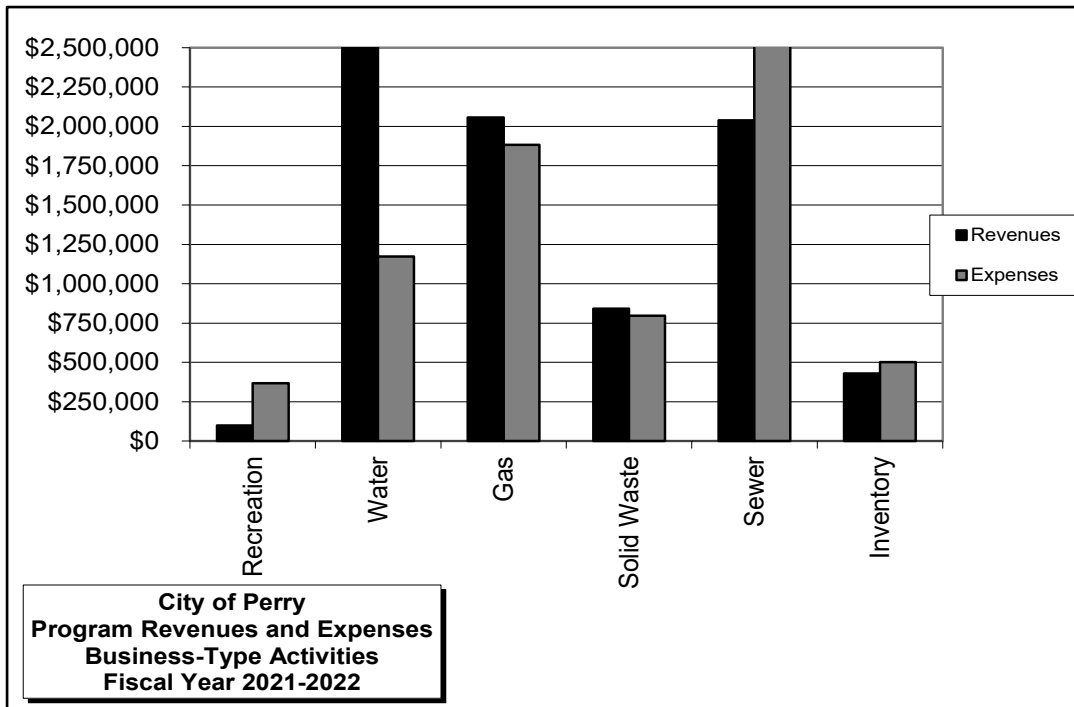
Increases in utility revenue, primarily gas and water, lead to an increase in net position before transfers of approximately \$1 million for business-type activities. Charges for utility services are generally set to cover the individual funds' operating expenses and transfers to the general fund. The overall decrease in net position was the result of transfers, predominately from the water revenue fund (approximately \$1.9 million), that were utilized to help fund general governmental operations.

## Governmental Activities Operating Statistics



The charts above illustrate the City's governmental expenses and revenues by function, and its revenues by source. As shown, Police is the largest function in expense (42%), followed by General Government (24%) and then Fire (23%). General revenues such as property, business, and privilege taxes are not shown by program but are effectively used to support citywide program activities. For governmental activities overall, without regard to program, Other taxes is the largest single source of funds (54%), followed by Property taxes (31%) and Operating grants and contributions (12%).

### Business -Type Activities Operating Statistics



As shown in the charts above, the sewer department reported the largest amount in expenditures, \$2.6 million (35%), followed by the gas department, \$1.9 million (26%), and the water department, \$1.2 million (16%). Fees for water provided the largest amount of revenues \$2.6 million (32%), followed by gas \$2.1 million (25%) and sewer \$2.0 million (25%). For business-type activities overall, charges for services are the largest sources of funds (95%).

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

### **Governmental Funds**

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5.6 million, an increase of \$913 thousand in comparison with the prior year. This increase is primarily due to transfers that are received from other funds and are utilized to fund governmental operations that are not able to be covered by the general revenues. Approximately 33% of the fund balances, \$1.8 million, constitutes unassigned fund balances, which are available for spending at the City's discretion (see pages 31 and 32). 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 \$5.9 million for the current fiscal year. Expenditures totaled \$6.4 million, which means that expenditures exceeded revenues before transfers by approximately \$504 thousand or 8.6%.

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 \$1.8 million, and total fund balance was \$1.9 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 29.2% of total general fund expenditures of \$6.3 million, while total fund balance represents 30.5% of that same amount.

The fund balance of the City's general fund increased by \$709 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 greater than \$1 million, which is 17% of total governmental revenue which is used to supplement needs in other areas such as Sewer, Inventory, Solid Waste, and General funds; and the local option gas tax revenue is \$323 thousand, which is 5% of the total governmental revenue. The proceeds supported the street department and paving projects.

The utility tax fund's fund balance increased by \$178 thousand. Although revenues continued to increase in the utility tax fund, the current year's increase in fund balance was not as great as the increase in the prior year because of \$804 thousand in transfers to other funds. The local option gas tax fund's fund balance decreased by \$1.5 thousand. This was also due to high rates of transfer to other funds.

The community redevelopment fund increased by \$28 thousand due to a higher tax and rental revenues.

### **Proprietary Funds**

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

At the end of the fiscal year, the unrestricted net position for the Gas Fund was \$923 thousand, the Sewer Revenue Fund was \$321 thousand, the Water Revenue Fund was \$1.7 million, the Solid Waste Fund had a deficit of \$7.5 thousand, the Recreation Fund was \$62 thousand, and the Inventory Fund was \$540 thousand.

The total change in net position for the enterprise funds was a decrease of \$405 thousand.

Factors concerning the finances of these funds show the largest increase was the Gas Fund where it was discovered that the City was underbilling its largest customer and corrected the bill, increasing the revenues. The Water Fund showed the greatest decrease. This was due to large transfers to the general fund to help fund the City's general operations. 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 \$13.1 million, which represents a decrease of \$2.8 million over the prior fiscal year. This decrease is primarily due to a decrease in the fair value of plan investments and large benefit payouts for both Police and Fire. The note sections 3 and 4 and RSI contain additional statements, clarifications, and actuarial information on these funds.

### **General Fund budgetary highlights**

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

During the year actual revenues and transfers in were over budgetary estimates by \$31 thousand. Actual expenditures and other uses were below their budgetary estimates by \$26 thousand. The total of these two factors represents a favorable variance with the budget of \$57 thousand. Higher than expected revenues from intergovernmental receipts and reimbursed expenditures from the American Recovery Plan Act ("ARPA") funds contributed to the favorable outcome, while lower than anticipated transfers into the general fund, the sharing of the discretionary sales tax revenues with the sewer fund, and higher capital spending than anticipated were factors that mitigated the size of the favorable outcome. The City reported budgeted expenditures of \$6.35 million and actual expenditures of \$6.33 million, which accounted for the favorable variance of \$26 thousand.

## Capital Assets and Debt Administration

### Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2022, amount to \$34.3 million (net of accumulated depreciation). Capital assets include land, buildings, improvements, equipment, and infrastructure. The overall total decrease in the City's capital assets (net of accumulated depreciation) for the current fiscal year was 2.35%, a 1.89% decrease for governmental activities and 2.40% decrease for business-type activities. The decreases were primarily related to disposal of aged assets and a reduction in capital spending in relationship to the rate of depreciation. Balances as of September 30, 2022 are shown in the table below.

### **Capital Assets, Net of Depreciation**

September 30, 2022

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 388,041	\$ 2,271,436	\$ 2,659,477
Buildings	336,866	92,975	429,841
Improvements	1,091,088	1,120,738	2,211,826
Equipment	1,360,832	1,151,720	2,512,552
Infrastructure	-	26,501,064	26,501,064
Total	<u>\$ 3,176,827</u>	<u>\$ 31,137,933</u>	<u>\$ 34,314,760</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, 2022:

	<b>Governmental</b> <b>Activities</b>	<b>Business-Type</b> <b>Activities</b>	<b>Total</b>
SRF Pre Construction Loan	\$ -	\$ 156,856	\$ 156,856
SRF Sewer Loan	-	2,788,796	2,788,796
SRF Water Loan	-	486,509	486,509
USDA Bond Payable	-	2,835,000	2,835,000
Compensated Absences	363,468	69,878	433,346
OPEB Payable	754,595	298,867	1,053,462
Net Pension Liability	920,086	639,912	1,559,998
Total long-term liabilities	<u>\$ 2,038,149</u>	<u>\$ 7,275,818</u>	<u>\$ 9,313,967</u>

At the end of the current fiscal year, the City had total long-term obligations outstanding of approximately \$ 9.3 million. A pre-construction loan for sewer plant development is \$157 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, \$2.835million remained outstanding on this bond. During the fiscal year 2020, the City closed on an SRF loan for sewer and water, the outstanding amount this fiscal year is \$3.275 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 \$1.05 million. 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 \$1.56 million. The remainder consists of compensated absences in the amount of \$433 thousand.

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

### **Economic Factors and Next Year's Budget and Rates**

#### Impact on governmental activities

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

#### Impact on business-type activities

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

Purchased gas represents almost 60% of the gas utility budget. A gas supply agreement was made and helps stabilize the prices for our natural gas customers.

During the fiscal year ending September 30, 2022, the City found a billing error to its largest individual recipient of gas. This was detected by the staff of the City and an agreement was entered into with the organization receiving the gas in order to recoup the lost revenues. The City anticipates increased gas utility revenues in future budgets. See Note 5 for more information on the terms of the agreement.

#### Fiscal Year 2023's Budget and Rates

The City's operating budget for fiscal year 2023 totals \$13.3 million, \$7.0 million for the Governmental Funds and \$6.3 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 recreation, water, gas, sewer, solid waste, and inventory.

For the 2023 fiscal year, the millage rate is 6.36%. Ad valorem taxes provide 64.5% of total tax revenues for the City's General Fund.

Personnel expenditures account for 51.2% of the City's operating budget. The City had 84 full-time positions at the end of fiscal year 2022.

The City's Capital Outlay Budget totals \$2 million with \$553 thousand budgeted in the General Fund and \$1.45 million in the Enterprise Funds. Some of the capital projects include miscellaneous items for building and street repair, police and fire equipment and water and sewer plant upgrades. The City will be getting a grants from federal and state sources to fund capital improvement projects. Also, the City will use capital improvement funds or unrestricted reserves. The City has a five-year plan for capital improvements for all projects through 2026 that totals \$13.5 million with appropriations of funding made on an annual basis.

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

## **REQUESTS FOR INFORMATION**

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

City of Perry

Administrative Department

224 S. Jefferson Street

Perry, Florida 32347

(850) 584-7161



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## BASIC FINANCIAL STATEMENTS

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

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CITY OF PERRY, FLORIDA  
STATEMENT OF NET POSITION  
September 30, 2022

	Governmental Activities	Primary Government Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 6,858,950	\$ 3,754,229	\$ 10,613,179
Receivables (net of allowance for uncollectibles)	277,398	1,058,216	1,335,614
Due from other governments	321,776	-	321,776
Inventories	-	370,568	370,568
Restricted cash, cash equivalents and investments	1,708,428	-	1,708,428
Lease receivable	135,964	-	135,964
Capital Assets (net of accumulated depreciation:			
Non-depreciable	298,161	2,264,255	2,562,416
Depreciable, Net	2,878,666	28,873,678	31,752,344
Internal balances	36,755	(36,755)	-
<u>Total assets</u>	<u>12,516,098</u>	<u>36,284,191</u>	<u>48,800,289</u>
DEFERRED OUTFLOWS	<u>1,337,606</u>	<u>88,295</u>	<u>1,425,901</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	452,388	285,236	737,624
Customer deposits	1,900	250,017	251,917
Unearned revenue, grants	3,082,910	-	3,082,910
Noncurrent Liabilities:			
Due within one year:			
Compensated Absences	236,254	45,421	281,675
SRF Loans	-	125,246	125,246
USDA Loan	-	47,000	47,000
Preconstruction Loan	-	15,782	15,782
Due in more than one year:			
SRF Loans	-	3,150,059	3,150,059
Preconstruction Loan	-	141,074	141,074
USDA Loan	-	2,788,000	2,788,000
OPEB Payable	754,595	298,867	1,053,462
Compensated Absences	127,214	24,457	151,671
Net Pension Liability	920,086	639,912	1,559,998
<u>Total liabilities</u>	<u>5,575,347</u>	<u>7,811,071</u>	<u>13,386,418</u>
DEFERRED INFLOWS	<u>2,328,098</u>	<u>62,792</u>	<u>2,390,890</u>
<u>NET POSITION</u>			
Net investment in capital assets	3,176,827	24,870,772	28,047,599
Restricted for:			
Pay Station	8,430	-	8,430
Local Option Gas Tax	1,655,279	-	1,655,279
Law Enforcement	78,841	-	78,841
Revitalization	27,207	-	27,207
Unrestricted	1,003,675	3,627,851	4,631,526
<u>Total net position</u>	<u>\$ 5,950,259</u>	<u>\$ 28,498,623</u>	<u>\$ 34,448,882</u>

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

CITY OF PERRY, FLORIDA  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended September 30, 2022

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
<u>Primary Government:</u>							
<u>Governmental Activities:</u>							
General Government	\$ 1,459,004	\$ 75,396	\$ 312,875	\$ 16,843	\$ (1,053,890)	\$ -	\$ (1,053,890)
Public Works Transportation	532,287	-	81,571	56,121	(394,595)	-	(394,595)
Community Redevelopment	16,052	-	-	-	(16,052)	-	(16,052)
Public Safety	3,999,614	16,757	116,752	117,596	(3,748,509)	-	(3,748,509)
Public Works City Garage	142,165	-	-	3,060	(139,105)	-	(139,105)
<u>Total Governmental Activities</u>	<u>6,149,122</u>	<u>92,153</u>	<u>511,198</u>	<u>193,620</u>	<u>(5,352,151)</u>	<u>-</u>	<u>(5,352,151)</u>
<u>Business-type Activities:</u>							
Gas	1,882,504	2,055,384	-	7,651	-	180,531	180,531
Sewer	2,661,749	2,036,398	-	279,552	-	(345,799)	(345,799)
Water	1,175,023	2,615,249	-	9,181	-	1,449,407	1,449,407
Solid Waste	797,300	840,047	-	10,711	-	53,458	53,458
Recreation	368,756	5,554	-	8,845	-	(354,357)	(354,357)
Inventory	502,729	429,111	-	1,530	-	(72,088)	(72,088)
<u>Total business-type activities</u>	<u>7,388,061</u>	<u>7,981,743</u>	<u>-</u>	<u>317,470</u>	<u>-</u>	<u>911,152</u>	<u>911,152</u>
<u>Total Primary Government</u>	<u>\$ 13,537,183</u>	<u>\$ 8,073,896</u>	<u>\$ 511,198</u>	<u>\$ 511,090</u>	<u>(5,352,151)</u>	<u>911,152</u>	<u>(4,440,999)</u>
General Revenues							
Property Taxes					1,888,634	-	1,888,634
Discretionary Tax					350,923	-	350,923
Franchise Tax					623,833	-	623,833
Telecommunications Tax					228,290	-	228,290
Motor Fuel Tax					430,201	-	430,201
Sales Tax					569,560	-	569,560
Utility Taxes					1,017,320	-	1,017,320
Interest					7,359	2,437	9,796
Miscellaneous					84,245	98,454	182,699
Transfers					1,417,027	(1,417,027)	-
<u>Total Revenues &amp; Transfers</u>					<u>6,617,392</u>	<u>(1,316,136)</u>	<u>5,301,256</u>
<u>Change in net position</u>					<u>1,265,241</u>	<u>(404,984)</u>	<u>860,257</u>
<u>Net Position - Beginning</u>					<u>4,685,018</u>	<u>28,903,607</u>	<u>33,588,625</u>
<u>Net Position - Ending</u>					<u>\$ 5,950,259</u>	<u>\$ 28,498,623</u>	<u>\$ 34,448,882</u>

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

CITY OF PERRY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2022

	General	Community Redevelopment	Utility Tax Revenue	Local Option Gas Tax	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 5,157,290	\$ -	\$ 1,701,660	\$ -	\$ 6,858,950
Receivables (net of allowance for uncollectibles)	64,909	-	97,889	-	162,798
Due from other funds	-	-	135,000	-	135,000
Due from other governments	257,547	1,000	-	63,229	321,776
Cash - Restricted	87,271	29,107	-	1,592,050	1,708,428
<u>Total Assets</u>	<u>5,567,017</u>	<u>30,107</u>	<u>1,934,549</u>	<u>1,655,279</u>	<u>9,186,952</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	225,812	-	-	-	225,812
Accrued Liabilities	226,576	-	-	-	226,576
Deposits	-	1,900	-	-	1,900
Unearned revenues	3,082,910	-	-	-	3,082,910
Due to other funds	98,245	-	-	-	98,245
<u>Total Liabilities</u>	<u>3,633,543</u>	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>3,635,443</u>
Fund Balances:					
Restricted	87,271	27,207	-	1,655,279	1,769,757
Assigned	-	-	1,934,549	-	1,934,549
Unassigned	1,846,203	1,000	-	-	1,847,203
<u>Total Fund Balances</u>	<u>1,933,474</u>	<u>28,207</u>	<u>1,934,549</u>	<u>1,655,279</u>	<u>5,551,509</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 5,567,017</u>	<u>\$ 30,107</u>	<u>\$ 1,934,549</u>	<u>\$ 1,655,279</u>	<u>\$ 9,186,952</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, 2022

Fund Balances - Total governmental funds	\$	5,551,509
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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.		3,176,827
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Lease receivable, valued as net present value of future cashflows		135,964
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Receivables on grant revenues that have been earned, but are not yet available		114,600
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Net Pension Liability (Police, Fire, FRS)		(920,086)
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Deferred outflows (Police, Fire, FRS)		1,337,606
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Deferred inflows (Police, Fire, FRS, Lease)		(2,328,098)
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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		(754,595)
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Compensated absences		(363,468)
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Net Position of governmental activities	\$	5,950,259
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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 Balances  
Governmental Funds  
For the Fiscal Year Ended September 30, 2022

	General	Community Redevelopment	Utility Tax Revenue	Local Option Gas Tax	Total Governmental Funds
<b><u>REVENUES</u></b>					
Taxes:					
Property	\$ 1,862,154	\$ 26,480	\$ -	\$ -	\$ 1,888,634
Discretionary Sales Tax	350,923	-	-	-	350,923
Telecommunications	228,290	-	-	-	228,290
Franchise	623,833	-	-	-	623,833
Motor Fuel	107,631	-	-	322,570	430,201
Utility	-	-	1,017,320	-	1,017,320
Sales Tax - 1/2 Cent	569,560	-	-	-	569,560
Licenses and permits	74,329	-	-	-	74,329
Intergovernmental	511,198	-	-	-	511,198
Fines and forfeitures	16,757	-	-	-	16,757
Interest	2,250	-	214	163	2,627
Grants	79,020	-	-	-	79,020
Miscellaneous	66,920	17,325	-	-	84,245
<b><u>Total Revenues</u></b>	<b><u>4,492,865</u></b>	<b><u>43,805</u></b>	<b><u>1,017,534</u></b>	<b><u>322,733</u></b>	<b><u>5,876,937</u></b>
<b><u>EXPENDITURES</u></b>					
Current:					
General Government	1,307,468	-	36,209	-	1,343,677
Garage	143,808	-	-	-	143,808
Police	2,521,589	-	-	-	2,521,589
Fire	1,411,384	-	-	-	1,411,384
Public Work Transportation	516,775	-	-	-	516,775
Economic Development	-	16,052	-	-	16,052
Capital Outlay	428,146	-	-	-	428,146
<b><u>Total Expenditures</u></b>	<b><u>6,329,170</u></b>	<b><u>16,052</u></b>	<b><u>36,209</u></b>	<b><u>-</u></b>	<b><u>6,381,431</u></b>
<b><u>Excess (deficiency) of revenues over (under) expenditures</u></b>	<b><u>(1,836,305)</u></b>	<b><u>27,753</u></b>	<b><u>981,325</u></b>	<b><u>322,733</u></b>	<b><u>(504,494)</u></b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers In	2,544,834	-	-	-	2,544,834
Transfers Out	-	-	(803,551)	(324,256)	(1,127,807)
<b><u>Total other financing sources and uses</u></b>	<b><u>2,544,834</u></b>	<b><u>-</u></b>	<b><u>(803,551)</u></b>	<b><u>(324,256)</u></b>	<b><u>1,417,027</u></b>
<b><u>Net change in fund balances</u></b>	<b><u>708,529</u></b>	<b><u>27,753</u></b>	<b><u>177,774</u></b>	<b><u>(1,523)</u></b>	<b><u>912,533</u></b>
<b><u>Fund balances - beginning</u></b>	<b><u>1,224,945</u></b>	<b><u>454</u></b>	<b><u>1,756,775</u></b>	<b><u>1,656,802</u></b>	<b><u>4,638,976</u></b>
<b><u>Fund balances - ending</u></b>	<b><u>\$ 1,933,474</u></b>	<b><u>\$ 28,207</u></b>	<b><u>\$ 1,934,549</u></b>	<b><u>\$ 1,655,279</u></b>	<b><u>\$ 5,551,509</u></b>

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  
of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended September 30, 2022

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

Net change in fund balances -- total governmental funds	\$	912,533
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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 \$428,146 was less depreciation of \$489,397 in the current period		(61,251)
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The capitalization of lease agreements in which the City is the lessor results in the recognition of a lease receivable and deferred inflow of resources being reported on the Government-wide statement of net position. In the current period, the amortization of such caused the following variances in the government-wide and fund financial statements:

a net change in lease revenues		1,067
an increase in interest revenues		4,732

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)		211,838
Net change in compensated absences		(12,854)
Net change in deferred inflows/outflows		(870,992)
Net change in pension liability		965,568
Grant revenues earned, but not yet available		114,600
Change in net position of governmental activities	\$	1,265,241

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

**CITY OF PERRY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**

**September 30, 2022**

Business-type Activities Enterprise Funds

	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Recreation	Inventory	Total
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents	\$ 581,899	\$ 819,008	\$ 1,846,560	\$ 162,240	\$ 98,293	\$ 246,229	\$ 3,754,229
Accounts Receivable (Net)	635,821	128,185	247,376	46,570	-	264	1,058,216
Due from other funds	-	90,930	-	-	7,315	-	98,245
Inventories	-	-	-	-	-	370,568	370,568
<b>Total Current Assets</b>	<u>1,217,720</u>	<u>1,038,123</u>	<u>2,093,936</u>	<u>208,810</u>	<u>105,608</u>	<u>617,061</u>	<u>5,281,258</u>
Capital Assets:							
Land	-	547,530	1,505,410	-	211,315	-	2,264,255
Buildings and System	-	76,387	8,785	10,295	832,177	100,741	1,028,385
Machinery, Equipment, and Infrastructure	1,688,099	35,834,871	10,865,685	912,993	3,433,079	58,748	52,793,475
Less Accumulated Depreciation	(1,439,867)	(14,033,988)	(6,703,054)	(645,980)	(2,013,644)	(111,649)	(24,948,182)
<b>Total Non-Current Assets</b>	<u>248,232</u>	<u>22,424,800</u>	<u>5,676,826</u>	<u>277,308</u>	<u>2,462,927</u>	<u>47,840</u>	<u>31,137,933</u>
<b>Total Assets</b>	<u>1,465,952</u>	<u>23,462,923</u>	<u>7,770,762</u>	<u>486,118</u>	<u>2,568,535</u>	<u>664,901</u>	<u>36,419,191</u>
<b>DEFERRED OUTFLOWS</b>	<u>14,908</u>	<u>29,660</u>	<u>21,412</u>	<u>16,308</u>	<u>2,179</u>	<u>3,828</u>	<u>88,295</u>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	8,672	133,820	10,470	36,646	18,597	26,762	234,967
Due to Other Fund	-	135,000	-	-	-	-	135,000
Accrued Liabilities	9,469	17,028	13,827	6,064	959	2,922	50,269
Compensated Absences	8,485	22,030	7,184	2,191	667	4,864	45,421
SRF Loan	-	99,600	25,646	-	-	-	125,246
USDA Loan	-	47,000	-	-	-	-	47,000
Pre Construction loan	-	15,782	-	-	-	-	15,782
Utility Deposits	109,456	-	139,055	1,506	-	-	250,017
<b>Total Current Liabilities</b>	<u>136,082</u>	<u>470,260</u>	<u>196,182</u>	<u>46,407</u>	<u>20,223</u>	<u>34,548</u>	<u>903,702</u>
Non-Current Liabilities:							
Compensated Absences	4,569	11,862	3,868	1,180	359	2,619	24,457
SRF Loan	-	2,689,196	460,863	-	-	-	3,150,059
USDA Loan	-	2,788,000	-	-	-	-	2,788,000
Pre Construction Loan	-	141,074	-	-	-	-	141,074
OPEB Payables	50,461	100,395	72,478	55,201	7,374	12,958	298,867
Net Pension Liability	108,043	214,958	155,185	118,193	15,789	27,744	639,912
<b>Total Non-Current Liabilities</b>	<u>163,073</u>	<u>5,945,485</u>	<u>692,394</u>	<u>174,574</u>	<u>23,522</u>	<u>43,321</u>	<u>7,042,369</u>
<b>Total Liabilities</b>	<u>299,155</u>	<u>6,415,745</u>	<u>888,576</u>	<u>220,981</u>	<u>43,745</u>	<u>77,869</u>	<u>7,946,071</u>
<b>DEFERRED INFLOWS</b>	<u>10,602</u>	<u>21,093</u>	<u>15,228</u>	<u>11,598</u>	<u>1,549</u>	<u>2,722</u>	<u>62,792</u>
<b>NET POSITION</b>							
Net Investment Capital Assets	248,232	16,644,148	5,190,317	277,308	2,462,927	47,840	24,870,772
Unrestricted	922,871	320,667	1,698,053	(7,461)	62,493	540,298	3,536,921
<b>Total Net Position</b>	<u>\$ 1,171,103</u>	<u>\$ 17,055,745</u>	<u>\$ 6,888,370</u>	<u>\$ 269,847</u>	<u>\$ 2,525,420</u>	<u>\$ 588,138</u>	<u>\$ 28,498,623</u>

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

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

For the Fiscal Year Ended September 30, 2022

	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Recreation	Inventory	Total
Operating Revenues							
Charges for Sales and Services	\$ 2,055,384	\$ 2,036,398	\$ 2,615,249	\$ 840,047	\$ 5,554	\$ 429,111	\$ 7,981,743
Miscellaneous	-	2,428	450	999	94,577	-	98,454
Total Operating Revenues	<u>2,055,384</u>	<u>2,038,826</u>	<u>2,615,699</u>	<u>841,046</u>	<u>100,131</u>	<u>429,111</u>	<u>8,080,197</u>
Operating Expenses							
Personnel Services	276,308	488,217	358,403	198,846	46,047	63,435	1,431,256
Contractual Services	750	29,726	17,102	962	1,020	-	49,560
Supplies and Expenses	155,792	776,533	382,605	499,874	83,570	425,732	2,324,106
Utilities	4,087	229,470	80,657	2,450	34,491	6,352	357,507
Depreciation	27,264	1,055,062	335,046	95,168	203,628	7,210	1,723,378
Bad Debt Expense	0	-	-	-	-	-	-
Gas Resale Contract	1,418,303	-	-	-	-	-	1,418,303
Total Operating Expenses	<u>1,882,504</u>	<u>2,579,008</u>	<u>1,173,813</u>	<u>797,300</u>	<u>368,756</u>	<u>502,729</u>	<u>7,304,110</u>
Operating Income (Loss)	<u>172,880</u>	<u>(540,182)</u>	<u>1,441,886</u>	<u>43,746</u>	<u>(268,625)</u>	<u>(73,618)</u>	<u>776,087</u>
Non-Operating Revenues (Expenses)							
Interest Revenue	49	82	2,306	-	-	-	2,437
Interest Expense	-	(82,741)	(1,210)	-	-	-	(83,951)
Total Non-Operating Revenues (Expenses)	<u>49</u>	<u>(82,659)</u>	<u>1,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,514)</u>
Income (Loss) Before Contributions and Transfers	<u>172,929</u>	<u>(622,841)</u>	<u>1,442,982</u>	<u>43,746</u>	<u>(268,625)</u>	<u>(73,618)</u>	<u>694,573</u>
Transfers In/(Out)	-	430,832	(1,869,286)	(168,619)	90,046	100,000	(1,417,027)
Total Transfers	<u>-</u>	<u>430,832</u>	<u>(1,869,286)</u>	<u>(168,619)</u>	<u>90,046</u>	<u>100,000</u>	<u>(1,417,027)</u>
Capital Contributions	7,651	279,552	9,181	10,711	8,845	1,530	317,470
Total Capital Contributions	<u>7,651</u>	<u>279,552</u>	<u>9,181</u>	<u>10,711</u>	<u>8,845</u>	<u>1,530</u>	<u>317,470</u>
Change in Net Position	180,580	87,543	(417,123)	(114,162)	(169,734)	27,912	(404,984)
Net Position - Beginning	<u>990,523</u>	<u>16,968,202</u>	<u>7,305,493</u>	<u>384,009</u>	<u>2,695,154</u>	<u>560,226</u>	<u>28,903,607</u>
Net Position - Ending	<u>\$ 1,171,103</u>	<u>\$ 17,055,745</u>	<u>\$ 6,888,370</u>	<u>\$ 269,847</u>	<u>\$ 2,525,420</u>	<u>\$ 588,138</u>	<u>\$ 28,498,623</u>

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, 2022

	<u>Business-type Activities Proprietary Funds</u>						
	<u>Gas</u>	<u>Sewer</u>	<u>Water</u>	<u>Solid</u>	<u>Recreation</u>	<u>Inventory</u>	<u>Total</u>
	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Waste</u>			
<u>Cash Flows from Operating Activities:</u>							
Receipts from Customers	\$ 1,557,388	\$ 2,195,966	\$ 2,495,111	\$ 879,204	\$ 100,131	\$ 431,561	\$ 7,659,361
Payments to Suppliers	(1,581,069)	(963,308)	(499,026)	(502,413)	(122,554)	(425,961)	(4,094,331)
Payments to Employees	(300,191)	(583,702)	(422,864)	(289,770)	(45,247)	(59,417)	(1,701,191)
<u>Net Cash Provided by (Used in) Operating Activities</u>	<u>(323,872)</u>	<u>648,956</u>	<u>1,573,221</u>	<u>87,021</u>	<u>(67,670)</u>	<u>(53,817)</u>	<u>1,863,839</u>
<u>Cash Flows from Noncapital Financing Activities:</u>							
Transfers (Out) In	-	430,832	(1,869,286)	(168,619)	90,046	100,000	(1,417,027)
Short-term loans to other funds	-	-	-	-	-	-	-
<u>Net Cash Flows Provided by (Used in) Noncapital Financing Activities</u>	<u>-</u>	<u>430,832</u>	<u>(1,869,286)</u>	<u>(168,619)</u>	<u>90,046</u>	<u>100,000</u>	<u>(1,417,027)</u>
<u>Cash Flows from Capital &amp; Related Financing Activities</u>							
Capital Contributions & Grants	7,651	188,622	9,181	10,711	1,530	1,530	219,225
Loan proceeds	-	-	-	-	-	-	-
Additions to Property, Plant & Equipment	(38,864)	(717,802)	(175,000)	-	(24,645)	-	(956,311)
Principal Paid	-	(159,515)	(25,609)	-	-	-	(185,124)
Interest Paid	-	(82,741)	(1,210)	-	-	-	(83,951)
<u>Net Cash Flows Provided by (Used in) Capital and Related Financing Activities</u>	<u>(31,213)</u>	<u>(771,436)</u>	<u>(192,638)</u>	<u>10,711</u>	<u>(23,115)</u>	<u>1,530</u>	<u>(1,006,161)</u>
<u>Cash Flows From Investing Activities:</u>							
Earnings on Investments	49	81	2,306	-	-	-	2,436
<u>Net Cash Flows Provided by (Used in) Investing Activities</u>	<u>49</u>	<u>81</u>	<u>2,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,436</u>
<u>Net Increase (Decrease) in Cash &amp; Cash Equivalents</u>	<u>(355,036)</u>	<u>308,433</u>	<u>(486,397)</u>	<u>(70,887)</u>	<u>(739)</u>	<u>47,713</u>	<u>(556,913)</u>
<u>Cash &amp; Cash Equivalents at October 1, 2020</u>	<u>936,935</u>	<u>510,575</u>	<u>2,332,957</u>	<u>233,127</u>	<u>99,032</u>	<u>198,516</u>	<u>4,311,142</u>
<u>Cash &amp; Cash Equivalents at September 30, 2021</u>	<u>\$ 581,899</u>	<u>\$ 819,008</u>	<u>\$ 1,846,560</u>	<u>\$ 162,240</u>	<u>\$ 98,293</u>	<u>\$ 246,229</u>	<u>\$ 3,754,229</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, 2022

Reconciliation of Operating Income (Loss) to Net Cash

Provided by (used in) Operating Activities

	<u>Business-type Activities Enterprise Funds</u>						
	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Recreation	Inventory	Total
Operating Income (Loss)	\$ 172,880	\$ (540,182)	\$ 1,441,886	\$ 43,746	\$ (268,625)	\$ (73,618)	\$ 776,087
Adjustments not affecting cash:							
Depreciation	27,264	1,055,062	335,046	95,168	203,628	7,210	1,723,378
Change in assets and liabilities:							
Decrease(Increase) in							
Inventory	-	-	-	-	-	6,970	6,970
Decrease (increase)							
Accounts Receivable	(496,187)	157,140	(118,504)	38,083	-	2,450	(417,018)
Decrease (increase) in							
Deferred Outflows	20,762	48,125	36,524	17,636	3,919	5,782	153,510
(Decrease) Increase in							
Accounts Payable	(2,137)	72,421	(18,662)	873	(3,473)	7,457	54,342
(Decrease) Increase in							
Customer Deposits	(1,809)	-	(2,084)	75	-	-	(5,627)
(Decrease) Increase in							
Accrued Payables	3,013	1,361	3,632	1,584	113	887	13,603
(Decrease) Increase in							
OPEB Payable	(17,555)	(52,953)	(30,913)	(98,237)	5,101	(4,132)	(216,244)
(Decrease) Increase in							
Compensated Absences	1,312	(841)	(390)	1,102	(15)	3,131	5,611
(Decrease) Increase in							
Net Pension Liability	42,553	72,147	48,816	55,871	4,592	10,103	276,635
(Decrease) Increase in							
Deferred Inflows	(73,968)	(163,324)	(122,130)	(68,880)	(12,910)	(20,057)	(535,237)
Total Adjustments	(496,752)	1,189,138	131,335	43,275	200,955	19,801	1,059,923
<u>Net Cash Provided by (Used in)</u>							
<u>Operating Activities</u>	<u>\$ (323,872)</u>	<u>\$ 648,956</u>	<u>\$ 1,573,221</u>	<u>\$ 87,021</u>	<u>\$ (67,670)</u>	<u>\$ (53,817)</u>	<u>\$ 1,863,839</u>

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

CITY OF PERRY, FLORIDA  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
September 30, 2022

	Police Officers' and Firefighters <u>Pension Funds</u>
<u>ASSETS</u>	
Cash and short-term investments	<u>\$ 271,001</u>
Receivables	
Employer	59,422
Plan Members	<u>3,521</u>
<u>Total Receivables</u>	<u>62,943</u>
Investments at fair value	
Equity	7,816,391
Fixed Income	3,792,747
Real Estate	<u>1,149,633</u>
<u>Total investments</u>	<u>12,758,771</u>
TOTAL ASSETS	<u>13,092,715</u>
<u>LIABILITIES</u>	
Investment Expenses	7,579
Admin Expenses	<u>13,346</u>
TOTAL LIABILITIES	<u>20,925</u>
<u>Net Position held in trust for pension benefits</u>	<u>\$13,071,790</u>

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

CITY OF PERRY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
For the Fiscal Year Ended September 30, 2022

	<u>Police Officers' and Firefighters' Pension Funds</u>
<b><u>ADDITIONS</u></b>	
<b><u>Contributions</u></b>	
Employer	\$ 514,536
State	116,751
Plan Member	45,351
<b><u>Total Contributions</u></b>	<u>676,638</u>
<b><u>Investment Income</u></b>	
Unrealized Gains or Losses	(3,286,398)
Interest and Dividends	784,649
Less Investment Expense	(59,297)
<b><u>Net investment income</u></b>	<u>(2,561,046)</u>
Total additions	<u>(1,884,408)</u>
<b><u>DEDUCTIONS</u></b>	
Benefits	837,627
Administrative Expense	70,312
Total deductions	907,939
<b><u>Net Increase</u></b>	<u>(2,792,347)</u>
<b><u>Net Position held in trust for pension benefits</u></b>	
<u>October 1, 2021</u>	<u>15,864,137</u>
<u>September 30, 2022</u>	<u>\$ 13,071,790</u>

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

## **Note 1 – Summary of Significant Accounting Policies**

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

The financial statements of the City of Perry 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) constitutes 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 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, the various funds are budgeted for.

### **(A) Reporting Entity**

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

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

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

The Firefighters' Pension Trust (Pension Trust) is a defined benefit pension plan that covers substantially all full-time firefighters of the City of Perry. The Pension Trust is governed by a board comprised of two firefighters, two members appointed by the City Council, and a fifth member chosen by the other four members. The firefighters and 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 2021-22.

#### (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 employee pension funds. The primary government financial statements focus on the primary government.

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

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

## **Fund Financial Statements**

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns. Fund accounting segregates funds according to their intended purpose and it is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column. The City maintains fiduciary funds which are used to account for assets held by the City in a trustee capacity. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented which briefly explains 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 Government Funds (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the City:

- a. 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. Utility Tax Fund accounts for the receipt of the Utilities Services Taxes and annually makes a significant contribution to the General Fund.
- c. 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. 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. Gas Revenue Fund accounts for the operating activities of the natural gas system owned and operated by the City.
- b. Sewer Revenue Fund accounts for the operating activities of the City's Sewer Utility system.
- c. Water Revenue Fund accounts for the operating activities of the City's Water Utility system.
- d. Solid Waste Fund accounts for the activities of the City's residential collection system.
- e. Recreation Fund accounts for the activities of the City's recreation programs.
- f. Inventory Fund accounts for the activities of the City's warehouse system.

## 3. Fiduciary Funds:

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

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

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

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

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

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

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

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

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

1. Deposits and Investments:

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

Investment, 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 categorizes its fair value measurements within the fair value hierarchy established by GASB 72 – Fair Value Measurement and Application. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. In addition, certain investments are measured at the net asset value (“NAV”) PER SHARE (or its equivalent) or amortized cost.

2. Interfund Receivables and Payables

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

3. Accounts Receivable:

Receivables include amounts due from other governments and others for services provided by the City and are recorded when the related revenue is earned. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables. The City fully reserves for all receivables greater than 60 days with the exception of grant receivables and other accounts that are in the collection process, which are based on historical collection experience and other factors. Property taxes receivables are adjusted to reflect the balance delinquent taxes provided by Taylor County at fiscal year-end.

#### 4. Inventories:

Inventory held by the Inventory Fund consists of materials and supplies. Inventories are valued at cost, which approximates market, using the first-in/first-out method.

#### 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.

Applicable year to year, certain proceeds of the City's enterprise funds' revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The revenue bond current debt service account is used to segregate resources accumulated for debt service payments over the next twelve months. The plant expansion account is used to report resources to be used for water and wastewater expansion projects.

#### 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. Interest is capitalized during the construction phase of capital assets of business type activities acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

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

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

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

#### 7. Net Position Flow Assumption

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

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

#### 8. Fund Balance Flow Assumptions

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

#### 9. Compensated Absences

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

#### 10. Long-term Obligations

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

## 11. Fund Equity

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

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

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

## 13. Use of Estimates

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

## 14. New Accounting Pronouncements

In June 2017, The Governmental Accounting Standards Board issued Statement of Governmental Accounting Standards ("SGAS") No. 87, Leases. SGAS No. 87 requires the recognition by lessors of assets and deferred inflows of resources that arise from all lease transactions, except for leases with a lease term of 12 months or less. The lessee accounting model under SGAS No. 87 results in all leases with a lease term of more than 12 months being accounted for in substantially the same manner as the existing accounting for capital leases. SGAS No. 87 also requires expanded qualitative and quantitative disclosures regarding amount, timing, and uncertainty of cash flows arising from leases. The Board adopted the provisions of SGAS No. 87 as of July 1, 2021. The results of implementing SGAS No. 87 results in a immaterial impact on the net position of prior periods and as a result has been completely implemented in the year ending September 30, 2022.

In January 2020, the GASB issued SGAS No. 92, "Omnibus". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements of this pronouncement were applicable during fiscal year 2020 but did not have an impact on the City's financial statements. The remaining requirements of this State are effective for the City beginning with its year ending September 30, 2022.

The GASB issued statement No. 89, “Accounting for Interest Cost Incurred Before the End of a Construction Period.” This statement requires that interest costs incurred prior to the end of a construction period be recognized in the period in which the expense is incurred for financial statements prepared using an economic resource measurement focus. The requirements of the Statement will take effect for financial statements starting with fiscal years that end after December 31, 2021. The results of implementation of statement No. 89 have not impacted the City’s net position for the year ending September 30, 2022

The GASB issued statement No. 98, “The Annual Comprehensive Financial Report.” This statement establishes the annual comprehensive financial report and ACFR in GAAP for state and local governments and eliminates the prior name and acronym. This statement was implemented in the year ending September 30, 2021.

#### 15. Reclassifications

Certain amounts from the financial statements for the fiscal year ending September 30, 2021 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 for legally authorized revisions of the annual budgets during the year. The effect of these revisions was to reallocate funds within the budget, which did not cause an overall increase in the total 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 book balance of the City's deposits was \$12,320,607 and the bank balance was \$12,367,584. The difference between the book balance 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' Retirement Trust at September 30, 2022 consist of the following:

	Fair Value
Cash with trustees Salem Trust	<u>\$ 149,001</u>

The investments held by the Police Officers' Retirement Trust at September 30, 2022 consist of the following:

	Fair Value
Equity	\$ 5,313,614
Fixed Income	2,373,846
Real Estate	1,149,633
	<u>\$ 8,837,093</u>

The deposits held by the Firefighters' Pension Trust at September 30, 2022 consist of the following:

	Fair Value
Cash with trustees Salem Trust	<u>\$ 122,000</u>

The investments held by the Firefighters' Pension Trust at September 30, 2022 consist of the following:

	Fair Value
Equity	\$ 2,502,777
Fixed Income	1,418,901
	<u>\$ 3,921,678</u>

### C. Receivables

Receivables at September 30, 2022 were as follows:

	<u>Accounts</u>	<u>Intergovernmental</u>	<u>Total</u>
Governmental Activities by Fund:			
General	\$ 64,910	\$ 257,547	\$ 322,457
Community Redevelopment	-	1,000	1,000
Utility Tax	161,294	-	161,294
Gas Tax	-	63,229	63,229
	<u>\$ 226,204</u>	<u>\$ 321,776</u>	<u>\$ 547,980</u>
	<u>Accounts</u>	<u>Intergovernmental</u>	<u>Total</u>
Business-type Activities by Fund:			
Gas Revenue	\$ 713,749	\$ -	\$ 713,749
Sewer Revenue	208,870	-	208,870
Water Revenue	375,935	-	375,935
Solid Waste	80,814	-	80,814
Inventory	265	-	265
	<u>\$ 1,379,633</u>	<u>\$ -</u>	<u>\$ 1,379,633</u>
	<u>Accounts</u>	<u>Interest</u>	<u>Total</u>
Fiduciary Funds:			
Fund:			
Police Officers' Pension	\$ 42,765	\$ -	\$ 42,765
Firefighters' Pension	20,178	-	20,178
	<u>\$ 62,943</u>	<u>\$ -</u>	<u>\$ 62,943</u>

Receivables of the governmental and enterprise funds are reported net of uncollectible amounts. Total uncollectible amounts as of September 30, 2022 are as follows:

	<u>Accounts</u>
Governmental Activities by Fund:	
General	\$ -
Community Redevelopment	-
Utility Tax	63,406
Gas Tax	-
	<u>\$ 63,406</u>
	<u>Accounts</u>
Business-type Activities by Fund:	
Gas Revenue	77,930
Sewer Revenue	80,684
Water Revenue	128,559
Solid Waste	34,244
Inventory	-
	<u>\$ 321,417</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 for fiscal year ended September 30, 2022 was 6.3587 mills.

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

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

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed and are subject to interest and penalties. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest of 18% per year. On or before September 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Delinquent taxes on personal property bear interest at a maximum rate of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

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

## E. Capital Assets

Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

	Primary Government				
	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities:					
Non-Depreciable Assets:					
Land	\$ 298,161	\$ -	\$ -	\$ 89,880	\$ 388,041
Depreciable Assets:					
Buildings	1,205,607	79,105	(438)	(89,880)	1,194,394
Equipment	2,566,951	298,953	(75,181)	-	2,790,723
Improvements other than buildings	3,198,763	50,088	(44,568)	-	3,204,283
	7,269,482	428,146	(120,187)	-	7,577,441
Less accumulated depreciation for:					
Buildings	(825,317)	(32,649)	438	-	(857,528)
Equipment	(1,198,606)	(306,466)	75,181	-	(1,429,891)
Improvements other than buildings	(2,007,481)	(150,282)	44,568	-	(2,113,195)
	(4,031,404)	(489,397)	120,187	-	(4,400,614)
Governmental activities capital assets, net	\$ 3,238,078	\$ (61,251)	\$ -	\$ -	\$ 3,176,827
Business-type Activities					
Non-Depreciable Assets					
Land	\$ 2,264,256	\$ -	\$ -	\$ -	\$ 2,264,256
Depreciable Assets:					
Buildings	1,028,385	-	-	-	1,028,385
Equipment	3,452,961	39,108	(75,921)	-	3,416,148
Improvements other than buildings	832,129	892,801	-	-	1,724,930
Infrastructure	47,627,749	24,647	-	-	47,652,396
	55,205,480	956,556	(75,921)	-	56,086,115
Less Non-Depreciable Assets					
Land	7,180	-	-	-	7,180
Less accumulated depreciation for:					
Buildings	(896,410)	(39,000)	-	-	(935,410)
Equipment	(2,121,787)	(218,562)	75,921	-	(2,264,428)
Improvements other than buildings	(498,366)	(105,826)	-	-	(604,192)
Infrastructure	(19,791,342)	(1,359,990)	-	-	(21,151,332)
	(23,300,725)	(1,723,378)	75,921	-	(24,948,182)
Business-type activities capital assets, net	\$ 31,904,755	\$ (766,822)	\$ -	\$ -	\$ 31,137,933

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

Government Activities:	
General Government	\$ 175,332
Police	216,673
Fire	58,309
Garage	7,197
Street/Transportation	31,886
Total depreciation expense - governmental activities	\$ 489,397
Business-type Activities	
Recreation	\$ 203,628
Water	335,046
Gas	27,264
Solid Waste	95,168
Sewer	1,055,062
Inventory	7,210
Total depreciation expense - business-type activities	\$ 1,723,378

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

Governmental Funds:

City Hall roof improvements

Road and Street repairs

Boom truck, landscaping equipment, police vehicles and various other equipment

Public Works:

Park building improvements

Water facility project planning

Gas plant additions and improvements

Lift station rehabilitation and highway repairs

F. Capitalization of Interest

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For fiscal year ended September 30, 2022, no interest was capitalized.

G. Interfund Transfers

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

At September 30, 2022, interfund transfers were as follows:

	Transfer in	Transfer out
General	\$ 2,544,834	\$ -
Utility Tax	-	803,551
Local Option Gas Tax	-	324,256
Recreation	90,046	-
Water	-	1,869,286
Solid Waste	-	168,619
Sewer	430,832	-
Inventory	100,000	-
	<u>\$ 3,165,712</u>	<u>\$ 3,165,712</u>

## H. Leases

The City is engaged in several agreements whereby it leases building space to various individuals and organizations within the community. 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, 2022, the City has reported a lease receivable and deferred inflow of resources related to leases of \$135,964 and \$130,163, respectively, on its government-wide statement of net position.

Interest revenue and lease revenue for the year ending September 30, 2022 are as follows:

Interest Revenue	\$	3,690
Lease Revenue		32,829

## **Note 4 – Other Information**

### A. Risk Management

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

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

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

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

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

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

## B. Single Employer Pension Plans

The City maintains two separate single employer pension plans for firefighters and police officers, which are maintained as Pension Trust Funds. Pension Trust Funds covering firefighters and police officers are contributory. Firemen and police officers contribute 1% 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, 2022, contributions totaling \$317,048, \$260,804 from the employer and \$7,257 from the employees were made to the Firefighters' Pension Trust Fund. The on-behalf payments of fringe benefits and salaries for the employees were recognized as revenues and expenditures during this period. Employer contributions represented 36.0% of covered payroll for the fiscal year ended September 30, 2022. The percentage of annual pension cost contributed was 107.8%. The State of Florida's contribution to the pension plan for the year ended amounted to \$48,987.

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, 2022 were as follows:

Total Pension Liability	\$5,278,742
Plan Fiduciary Net Position	(4,961,267)
Sponsor's Net Pension Liability	<u>\$ 317,475</u>
Plan Fiduciary Net Position as a percentage of total Pension Liability	93.99%

At September 30, 2022, the City reported a liability of \$317,475 for its Pension Plan's net pension liability. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022.

**Actuarial Assumptions:**

The total pension liability was determined by an actuarial valuation as of October 1, 2021 and reported on September 30, 2022 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, 2022 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 Incon	2.50%
Fixed Income (Non-Core)	2.50%
Global Fixed Income	3.50%

**Discount Rate:**

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

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

#### CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2022	\$ 4,838,715	\$ 4,130,828	\$ 707,887
Changes for a Year:			
Service Cost	153,198	-	153,198
Interest	339,699	-	339,699
Share Plan Allocation	1,097	-	1,097
Differences between Expected and Actual Experience	57,211	-	57,211
Changes of assumptions	166,975	-	166,975
Changes of benefit terms	-	-	-
Contributions- Employer	-	288,438	(288,438)
Contributions - State	-	43,751	(43,751)
Contributions - Employee	-	6,870	(6,870)
Net Investment Income	-	812,828	(812,828)
Benefit Payments, including Refunds of Employee Contributions	(278,153)	(278,153)	-
Administrative Expense	-	(43,295)	43,295
Net Changes	440,027	830,439	(390,412)
Balances at September 30, 2023	5,278,742	4,961,267	\$ 317,475

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	5.75%	6.75%	7.75%
Sponsor's Net Pension Liability	\$ 933,059	\$ 317,475	\$ (197,114)

*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, 2022 the City will recognize a pension expense of \$171,324. On September 30, 2022, 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	\$ 77,481	\$ 15,937
Changes of assumptions	155,303	71,026
Net difference between projected and actual earnings on pension plan investments	-	460,703
Pension plan contributions subsequent to the measurement date	309,791	-
Total	<u>\$ 542,575</u>	<u>\$ 547,666</u>

The deferred outflows of resources related to the Pension Plan, totaling \$309,791, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2023	\$ (59,987)
2024	(74,059)
2025	(76,225)
2026	(104,611)
2027	-
Thereafter	-
	<u>\$ (314,882)</u>

*Plan Membership as of October 1, 2021:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	13
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	13
Active Plan Members	12
	<u>38</u>

*Investments:*

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2022:

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

Concentrations:

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

Rate of Return:

For the year ended September 30, 2022 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was -18.82 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, 2022 is \$163,915.

### 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, 2022, contributions—totaling \$359,590, \$253,732 from employer and \$38,094 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 20.6% of covered payroll for the fiscal year ended September 30, 2022. The percentage of annual pension cost contributed was 58.6%. The State of Florida's contribution to the pension plan for year ended amounted to \$64,764.

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, 2022 were as follows:

Total Pension Liability	\$ 9,889,798
Plan Fiduciary Net Position	<u>(10,902,870)</u>
Sponsor's Net Pension Liability	<u>\$ (1,013,072)</u>
Plan Fiduciary Net Position as a percentage of total Pension Liability	110.24%

At September 30, 2022, the City reported as a part of its net pension liability a debit balance of \$1,013,072 related to the Police pension plan. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022.

#### Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022 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, 2022 are summarized in the following table:

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

#### Discount Rate:

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

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

## CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2022	\$ 9,675,438	\$ 9,148,140	\$ 527,298
Changes for a Year:			
Service Cost	210,241	-	210,241
Interest	721,305	-	721,305
Differences between Expected and Actual Experience	(463,345)	-	(463,345)
Changes of assumptions	282,712	-	282,712
Changes of benefit terms	-	-	-
Contributions- Employer	-	300,488	(300,488)
Contributions - State	-	68,784	(68,784)
Contributions - Employee	-	35,784	(35,784)
Net Investment Income	-	1,929,216	(1,929,216)
Benefit Payments, including Refunds of Employee Contributions	(536,553)	(536,553)	-
Administrative Expense	-	(42,989)	42,989
Net Changes	214,360	1,754,730	(1,540,370)
Balances at September 30, 2023	9,889,798	10,902,870	\$(1,013,072)

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.25%	7.25%	8.25%
Sponsor's Net Pension Liability	\$ 66,409	\$ (1,013,072)	\$ (1,917,287)

*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, 2022 the City recognized a reduction in pension expenses of \$49,753. On September 30, 2022, 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	\$ 2,219	\$ 358,094
Changes of assumptions	248,384	85,322
Net difference between projected and actual earnings on pension plan investments	-	1,048,308
Pension plan contributions subsequent to the measurement date	321,496	-
Total	<u>\$ 572,099</u>	<u>\$ 1,491,724</u>

The deferred outflows of resources related to the Pension Plan, totaling \$321,496, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Contributions made after the measurement date of the net pension liability but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2023	\$ (315,293)
2024	(377,915)
2025	(297,983)
2026	(249,930)
2027	-
Thereafter	-
	<u>\$ (1,241,121)</u>



*Plan Membership as of October 1, 2021:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	18
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	8
Active Plan Members	18
	<u>44</u>

*Investments:*

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2022:

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

Concentrations:

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

Rate of Return:

For the year ended September 30, 2022, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was -15.23 percent.

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

*Deferred Retirement Option Program:*

Eligibility: Satisfaction of Normal Retirement Requirements.

Participation: Not to exceed 60 months.

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

The DROP balance as of September 30, 2022 is \$0.

## C. Multiple Employer Cost Sharing Pension Plans

### General Information:

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

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

### Florida Retirement System - Pension Plan

### Plan Description:

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

## Benefits Provided:

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. 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 or 25 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. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

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

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

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

## Contributions:

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively, were as follows: Regular—10.82% and 11.91%; Special Risk Administrative Support—37.76% and 38.65%; Special Risk—25.89% and 27.83%; Senior Management Service—29.01% and 31.57%; Elected Officers’—40.91% and 43.77%; and DROP participants—18.34% and 18.60%. These employer contribution rates include a 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively.

The City’s contributions to the Pension Plan totaled \$214,323 for the fiscal year ended September 30, 2022.

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

At September 30, 2022, the City reported a liability of \$1,644,556 for its proportionate share of the Pension Plan’s net pension liability. The City’s General Fund has historically been used to pay the pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City’s proportionate share of the net pension liability was based on the City’s 2021-22 fiscal year contributions relative to the 20120-21 fiscal year contributions of all participating members. At June 30, 2022, the City's proportionate share was 0.0044198935 percent, which was decrease of 4.41% percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$326,936. Contributions made after the measurement date of the net pension liability but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,524	\$ -
Changes in assumptions	113,870	-
Net difference between projected and actual earnings on Pension Plan investments	-	-
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	29,179	100,238
Town Pension Plan contributions subsequent to the measurement date	55,017	-
Total	<u>\$ 226,590</u>	<u>\$ 100,238</u>

The deferred outflows of resources related to the Pension Plan, totaling \$55,017 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2023	\$ 17,251
2024	6,510
2025	(5,826)
2026	50,689
2027	2,711
Thereafter	-
	<u>\$ 71,335</u>

#### Actuarial Assumptions:

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

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

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

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.60%	2.60%	1.10%
Fixed Income	19.80%	4.40%	4.40%	3.20%
Global Equity	54.00%	8.80%	7.30%	17.80%
Real Estate	10.30%	7.40%	6.30%	15.70%
Private Equity	11.10%	12.00%	8.90%	26.30%
Strategic Investments	3.80%	6.20%	5.90%	7.80%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.30%

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

Discount Rate:

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

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

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City’s proportionate share of the net pension liability would be

if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's proportionate share of the net pension liability	<u>\$ 2,844,147</u>	<u>\$ 1,644,556</u>	<u>\$ 641,556</u>

Pension Plan Fiduciary Net Position:

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

Payables to the Pension Plan:

At September 30, 2022, the City had no payables to report for outstanding contributions to the Pension Plan.

## Florida Retirement System - Health Insurance Subsidy (HIS)

### 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, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 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, 2022, the HIS contribution for the period October 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022 was 1.66% and 1.66%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized.

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

The City's contributions to the HIS Plan totaled \$39,668 for the fiscal year ended September 30, 2022.

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

At September 30, 2020, the City reported a liability of \$611,039 for its proportionate share of the HIS Plan's net pension liability. The City's General Fund has historically been used to pay for its share of the HIS plan's liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on the City's 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the City's proportionate share was 0.0057690957 percent, which was an increase .09 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2021, the City recognized a reduction in pension expenses of \$6,232. Contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,546	\$ 2,689
Changes in assumptions	35,025	94,527
Net difference between projected and actual earnings on HIS Plan investments	885	-
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	20,370	23,883
Town HIS Plan contributions subsequent to the measurement date	9,811	-
Total	<u>\$ 84,637</u>	<u>\$ 121,099</u>

The deferred outflows of resources related to the HIS Plan, totaling \$9,811 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2023	\$ 99,508
2024	53,660
2025	24,535
2026	(118,093)
2027	(88,320)
Thereafter	(17,563)
	<u>\$ (46,273)</u>

#### Actuarial Assumptions:

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.54 %



Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through September 30, 2018.

**Discount Rate:**

The discount rate used to measure the total pension liability was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.54%, 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 (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Town's proportionate share of the net pension liability	\$ 699,079	\$ 611,039	\$ 538,188

**Pension Plan Fiduciary Net Position:**

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

**Payables to the Pension Plan:**

At September 30, 2022, the City had no payables to report for outstanding contributions to the HIS Plan.

**Investment Plan**

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

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2021-22 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and City Elected Officers class 11.34%. Each of these member classes pays 3.00% of the contribution.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2022, 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 did not have any participants in the Investment Plan for the fiscal year ended September 30, 2022

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

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

#### Plan Description:

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

#### Employees Covered by Benefit Terms:

At September 30, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	3
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	84
	<hr/>
	87

#### 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 \$410,527 for the year ended September 30, 2022.

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 2.43% 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, 2022, the City recognized a decrease in OPEB expenses of \$343,313. 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, 2021  
The measurement period of the OPEB expense was October 1, 2020 to September 30, 2021.  
The reporting period is October 1, 2021 through September 30, 2022.

The City’s Total OPEB Liability was measured as of September 30, 2021.

The City’s total OPEB liability as of September 30, 2021 was determined by an actuarial valuation as of September 30, 2019 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	2.43%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	53

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

Discount Rate:

Given the City’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.43%. 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, 2021	\$ 1,463,989
Changes for a Year:	
Service Cost	57,203
Interest	31,860
Differences Between Expected and Actual Experience	(444,469)
Changes of Assumptions	10,033
Changes of Benefit Terms	-
Contributions - Employer	-
Benefit Payments	(65,154)
Other Changes	-
Net Changes	(410,527)
Reporting Period Ending September 30, 2022	\$ 1,053,462

Changes of assumptions reflect a change in the discount rate from 2.14% for the fiscal year ending September 30, 2021 to 2.43% for the fiscal year ending September 30, 2022.

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

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

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability (Asset)	1.43%	2.43%	3.43%
	\$ 1,230,104	\$ 1,053,462	\$ 911,025

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% - 6.50%	4.00% - 7.50%	5.00% - 8.50%
	\$ 906,391	\$ 1,053,462	\$ 1,234,775

OPEB Liabilities and OPEB Expense – At September 30, 2022, the City reported an amount of \$1,053,462 for its OPEB liability. The City has historically used the General Fund to pay the OPEB liability.

For the fiscal year ended September 30, 2022, the City recognized a decrease in OPEB expenses of \$343,313. Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense.

Fiscal Year Ending	<u>9/30/2022</u>
Service Cost	\$ 57,203
Interest	31,860
Recognition of Changes in Total OPEB Liability	(434,436)
Administrative Expenses	2,060
Total OPEB Expense	<u>\$ (343,313)</u>

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

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

Deferred outflows	Retirement Plan				Total
	FRS	HIS	Firefighters	Police	
Difference between expected and actual experience	\$ 28,524	\$ 18,546	\$ 77,481	\$ 2,219	\$ 126,770
Changes in assumptions	113,870	35,025	155,303	248,384	552,582
Net difference between projected and actual earnings on Pension Plan investments	-	885	-	-	885
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	29,179	20,370	-	-	49,549
City Pension Plan contributions subsequent to the measurement date	55,017	9,811	309,791	321,496	696,115
Total	<u>\$ 226,590</u>	<u>\$ 84,637</u>	<u>\$ 542,575</u>	<u>\$ 572,099</u>	<u>\$ 1,425,901</u>
Deferred inflows	FRS	HIS	Firefighters	Police	Total
	FRS	HIS	Firefighters	Police	Total
Difference between expected and actual experience	\$ -	\$ 2,689	\$ 15,937	\$ 358,094	\$ 376,720
Changes in assumptions	-	94,527	71,026	85,322	250,875
Net difference between projected and actual earnings on Pension Plan investments	-	-	460,703	1,048,308	1,509,011
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	100,238	23,883	-	-	124,121
City Pension Plan contributions subsequent to the measurement date	-	-	-	-	-
Total	<u>\$ 100,238</u>	<u>\$ 121,099</u>	<u>\$ 547,666</u>	<u>\$ 1,491,724</u>	<u>\$ 2,260,727</u>
Pension Expense (Income)	<u>\$ 326,936</u>	<u>\$ (6,232)</u>	<u>\$ 171,324</u>	<u>\$ (49,753)</u>	<u>\$ 442,275</u>

## Note 5 – Summary Disclosure of significant contingencies

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

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

#### B. Litigation

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

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

#### C. Grants

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

#### D. Long-term Debt

Long-term liabilities directly related to and intended to be paid from Proprietary Funds are included in the accounts of such funds. The State Revolving Fund Loan will sometime in the future have a schedule of repayment listed below, but presently it is not in the repayment phase where an amortization schedule is available. The State Revolving Loan is to relieve the cash shortage until the Wastewater grant reimburses us for the work we have 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, 2022.



## 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:

<b>Fiscal Year</b>			
<b>Ended</b>			
<b>September</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	15,782	1,330	17,112
2024	15,921	1,191	17,112
2025	16,061	1,051	17,112
2026	16,203	909	17,112
2027	16,346	766	17,112
Thereafter	76,543	1,645	78,188
	<u>156,856</u>	<u>6,892</u>	<u>163,748</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:

<b>Fiscal Year</b>			
<b>Ended</b>			
<b>September</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	99,600	-	99,600
2024	99,600	-	99,600
2025	99,600	-	99,600
2026	99,600	-	99,600
2027	99,600	-	99,600
Thereafter	2,290,796	-	2,290,796
	<u>2,788,796</u>	<u>-</u>	<u>2,788,796</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:

<b>Fiscal Year Ended September</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	4,444	437	4,881
2024	4,469	412	4,881
2025	4,494	387	4,881
2026	4,520	361	4,881
2027	4,545	336	4,881
Thereafter	56,590	2,003	58,593
	<u>79,062</u>	<u>3,936</u>	<u>82,998</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:

<b>Fiscal Year Ended September</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	21,202	483	21,685
2024	21,227	457	21,684
2025	21,253	432	21,685
2026	21,278	406	21,684
2027	21,304	381	21,685
Thereafter	301,183	2,630	303,813
	<u>407,447</u>	<u>4,789</u>	<u>412,236</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 set to be payable semiannually with principal and interest payments of \$4,774 due each March 15 and September 15 over the course of ten years. 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, subsequent to the end of the reporting period. Upon receipt, \$87,500 had been forgiven and recognized as revenue in the fiscal year ending September 2023. The remaining unforgiven amount is considered to be principal worth \$87,500. Loan proceeds were used to add carbon filtration to the water treatment plant. As of September 30, 2022, no portion of this loan had been received, and no amount was outstanding.

## B. USDA BOND PAYABLE

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

<b>YEAR</b>	<b>BEGINNING BALANCE</b>	<b>INTEREST</b>	<b>PRINCIPAL</b>	<b>ENDING BALANCE</b>	<b>TOTAL PAYMENTS</b>
2023	2,835,000	77,963	47,000	2,788,000	124,963
2024	2,788,000	76,670	48,000	2,740,000	124,670
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
2030	2,477,000	68,118	57,000	2,420,000	125,118
2031	2,420,000	66,550	59,000	2,361,000	125,550
2032	2,361,000	64,928	60,000	2,301,000	124,928
2033	2,301,000	63,278	62,000	2,239,000	125,278
2034	2,239,000	61,573	64,000	2,175,000	125,573
2035	2,175,000	59,813	65,000	2,110,000	124,813
2036	2,110,000	58,025	67,000	2,043,000	125,025
2037	2,043,000	56,183	69,000	1,974,000	125,183
2038	1,974,000	54,285	71,000	1,903,000	125,285
2039	1,903,000	52,333	73,000	1,830,000	125,333
2040	1,830,000	50,325	75,000	1,755,000	125,325
2041	1,755,000	48,263	77,000	1,678,000	125,263
2042	1,678,000	46,145	79,000	1,599,000	125,145
2043	1,599,000	43,973	81,000	1,518,000	124,973
2044	1,518,000	41,745	83,000	1,435,000	124,745
2045	1,435,000	39,463	86,000	1,349,000	125,463
2046	1,349,000	37,098	88,000	1,261,000	125,098
2047	1,261,000	34,678	90,000	1,171,000	124,678
2048	1,171,000	32,203	93,000	1,078,000	125,203
2049	1,078,000	29,645	95,000	983,000	124,645
2050	983,000	27,033	98,000	885,000	125,033
2051	885,000	24,338	101,000	784,000	125,338
2052	784,000	21,560	104,000	680,000	125,560
2053	680,000	18,700	106,000	574,000	124,700
2054	574,000	15,785	109,000	465,000	124,785
2055	465,000	12,788	112,000	353,000	124,788
2056	353,000	9,708	115,000	238,000	124,708
2057	238,000	6,545	119,000	119,000	125,545
2058	119,000	3,273	119,000	-	122,273
		<u>1,665,620</u>	<u>2,835,000</u>		

Changes in long-term liabilities:

Long-term liability activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 350,614	\$ 145,874	\$ (133,020)	\$ 363,468	\$ 236,254
OPEB Payable	966,433	-	(211,838)	754,595	-
Net Pension Liability	1,885,653	-	(965,567)	920,086	-
Governmental Activities Total	\$ 3,202,700	\$ 145,874	\$ (1,310,425)	\$ 2,038,149	\$ 236,254
Long-term Liabilities					
Business-type Activities:					
SRF Pre Construction Loan	\$ 170,771	\$ -	\$ (13,915)	\$ 156,856	\$ 15,782
SRF Sewer Loan	2,888,396	-	(99,600)	2,788,796	99,600
SRF Water Loan	512,118	-	(25,609)	486,509	25,646
USDA Bond Payable	2,881,000	-	(46,000)	2,835,000	47,000
Compensated Absences	65,579	53,908	(49,609)	69,878	45,421
OPEB Payable	497,556	-	(198,689)	298,867	-
Net Pension Liability	405,830	234,082	-	639,912	-
Business-type Activities Total	\$ 7,421,250	\$ 287,990	\$ (433,422)	\$ 7,275,818	\$ 233,449

**Note 6 – Fund Balances of Governmental Funds**

As of September 30, 2022, 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	\$ 78,841	\$ -	\$ -
Other	-	-	1,846,203
Transportation	8,430	-	-
Community redevelopment	27,207	-	1,000
Utility Tax Revenue	-	-	-
Reserves	-	1,934,549	-
Local Option Gas Tax	1,655,279	-	-
	<u>\$1,769,757</u>	<u>\$1,934,549</u>	<u>\$1,847,203</u>

## **Note 7 – Risks and Uncertainties**

In March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and counties, could continue to be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. The City is carefully monitoring the situation and is continuously evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

## REQUIRED SUPPLEMENTAL INFORMATION

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

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CITY OF PERRY, FLORIDA  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget-
			Amounts	Positive
				(Negative)
REVENUES				
Taxes:				
Property	\$ 1,805,898	\$ 1,805,898	\$ 1,862,154	\$ 56,256
Discretionary Sales Tax	854,210	854,210	350,923	(503,287)
Communication service tax	224,454	224,454	228,290	3,836
Franchise	575,000	575,000	623,833	48,833
Motor Fuel	84,077	84,077	107,631	23,554
Licenses & permits	71,550	71,550	74,329	2,779
Intergovernmental	152,924	152,924	511,198	358,274
Fines & Forfeitures	16,050	16,050	16,757	707
Sales Tax - 1/2 Cent	512,416	512,416	569,560	57,144
Interest	200	200	2,250	2,050
Grants	-	-	79,020	79,020
Miscellaneous	15,700	15,700	66,920	51,220
Total Revenues	4,312,479	4,312,479	4,492,865	180,386
EXPENDITURES				
Current:				
Legislative (Council)	95,211	95,211	78,142	17,069
Administration	564,824	564,824	475,486	89,338
Finance	522,996	522,996	494,825	28,171
Legal	32,000	32,000	25,417	6,583
Comprehensive Planning	66,488	66,488	62,745	3,743
Garage	143,806	143,806	143,808	(2)
Police	2,531,850	2,531,850	2,521,589	10,261
Fire	1,411,591	1,411,591	1,411,384	207
Protective Inspections	203,131	203,131	170,853	32,278
Transportation (Street)	580,368	580,368	516,775	63,593
Capital Outlay	202,614	202,614	428,146	(225,532)
Total Expenditures	6,354,879	6,354,879	6,329,170	25,709
Excess (deficiency) of revenues over (under) expenditures	(2,042,400)	(2,042,400)	(1,836,305)	206,095
OTHER FINANCING SOURCES - USES				
Transfers In	2,694,198	2,694,198	2,544,834	(149,364)
Total other financing sources & uses	2,694,198	2,694,198	2,544,834	(149,364)
Net change in fund balances	651,798	651,798	708,529	56,731
Fund balances - beginning	1,224,945	1,224,945	1,224,945	-
Fund balances - ending	\$ 1,876,743	\$ 1,876,743	\$ 1,933,474	\$ 56,731

CITY OF PERRY, FLORIDA  
 Budgetary Comparison Schedule  
 Community Redevelopment Fund  
 For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final budget- Positive (Negative)
<b>REVENUES</b>				
Taxes:				
County	\$ 14,526	\$ 14,526	\$ 13,800	\$ (726)
City	13,131	13,131	12,680	(451)
Depot Rental	8,500	8,500	17,325	8,825
Total Revenues	<u>36,157</u>	<u>36,157</u>	<u>43,805</u>	<u>7,648</u>
<b>EXPENDITURES</b>				
Current:				
Total Expenditures	<u>36,157</u>	<u>36,157</u>	<u>16,052</u>	<u>20,105</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>27,753</u>	<u>27,753</u>
<b>OTHER FINANCING SOURCES-USES</b>				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	27,753	27,753
Fund balances-beginning	136,041	136,042	454	-
Fund balances-ending	<u>\$ 136,041</u>	<u>\$ 136,042</u>	<u>\$ 28,207</u>	<u>\$ 27,753</u>

CITY OF PERRY, FLORIDA  
 Budgetary Comparison Schedule  
 Utility Tax Revenue Fund  
 For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Electric	\$ 696,551	\$ 696,551	\$ 716,489	\$ 19,938
Water	130,000	130,000	149,763	19,763
Propane/Natural Gas	110,000	110,000	146,585	36,585
Fines & Forfeitures	1,800	1,800	4,483	2,683
Interest	1,000	1,000	214	(786)
Total Revenues	<u>939,351</u>	<u>939,351</u>	<u>1,017,534</u>	<u>78,183</u>
<b>EXPENDITURES</b>				
Current:				
Total Expenditures	<u>800</u>	<u>800</u>	<u>36,209</u>	<u>(35,409)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>938,551</u>	<u>938,551</u>	<u>981,325</u>	<u>42,774</u>
<b>OTHER FINANCING SOURCES-USES</b>				
Transfers In (Out)	<u>(938,551)</u>	<u>(938,551)</u>	<u>(803,551)</u>	<u>135,000</u>
Total other financing sources & uses	<u>(938,551)</u>	<u>(938,551)</u>	<u>(803,551)</u>	<u>135,000</u>
Net change in fund balances	-	-	177,774	177,774
Fund balances-beginning	<u>1,756,775</u>	<u>1,756,775</u>	<u>1,756,775</u>	<u>-</u>
Fund balances-ending	<u>\$1,756,775</u>	<u>\$1,756,775</u>	<u>\$1,934,549</u>	<u>\$ 177,774</u>

CITY OF PERRY, FLORIDA  
 Budgetary Comparison Schedule  
 Local Option Gas Tax Fund  
 For the Fiscal Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Taxes:				
Motor Fuel	\$ 323,256	\$ 323,256	\$ 322,570	\$ (686)
Interest	1,000	1,000	163	(837)
Total Revenues	<u>324,256</u>	<u>324,256</u>	<u>322,733</u>	<u>(1,523)</u>
<b>EXPENDITURES</b>				
Current:				
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>324,256</u>	<u>324,256</u>	<u>322,733</u>	<u>(1,523)</u>
<b>OTHER FINANCING SOURCES-USES</b>				
Transfers In (Out)	<u>(324,256)</u>	<u>(324,256)</u>	<u>(324,256)</u>	<u>-</u>
Total other financing sources & uses	<u>(324,256)</u>	<u>(324,256)</u>	<u>(324,256)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(1,523)</u>	<u>(1,523)</u>
Fund balances - beginning	<u>1,656,802</u>	<u>1,656,802</u>	<u>1,656,802</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,656,802</u>	<u>\$ 1,656,802</u>	<u>\$ 1,655,279</u>	<u>\$ (1,523)</u>

CITY OF PERRY, FLORIDA  
Notes to Required Supplementary Information on Budgetary Comparison Schedules  
For the Fiscal Year Ended September 30, 2022

Budgetary Accounting

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

Budget Requirements

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

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

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

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

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

\*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

**SCHEDULE OF CONTRIBUTIONS FOR FIREFIGHTERS' PENSION FUND**

**Last 10 Fiscal Years**

	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 298,446	\$ 324,065	\$ 295,625	\$ 278,233	\$ 232,144	\$ 231,148	\$ 319,960	\$ 226,327	\$ 254,230
Contributions in Relation to the Actuarially Determined Contribution	305,961	331,092	298,217	277,904	231,862	231,759	319,960	226,327	254,230
	<u>\$ (7,515)</u>	<u>\$ (7,027)</u>	<u>\$ (2,592)</u>	<u>\$ 329</u>	<u>\$ 282</u>	<u>\$ (611)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 726,147	\$ 686,580	\$ 644,065	\$ 681,942	\$ 610,905	\$ 601,947	\$ 570,338	\$ 468,196	\$ 385,197
Contributions as a Percentage of									
Covered Payroll	42.13%	48.22%	46.30%	40.75%	37.95%	38.50%	56.10%	48.34%	66.00%

**SCHEDULE OF FIREFIGHTERS' PENSION FUND INVESTMENT RETURNS**

**Last 10 Fiscal Years**

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

\*GASB 68 requires information for 10 years. However until a full 10 year trend is completed only those years for which information is available is presented.

## Notes to RSI for Firefighters' Pension

Valuation Date: 10/01/2020

Presentation: GASB 68 requires information for 10 years. However, until a full 10-year trend is completed, only those years for which information is available is presented.

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:	20 Years (as of 10/01/2018).
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 in line with the national average utilized for public pension programs, and reasonable based on the target asset allocation.
Retirement Age:	Earlier of age 55 and 10 years of service or 25 years of service, regardless of age.
Early Retirement:	Commencing with the earliest Early Retirement Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Disability Rates:	See table below.
Termination Rates:	See table below.
Salary Increase:	Service based
Payroll Growth:	None.
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	6.0%	0.03%
30	5.0%	0.04%
40	2.6%	0.07%
50	0.8%	0.18%



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

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

\*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

**SCHEDULE OF CONTRIBUTIONS FOR POLICE OFFICERS' PENSION FUND**

**Last 10 Fiscal Years**

	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 312,128	\$ 369,384	\$ 309,861	\$ 295,003	\$ 255,143	\$ 252,860	\$ 433,895	\$ 416,559	\$ 415,930
Contributions in Relation to the Actuarially Determined Contribution	321,496	369,272	275,714	303,333	271,629	262,303	433,895	416,559	415,930
	<u>\$ (9,368)</u>	<u>\$ 112</u>	<u>\$ 34,147</u>	<u>\$ (8,330)</u>	<u>\$ (16,486)</u>	<u>\$ (9,443)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,228,851	\$ 1,154,325	\$ 1,094,916	\$ 1,147,872	\$ 1,067,547	\$ 1,071,441	\$ 1,048,055	\$ 975,095	\$ 918,167
Contributions as a Percentage of									
Covered Employee Payroll	26.16%	31.99%	25.18%	26.43%	25.44%	24.48%	41.40%	42.72%	45.30%

**SCHEDULE OF POLICE OFFICERS' PENSION FUND INVESTMENT RETURNS**

**Last 10 Fiscal Years**

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

\*GASB 68 requires information for 10 years. However until a full 10 year trend is completed only those years for which information is available is presented.

## Notes to RSI for Police Officers' Pension

Valuation Date: 10/01/2021  
Presentation: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

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: 20 Years (as of 10/01/2017).  
Mortality: All rates are projected generationally with Mortality Improvement Scale MP-2018.  
Interest Rate: 7.25% per year, compounded annually, net of investment expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.  
Retirement Age: Earlier of age 55 and 10 years of service or 25 years of service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.  
Early Retirement: It is assumed that members who are eligible for Early Retirement (age 50) will retire at the rate of 5.00% per year..  
Disability Rates: See table below.  
Termination Rates: See table below.  
Salary Increase: 10.0% increase in the first year and 5.0% thereafter.  
Payroll Growth: None  
Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	6.0%	0.03%
30	5.0%	0.04%
40	2.6%	0.07%
50	0.8%	0.18%

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

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

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

\*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

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

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

\*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
THE CITY OF PERRY'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY AND REQUIRED CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM  
For the Fiscal Year Ended September 30, 2022**

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2022, are shown below:

	FRS	HIS
Total pension liability	\$217,434,441,000	\$ 11,126,965,688
Plan fiduciary net position	(180,226,404,807)	(535,368,479)
	<u>\$ 37,208,036,193</u>	<u>\$ 10,591,597,209</u>
Plan fiduciary net position as a percentage of the total pension liability	82.89%	4.81%

The total pension liability for the FRS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2022. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The total pension liability for the HIS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2022. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal years ended June 30, 2013, through June 30, 2022, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years ended June 30, 2015, through June 30, 2022, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's ACFR for that fiscal year.

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

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

### Actuarial Methods and Assumptions

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2021 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

The following changes in actuarial assumptions occurred in 2022:

FRS: The long-term expected rate of return was decreased from 6.80% to 6.70%.

HIS: The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838.

HIS: The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

HIS: The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%.

**CITY OF PERRY, FLORIDA**  
**SCHEDULE OF CHANGES IN THE**  
**TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**For the Fiscal Year Ended September 30, 2022**

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

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

\*Covered 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, 2021	2.43%
Fiscal Year Ending September 30, 2020	2.14%
Fiscal Year Ending September 30, 2019	3.58%
Fiscal Year Ending September 30, 2018	4.18%
Fiscal Year Ending September 30, 2017	3.64%
Fiscal Year Ending September 30, 2016	3.06%



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

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

Blended Annual Premium Amounts

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

Member Statistical Data

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

\*FY 2022 Covered Payroll projected based on actual FY 2021 Covered Payroll

## Actuarial Assumptions and Funding Methods

Valuation Date	9/30/2021												
Measurement Date	9/30/2021												
Fiscal Year End	9/30/2022												
Actuarial Value of Assets	Market Value												
Mortality Rate	PubG-2010 Mortality Table projected to the valuation date using MP-2019												
Discount Rate	2.43% Based on the September 30, 2021 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices												
Retirement Rates	100% at Normal Retirement Eligibility												
Inflation	2.50% per year.												
Salary Increase Rate	2.50% per year.												
Marital Status	100% assumed married, with male spouses 3 years older than female spouses.												
Health Care Participation	25% participation assumed, with 50% electing spouse coverage.												
Health Care Inflation	Initial rate of 7.50% in fiscal 2022, 7.25% in fiscal 2023, grading down to the ultimate trend rate of 4.00% in fiscal 2075.												
Termination Rates	Selected rates for various ages listed below: <table> <tr> <th colspan="2">% Remaining Employed</th></tr> <tr> <th>Age</th><th>Until Assumed Retirement Age</th></tr> <tr> <td>20</td><td>29.60%</td></tr> <tr> <td>30</td><td>59.30%</td></tr> <tr> <td>40</td><td>84.10%</td></tr> <tr> <td>50</td><td>100.00%</td></tr> </table>	% Remaining Employed		Age	Until Assumed Retirement Age	20	29.60%	30	59.30%	40	84.10%	50	100.00%
% Remaining Employed													
Age	Until Assumed Retirement Age												
20	29.60%												
30	59.30%												
40	84.10%												
50	100.00%												
Disability Rates	None Assumed												
Funding Method	Entry Age Cost Method (Level % of Pay)												

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## OTHER INFORMATION

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

**CITY OF PERRY, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**September 30, 2022**

	Police Officers' Pension Fund	Firefighters' Pension Fund	Total
<b><u>ASSETS</u></b>			
Cash and short-term investments	\$149,001	\$122,000	\$ 271,001
Receivables			
Employer	39,795	19,627	59,422
Plan Member	2,970	551	3,521
<u>Total Receivables</u>	42,765	20,178	62,943
Investments at fair value			
Equity	5,313,614	2,502,777	7,816,391
Fixed Income	2,373,846	1,418,901	3,792,747
Real Estate	1,149,633	-	1,149,633
<u>Total investments</u>	8,837,093	3,921,678	12,758,771
Total Assets	9,028,859	4,063,856	13,092,715
<b><u>LIABILITIES</u></b>			
Payables:			
Investment expenses	6,204	1,375	7,579
Administrative Expenses	6,816	6,530	13,346
Total Liabilities	13,020	7,905	20,925
<u>Net Position restricted for pension benefits</u>	<u>\$ 9,015,839</u>	<u>\$ 4,055,951</u>	<u>\$ 13,071,790</u>

**CITY OF PERRY, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**For the Fiscal Year Ended September 30, 2022**

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
<b><u>ADDITIONS</u></b>			
Contributions			
Employer	\$ 253,732	\$ 260,804	\$ 514,536
State	67,764	48,987	116,751
Plan Member	38,094	7,257	45,351
	<u>359,590</u>	<u>317,048</u>	<u>676,638</u>
<b><u>Investment Income</u></b>			
Net Increase in Fair Value of Investments	(2,125,695)	(1,160,703)	(3,286,398)
Interest and Dividends	529,898	254,751	784,649
Less Investment Expense	(36,897)	(22,400)	(59,297)
	<u>(1,632,694)</u>	<u>(928,352)</u>	<u>(2,561,046)</u>
<b><u>Total investment income</u></b>			
	<u>(1,632,694)</u>	<u>(928,352)</u>	<u>(2,561,046)</u>
<b><u>Total Additions</u></b>	<u>(1,273,104)</u>	<u>(611,304)</u>	<u>(1,884,408)</u>
<b><u>DEDUCTIONS</u></b>			
Benefits	577,856	259,771	837,627
Administrative Expense	36,071	34,241	70,312
Total deductions	613,927	294,012	907,939
<b><u>Net Increase</u></b>	<u>(1,887,031)</u>	<u>(905,316)</u>	<u>(2,792,347)</u>
<b><u>Net Position restricted for pension benefits</u></b>			
October 1, 2021	10,902,870	4,961,267	15,864,137
September 30, 2022	<u>\$ 9,015,839</u>	<u>\$ 4,055,951</u>	<u>\$ 13,071,790</u>

**CITY OF PERRY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**SEPTEMBER 30, 2022**

	<u>Firefighters' Pension Fund</u>
<u>ASSETS</u>	
Cash and short-term investments	<u>\$122,000</u>
Receivables	
Employer	19,627
Plan Members	551
<u>Total Receivables</u>	<u>20,178</u>
Investments at fair value	
Equity	2,502,777
Fixed Income	1,418,901
<u>Total investments</u>	<u>3,921,678</u>
TOTAL ASSETS	<u>4,063,856</u>
<u>LIABILITIES</u>	
Investment Expenses	1,375
Administrative Expenses	6,530
TOTAL LIABILITIES	<u>7,905</u>
<u>Net Position held in trust for pension benefits</u>	<u>\$4,055,951</u>

**CITY OF PERRY, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>Firefighters' Pension Fund</u>
<b><u>ADDITIONS</u></b>	
Contributions	
Employer	\$260,804
State	48,987
Plan Member	<u>7,257</u>
<u>Total Contributions</u>	<u>317,048</u>
 <u>Investment Income</u>	
Net Increase in Fair Value of Investments	(1,160,703)
Interest and Dividends	254,751
Less Investment Expense	<u>(22,400)</u>
<u>Net investment income</u>	<u>(928,352)</u>
Total additions	<u>(611,304)</u>
 <b><u>DEDUCTIONS</u></b>	
Benefits	259,771
Administrative Expense	<u>34,241</u>
Total deductions	<u>294,012</u>
 <u>Net Increase</u>	<u>(905,316)</u>
 <u>Net Position held in trust for pension benefits</u>	
October 1, 2021	<u>4,961,267</u>
September 30, 2022	<u><u>\$4,055,951</u></u>



## FINAL COMPONENTS OF PENSION EXPENSE – FIREFIGHTERS’ PENSION

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 707,887	\$ 286,572	\$ 533,426	\$ -
Employer contributions made after September 30, 2021	-	-	309,791	-
Total pension liability factors:				
Service cost	153,198	-	-	153,198
Interest	339,699	-	-	339,699
Share plan allocation	1,097	-	-	1,097
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience with regard to economic or demographic assumptions	57,211	-	57,211	-
Current year amortization of experience difference	-	(25,303)	(31,588)	6,285
Change in assumptions about future economic or demographic factors or other inputs	166,975		166,975	-
Current year amortization of change in assumptions	-	(35,513)	(99,872)	64,359
Benefit payments, including refunds of employee contributions	(278,153)	-	-	-
Net change	<u>440,027</u>	<u>(60,816)</u>	<u>402,517</u>	<u>564,638</u>
Plan fiduciary net position:				
Contributions - employer	288,438	-	(288,438)	-
Contributions - state	43,751	-	(43,751)	-
Contributions - employee	6,870	-	-	(6,870)
Net investment income	289,774	-	-	(289,774)
Difference between projected and actual earnings on pension plan investments	523,054	523,054	-	-
Current year amortization	-	(160,358)	(20,393)	(139,965)
Benefit payments, including refunds of employee contributions	(278,153)	-	-	-
Administrative expenses	(43,295)	-	-	43,295
Net change	<u>830,439</u>	<u>362,696</u>	<u>(352,582)</u>	<u>(393,314)</u>
Ending balance	<u>\$ 317,475</u>	<u>\$ (136,940)</u>	<u>\$1,288,525</u>	<u>\$ 171,324</u>

**CITY OF PERRY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**SEPTEMBER 30, 2022**

	Police Officers' Pension Fund
<u>ASSETS</u>	
Cash and short-term investments	<u>\$149,001</u>
Receivables	
Employer	39,795
Plan Members	<u>2,970</u>
<u>Total Receivables</u>	<u>42,765</u>
Investments at fair value	
Equity	5,313,614
Fixed Income	2,373,846
Real Estate	<u>1,149,633</u>
<u>Total investments</u>	<u>8,837,093</u>
TOTAL ASSETS	<u>9,028,859</u>
<u>LIABILITIES</u>	
Investment Expenses	6,204
Admin Expenses	<u>6,816</u>
TOTAL LIABILITIES	<u>13,020</u>
<u>Net Position held in trust for pension benefits</u>	<u>\$9,015,839</u>

**CITY OF PERRY, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>Police Officers' Pension Fund</u>
<b><u>ADDITIONS</u></b>	
<u>Contributions</u>	
Employer	\$253,732
State	67,764
Plan Member	<u>38,094</u>
<u>Total Contributions</u>	<u>359,590</u>
<u>Investment Income</u>	
Net Increase in Fair Value of Investments	(2,125,695)
Interest and Dividends	529,898
Less Investment Expense	<u>(36,897)</u>
<u>Net investment income</u>	<u>(1,632,694)</u>
Total additions	<u>(1,273,104)</u>
<b><u>DEDUCTIONS</u></b>	
Benefits	577,856
Administrative Expense	<u>36,071</u>
Total deductions	<u>613,927</u>
<u>Net Increase</u>	<u>(1,887,031)</u>
<u>Net Position held in trust for pension benefits</u>	
<u>October 1, 2021</u>	<u>10,902,870</u>
<u>September 30, 2022</u>	<u><u>\$9,015,839</u></u>

## FINAL COMPONENTS OF PENSION EXPENSE – POLICE OFFICERS’ PENSION

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 527,298	\$ 441,111	\$690,607	\$ -
Employer contributions made after September 30, 2021	-	-	321,496	-
Total pension liability factors:				
Service cost	210,241	-	-	210,241
Interest	721,305	-	-	721,305
Change in benefit terms	-	-	-	-
Differences between expected and actual experience with regard to economic or demographic assumptions	(463,345)	463,345	-	-
Current year amortization of experience difference	-	(182,775)	(55,693)	(127,082)
Change in assumptions about future economic or demographic factors or other inputs	282,712	-	282,712	-
Current year amortization of change in assumptions	-	(42,661)	(154,148)	111,487
Benefit payments	(536,553)	-	-	-
Net change	<u>214,360</u>	<u>237,909</u>	<u>394,367</u>	<u>915,951</u>
Plan fiduciary net position:				
Contributions - employer	300,488	-	(300,488)	-
Contributions - state	68,784	-	(68,784)	-
Contributions - employee	35,784	-	-	(35,784)
Net investment income	679,567	-	-	(679,567)
Difference between projected and actual earnings on pension plan investments	1,249,649	1,249,649	-	-
Current year amortization	-	(341,374)	(48,032)	(293,342)
Benefit payments	(536,553)	-	-	-
Administrative expenses	(42,989)	-	-	42,989
Net change	<u>1,754,730</u>	<u>908,275</u>	<u>(417,304)</u>	<u>(965,704)</u>
Ending balance	<u>\$ (1,013,072)</u>	<u>\$1,587,295</u>	<u>\$667,670</u>	<u>\$ (49,753)</u>

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## STATISTICAL SECTION

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

	Page
Financial Trend Data	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.....	136
Information on Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax .....	142
Debt Capacity Information	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. ....	148
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.....	150
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs .....	153

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 2,396	\$ 2,507	\$ 2,612	\$ 2,415	\$ 2,317	\$ 3,221	\$ 3,225	\$ 3,145	\$ 3,238	\$ 3,177
Restricted	1,571	1,578	1,517	1,560	1,660	1,722	1,873	1,784	1,673	1,770
Unrestricted	2,131	1,925	670	253	(12)	(674)	(870)	(1,063)	(226)	1,003
Total governmental activities net position	6,098	6,010	4,799	4,228	3,965	4,269	4,228	3,866	4,685	5,950
Business-type activities										
Net investment in capital assets	19,260	18,532	18,520	21,185	21,197	25,467	22,401	22,050	25,452	24,871
Restricted	4,173	2,996	5,660	644	1,115	912	594	646	-	-
Unrestricted	6,388	7,978	4,120	6,830	2,703	(346)	3,397	3,161	3,451	3,628
Total business-type activities net position	29,821	29,506	28,300	28,659	25,015	26,033	26,392	25,857	28,903	28,499
Primary Government										
Net investment in capital assets	21,656	21,036	21,132	23,600	23,514	28,688	25,626	25,195	28,690	28,048
Restricted	5,744	4,579	7,177	2,204	2,775	2,634	2,467	2,430	1,673	1,770
Unrestricted	8,519	9,902	4,790	7,083	2,691	(1,020)	2,527	2,098	3,225	4,631
Total primary government net position	\$ 35,919	\$ 35,517	\$ 33,099	\$ 32,887	\$ 28,980	\$ 30,302	\$ 30,620	\$ 29,723	33,588	34,449



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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>EXPENSES</b>										
Governmental activities										
General Government	\$1,036	\$1,128	\$1,189	\$1,106	\$ 1,666	\$ 1,665	\$ 1,374	\$ 1,503	\$1,397	\$ 1,459
Transportation	635	510	539	541	487	638	552	687	591	532
Economic Development	164	1	6	39	22	10	38	77	44	16
Police	2,162	2,412	2,191	2,339	2,435	2,437	2,668	2,985	3,011	2,560
Fire	855	884	1,096	955	1,135	1,134	1,290	1,459	1,430	1,440
Garage	97	112	130	134	131	222	137	158	131	142
Total governmental activities expenses	\$4,949	\$5,047	\$5,151	\$5,114	\$ 5,876	\$ 6,106	\$ 6,059	\$ 6,869	\$6,604	\$6,149
Business-type activities										
Recreation	\$ 167	\$ 251	\$ 198	\$ 226	\$ 269	\$ 394	\$ 431	\$ 346	\$ 344	\$ 369
Water	778	851	858	919	1,568	1,011	1,050	1,119	1,066	1,175
Gas	783	907	957	776	1,615	711	855	971	1,213	1,882
Sanitation	691	695	651	727	722	654	654	758	705	797
Sewer	1,419	1,429	1,496	1,505	2,847	1,808	2,189	2,238	2,167	2,662
Warehouse	390	381	313	342	321	390	401	376	358	503
Total business-type activities expenses	4,228	4,514	4,473	4,495	7,342	4,968	5,580	5,808	5,853	7,388
Total primary government expenses	\$9,177	\$9,561	\$9,624	\$9,609	\$13,218	\$11,074	\$11,639	\$12,677	12,457	13,537

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities										
Taxes										
Property Taxes	\$1,006	\$1,011	\$1,291	\$1,285	\$1,288	\$1,360	\$1,376	\$1,469	\$ 1,619	\$1,889
Discretionary Sales Tax	-	-	-	-	-	569	687	767	827	351
Sales Taxes	361	381	358	374	395	408	469	465	498	570
Franchise Taxes	556	599	590	533	520	560	633	586	572	624
Motor Fuel Taxes	351	353	372	368	377	394	436	380	404	430
Utility taxes	733	851	762	799	876	749	878	960	958	1,017
Telecommunications Taxes	298	308	317	247	242	234	227	231	229	228
State Revenue Sharing	475	484	398	494	618	3	561	547	941	797
Investment Earnings	8	4	5	3	5	17	35	9	2	7
Miscellaneous	77	41	28	51	212	745	56	126	80	84
Transfers	642	780	1,246	389	1,075	1,274	562	960	1,293	1,417
Total governmental activities	4,507	4,812	5,367	4,543	5,608	6,313	5,920	6,500	7,423	7,414
Business-type activities										
Investment Earnings	40	21	76	44	19	31	33	8	2	2
Charges for Services & Miscellaneous	33	46	-	81	78	144	110	6,225	10,191	8,398
Transfers	(642)	(780)	(1,246)	(389)	(1,075)	(1,274)	(562)	(960)	(1,293)	(1,417)
Total business-type activities	(569)	(713)	(1,170)	(264)	(978)	(1,099)	(419)	5,273	8,900	6,983
Total primary gov't revenues	\$3,938	\$4,099	4,197	\$4,279	\$4,630	\$5,214	5,501	11,773	16,323	14,397
<b>CHANGES IN NET POSITION</b>										
Governmental activities	\$ (349)	(\$174)	\$339	(\$890)	(\$263)	\$749	(\$41)	(\$362)	\$ 819	\$1,265
Business-type activities	2,776	(34)	(587)	360	(3,644)	1,017	359	(\$534)	3,046	(405)
Total primary gov't revenues	\$2,427	(\$208)	(\$248)	(\$530)	(\$3,907)	\$1,766	\$318	(\$896)	\$ 3,865	\$ 860

CITY OF PERRY, FLORIDA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
(amounts expressed in thousands)  
Fiscal Year Ended September 30, 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 72	\$ 53	\$ 41	\$ 51	\$ 65	\$ 3	\$ 80	\$ 57	\$ 76	\$ 87
Unassigned	1,881	1,467	1,616	781	459	854	540	751	1,149	1,846
Total general fund	<u>\$ 1,953</u>	<u>\$ 1,520</u>	<u>\$ 1,657</u>	<u>\$ 832</u>	<u>\$ 524</u>	<u>\$ 857</u>	<u>\$ 620</u>	<u>\$ 808</u>	<u>\$ 1,225</u>	<u>\$ 1,933</u>
All Other Governmental Funds										
Restricted	\$ 1,397	\$ 1,448	\$ 1,477	\$ 1,510	\$ 1,456	\$ 1,694	\$ 1,824	\$ 1,786	\$ 2,111	\$ 1,683
Assigned	644	830	826	727	972	661	753	1,220	1,757	1,935
Unassigned:										
Special revenue funds	-	-	-	-	166	514	-	(37)	-	1
Total governmental funds	<u>\$ 3,994</u>	<u>\$ 3,798</u>	<u>\$ 3,960</u>	<u>\$ 3,069</u>	<u>\$ 3,118</u>	<u>\$ 3,726</u>	<u>\$ 3,197</u>	<u>\$ 3,777</u>	<u>\$ 5,093</u>	<u>\$ 5,552</u>

CITY OF PERRY, FLORIDA  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
(amounts expressed in thousands)  
Fiscal Year Ended September 30, 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>REVENUES</b>										
Taxes:										
Property	\$1,006	\$ 1,011	\$1,291	\$1,285	\$1,289	\$1,361	\$1,377	\$1,469	\$1,619	\$ 1,889
Discretionary Sales Tax	-	-	-	-	-	569	687	767	828	351
Telecommunications	298	308	317	247	243	234	227	231	229	228
Franchise	556	599	590	533	520	560	633	586	572	624
Motor Fuel	351	353	372	368	377	394	436	380	404	430
Utility	732	851	762	799	877	749	878	960	958	1,017
Sales Tax 1/2 Cent	361	381	358	374	395	408	469	465	498	570
Licenses & Permits	93	79	80	81	78	77	78	82	87	74
Intergovernmental	475	512	398	389	507	418	562	438	828	511
Fines & Forfeitures	42	41	29	22	36	48	17	28	26	17
Interest	8	4	5	4	5	17	35	9	2	3
Miscellaneous	35	41	44	52	212	746	56	126	79	163
Total Revenues	3,957	\$ 4,180	\$4,246	\$4,154	\$4,539	\$5,581	\$5,455	\$5,541	\$6,130	\$ 5,877
<b>EXPENDITURES</b>										
General Government	1042	1,039	1,121	1,300	1,249	1,316	1,285	1,356	1,301	1,344
Transportation	460	470	492	508	450	626	551	489	553	517
Economic Development	3	1	5	40	22	11	38	77	44	16
Police	2218	2,309	2,273	2,200	2,194	2,278	2,450	2,315	2,563	2,521
Fire	808	847	926	1,108	1,136	1,128	1,270	1,251	1,369	1,411
Garage	98	108	113	121	118	134	129	128	135	144
Capital Outlay	431	383	400	156	397	1,187	391	305	596	428
Total Expenditures	\$5,060	\$ 5,157	\$5,330	\$5,433	\$5,566	\$6,680	\$6,114	\$5,921	\$6,561	\$ 6,381
Excess of revenues over (under) expenditures	(1,103)	(977)	(1,084)	(1,279)	(1,027)	(1,099)	(659)	(380)	(431)	(504)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
OTHER FINANCING SOURCES										
(USES)										
Transfers In	\$1,657	\$1,667	\$2,285	\$1,566	\$1,931	\$2,638	\$1,563	\$1,750	\$2,127	\$2,545
Transfers Out	(1,015)	(887)	(1,040)	(1,177)	(855)	(1,364)	(1,001)	(790)	(834)	(1,128)
Total other financing sources										
(uses)	\$ 642	\$ 780	\$1,245	\$ 389	\$1,076	\$1,274	\$ 562	\$ 960	\$1,293	\$ 1,417
Net Change in fund balances	\$(462)	\$ (197)	\$ 161	\$ (890)	\$ 49	\$ 174	\$ (95)	\$ 579	\$ 862	\$ 913
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	CENTRALLY ASSESSED PROPERTY	TOTAL ASSESSED VALUE	EXEMPTIONS	ASSESSED VALUE FOR OPERATIONS	ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE	ASSESSED VALUE AS A % ESTIMATED ACTUAL	
2013	\$ 186,154,945	\$ 37,844,112	\$ 208,955	\$ 244,208,012	\$ 20,334,887	\$ 223,873,125	\$ 244,208,012	4.5000	100.00%	
2014	\$ 187,554,892	\$ 39,004,706	\$ 278,368	\$ 226,837,966	\$ 2,753,804	\$ 224,084,162	\$ 226,837,966	5.7474	100.00%	
2015	\$ 187,494,142	\$ 39,843,631	\$ 261,471	\$ 227,599,244	\$ 1,760,869	\$ 225,838,375	\$ 227,599,244	5.7474	100.00%	
2016	\$ 185,984,977	\$ 42,434,511	\$ 257,559	\$ 228,677,047	\$ 506,184	\$ 228,170,863	\$ 228,677,047	5.7474	100.00%	
2017	\$ 183,949,813	\$ 42,692,687	\$ 302,613	\$ 226,945,113	\$ 1,533,200	\$ 225,411,913	\$ 226,945,113	6.1200	100.00%	
2018	\$ 182,834,746	\$ 47,087,661	\$ 303,788	\$ 230,226,195	\$ 2,746,572	\$ 227,479,623	\$ 229,087,885	6.0716	100.00%	
2019	\$ 185,351,403	\$ 42,532,325	\$ 1,298,002	\$ 229,181,730	\$ -	\$ 229,181,730	\$ 228,548,284	6.5300	100.00%	
2020	\$ 184,663,145	\$ 73,587,266	\$ 1,397,352	\$ 259,647,763	\$ -	\$ 259,647,763	\$ 234,206,500	6.6744	100.00%	
2021	\$ 195,690,599	\$ 80,731,484	\$ 1,406,542	\$ 277,828,625	\$ -	\$ 277,828,625	\$ 276,282,801	6.5473	100.00%	
2022	\$ 213,281,349	\$ 96,021,352	\$ 313,953	\$ 309,616,654	\$ -	\$ 309,616,654	\$ 303,079,747	6.3587	100.00%	

\*residential & commercial distinction not available

Source: Taylor County Property Appraiser

CITY OF PERRY, FLORIDA  
PROPERTY TAX RATES  
ALL DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

Fiscal Year	CITY OF PERRY			TAYLOR COUNTY				SCHOOLS			WATER MGMT	Grand Total
	Operating Millage	Debt Service Millage	Total Operating Millage	Operating Millage	Debt Service Millage	MSTU Millage	Total County Millage	Operating Millage	Debt Service Millage	Total Operating Millage	Total SRWMD Millage	
2013	4.5000	0.0000	4.5000	7.0113	0.0000	1.1215	8.1328	7.513	0.0000	7.513	0.4143	20.5601
2014	5.7474	0.0000	5.7474	7.0113	0.0000	1.1215	8.1328	7.513	0.0000	7.513	0.4143	21.8075
2015	5.7474	0.0000	5.7474	7.0113	0.0000	1.1215	8.1328	7.513	0.0000	7.513	0.4104	21.8036
2016	5.7474	0.0000	5.7474	7.011	0.0000	1.122	8.1328	7.041	0.0000	7.041	0.4104	21.3316
2017	6.1200	0.0000	6.1200	7.243	0.0000	1.168	8.410	6.787	0.0000	6.787	0.4027	21.7200
2018	6.0716	0.0000	6.0716	7.243	0.0000	1.168	8.410	6.663	0.0000	6.663	0.3948	21.5397
2019	6.5300	0.0000	6.5300	7.243	0.0000	1.225	8.468	6.397	0.0000	6.663	0.0380	21.6990
2020	6.6744	0.0000	6.6744	7.243	0.0000	1.225	8.468	6.152	0.0000	6.152	0.0370	21.3310
2021	6.5473	0.0000	6.5473	7.243	0.0000	1.225	8.468	6.080	0.0000	6.152	0.3620	21.3310
2022	6.3587	0.0000	6.3587	7.243	0.0000	1.225	8.468	5.685	0.0000	5.685	0.3368	20.8481

Source: Taylor County Property Appraiser

CITY OF PERRY, FLORIDA  
PRINCIPAL PROPERTY TAXPAYERS  
FOR TAX LEVY OF FY 2022

TAXPAYERS	2022			2013		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE
West Fraser Southeast	\$25,678,131	1	30.94%	Not Available		
Duke Energy	18,424,366	2	22.20%			
Super Pufft Snacks USA	8,984,310	3	10.83%			
Walmart Supercenter	8,309,489	4	10.01%			
Trio of Perry	5,669,678	5	6.83%			
Consolidated Communication	4,022,667	6	4.85%			
MP Florida Hospitality	3,795,379	7	4.57%			
Comcast of Perry	3,068,686	8	3.70%			
Vystar Credit Union	2,885,903	9	3.48%			
Perrytown Apartments	2,151,434	10	2.59%			
	<u>\$82,990,043</u>		<u>100.00%</u>	<u>\$0</u>		<u>0.00%</u>

Source: Taylor County Property Appraiser



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

FISCAL YEAR	ASSESSED VALUE FOR OPERATION	TOTAL TAX LEVY	TOTAL COLLECTION TO DATE	PERCENTAGE IN FISCAL YEAR OF LEVY	COLLECTIONS OF DELINQUENT TAXES	COLLECTED TO DATE	
2013	\$ 223,558	\$ 931	\$ 971	104.3%	\$42	\$1,013	108.8%
2014	\$ 226,285	\$ 996	\$ 979	98.3%	\$0	\$979	98.3%
2015	\$ 261,471	\$ 1,284	\$ 1,237	96.3%	\$18	\$1,255	97.7%
2016	\$ 257,559	\$ 1,287	\$ 1,113	86.5%	\$137	\$1,250	97.1%
2017	\$ 302,613	\$ 1,388	\$ 1,246	89.8%	\$6	\$1,252	90.2%
2018	\$ 230,226	\$ 1,398	\$ 1,324	94.7%	\$3	\$1,327	94.9%
2019	\$ 229,181	\$ 1,517	\$ 1,340	88.3%	\$2	\$1,342	88.5%
2020	\$ 259,647	\$ 1,733	\$ 1,432	82.6%	\$6	\$1,438	83.0%
2021	\$ 277,828	\$ 1,819	\$ 1,536	84.4%	\$54	\$1,590	87.4%
2022	\$ 309,616	\$ 1,968	\$ 1,746	88.7%	\$115	\$1,861	94.6%

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

Note: Taylor County Tax Collector

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

Source: Taylor County Tax Collector

CITY OF PERRY, FLORIDA  
PRINCIPAL GAS CUSTOMERS  
FOR TAX 2022

GAS CUSTOMERS	2022			2013		
	TOTAL GAS PURCHASED	RANK	% OF TOP GAS REVENUE	TOTAL GAS PURCHASED	RANK	% OF TOTAL GAS REVENUE
Super Pufft	\$ 877,114	1	64.66%	Not Available		
Doctor's Memorial Hospital	\$ 178,087	2	13.13%			
Curt Manufacturing	\$ 123,887	3	9.13%			
Anderson Columbia	\$ 47,040	4	3.47%			
American Aluminium	\$ 30,797	5	2.27%			
Perry Oaks Health Care	\$ 26,735	6	1.97%			
Perrytown Apartments	\$ 21,942	7	1.62%			
Walmarts	\$ 19,717	8	1.45%			
Sheriff	\$ 17,261	9	1.27%			
Mama's Italian	\$ 13,828	10	1.02%			
	<u>\$ 1,356,408</u>		<u>100.00%</u>	<u>\$ -</u>		<u>0.00%</u>

Source: City of Perry Gas Department7

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

FISCAL YEAR	Residential		Schools		Commercial		Business		Number of Customers	
	Volume	Dollars	Volume	Dollars	Volume	Dollars	Volume	Dollars	Residential	Commercial
2013	13,500,600	\$118,792	1,951,000	\$14,437	14,641,500	\$ 153,722	3,901,300	\$ 48,692	1,816	35
2014	32,222,560	\$439,167	2,841,000	\$28,156	50,641,400	\$ 489,305	9,670,960	\$ 62,631	1,619	35
2015	29,661,564	\$449,025	2,260,800	\$25,449	52,588,000	\$ 537,268	4,166,900	\$ 60,870	1,571	35
2016	23,842,720	\$337,878	1,311,900	\$13,768	49,704,700	\$ 563,260	3,665,000	\$ 50,854	1,527	38
2017	20,599,020	\$298,355	956,400	\$10,344	43,208,000	\$ 476,376	3,329,880	\$ 51,667	1,468	36
2018	27,447,311	\$396,909	1,598,200	\$18,747	43,771,600	\$ 475,994	5,405,900	\$ 75,057	1,472	36
2019	22,641,980	\$354,980	2,644,600	\$32,140	75,250,900	\$ 635,822	7,209,300	\$109,038	1,469	37
2020	20,059,980	\$281,713	1,408,500	\$15,036	149,662,000	\$ 753,014	7,348,000	\$101,562	1,432	37
2021	22,801,300	\$355,069	1,285,500	\$15,459	47,293,200	\$ 557,577	6,268,300	\$ 91,583	1,408	37
2022	20,410,400	\$424,605	1,733,000	\$25,338	161,096,641	\$1,412,271	7,063,500	\$131,451	1,376	36

Source: City of Perry Gas Department

CITY OF PERRY, FLORIDA  
RATIOS OF OUTSTANDING DEBT AND GENERAL BOND DEBT BY TYPE  
(expressed in thousands)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Governm't	Taxable Property Value	% of Taxable Property Value	Popu-lation	Per Capita	Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	(-) Debt Service	Water & Sewer Bonds	Capital Leases	(-) Debt Service							
2013	\$ -	\$ -	\$ -	557	\$ -	\$ 310	\$ 247	\$ 244,208	0.10%	7,031	\$ 0.04	\$ 30,953	\$0.01
2014							N/A						
2015							N/A						
2016							N/A						
2017							N/A						
2018							N/A						
2019							N/A						
2020							N/A						
2021	-	-	-	9,740	-	3,288	6,452	\$ 232,153	2.78%	6,932	\$ 0.93	\$ 32,997	\$0.20
2022	-	-	-	6,452	-	184	6,268	\$ 300,339	2.09%	6,920	\$ 0.91	\$ 43,797	\$0.14

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

	Water & Sewer Bonds							Special Assessment Bonds		
Fiscal Year	Water Revenues	Less Water Operating Expenses	Sewer Revenues	Less Sewer Operating Expenses	Debt Service		Coverage	Special Assessment Collections	Principal & Interest	Coverage
					Principal	Interest				
2013	\$1,419	\$773	\$828	\$1,404	\$301	\$9	0.23	-	-	-
2014	N/A							-	-	-
2015	N/A							-	-	-
2016	N/A							-	-	-
2017	N/A							-	-	-
2018	N/A							-	-	-
2019	N/A							-	-	-
2020	N/A							-	-	-
2021	\$2,018	\$777	\$1,279	\$1,042	\$187	\$79	5.56	-	-	-
2022	N/A							-	-	-

Source: Online

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

Fiscal Year	City Population	County Personal Income (in thousands)	County Per Capita Personal Income	Median Age	Education Level of Formal Schooling	School Enrollment	Unemployment Rate
2013	7,031	Not Available	30,953	39.2	12.53	3,178	7.90%
2014	7,073		31,789	35.4	12.8	2,758	6.90%
2015	7,017		30,953	39	11.6	3,400	6.50%
2016	7,017		30,354	37.6	11.8	3,160	5.50%
2017	7,045		31,277	42.0	13.2	3,044	10.90%
2018	7,017		31,536	47.0	13.30	3,123	3.30%
2019	7,039		29,602	37.3	13.30	2,739	8.80%
2020	6,932		32,997	40.6	13.30	2,359	6.70%
2021	6,932		32,997	40.6	13.30	2,359	6.70%
2022	6,920		43,797	40.6	13.30	2,422	6.10%

Source: Online

CITY OF PERRY, FLORIDA  
PRINCIPAL EMPLOYERS  
LAST TEN FISCAL YEARS

Employer	2022			2013		
	Numbers of Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Doctor's Memorial Hosp	250-499	1				
Wal-Mart	250-499	2				
West Fraiser	100-249	3				<b>Not Available</b>
Marshall Health/Rehab	100-249	4				
Super Pufft Snacks	100-249	5	<b>Not available</b>			
Waco Food Stores	50-99	6				
Winn Dixie	50-99	6				
McDonalds	1-49	7				
Hardees	1-49	8				
Vystar Credit Union	1-49	9				
Buckeye Credit Union	1-49	10				

Source: CareerSource

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

Function	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General government	19	19	19	19	17	17	17	17	19	19
Public safety										
Police										
Officers	22	22	22	22	20	21	21	21	21	21
Civilians	3	0	2	2	2	2	2	2	2	2
Fire										
Firefighters and officers	9	9	13	13	12	13	13	13	13	13
Highways & streets	5	5	5	5	5	5	5	5	5	5
Sanitation	9	9	8	10	10	8	8	8	8	8
Water	7	7	6	6	8	6	6	6	6	6
Sewer	7	7	8	7	7	8	8	8	8	8
Gas	5	5	5	5	4	4	4	4	4	5
Rec	0	0	0	0	0	1	1	1	1	1
Total	<u>86</u>	<u>83</u>	<u>88</u>	<u>89</u>	<u>85</u>	<u>85</u>	<u>85</u>	<u>85</u>	<u>87</u>	<u>88</u>

Source: City of Perry



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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Police</b>										
Physical arrests	-	785	682	721	556	626	788	548	579	N/A
Written reports by officers	-	1,337	1,377	1,462	1,529	1,460	1,508	2,055	2,813	
Traffic violations	-	605	373	568	496	635	2,795	1,965	1,885	
Total events reported	-	19,216	19,316	18,115	19,727	18,552	15,529	10,542	10,694	
<b>Fire</b>										
Number of calls answered	1,005	1,043	1,015	1,116	1,091	1,076	1,012	552	440	593
Inspections	63	49	53	45	39	36	64	57	51	63
Lift assists	N/A									90
<b>Building Inspections</b>										
Number of permits	294	250	301	268	299	305	266	320	278	237
Permit value (in thousands)	5,650	4,187	4,306	2,851	5,938	7,150	6,557	20,210	34,185	10,616
<b>Highways &amp; streets</b>										
Streets resurfaced (miles)	-	1	1	-	-	5	3	3	1	1
Potholes repaired (tons)	41.56	47	24	48	48	99	48	48	110	55
<b>Sanitation</b>										
Tons collected per day (avg)	11.4	11.5	10.7	10.6	10.67	8.85	8.39	10.16	10.79	9.89

Source: City of Perry

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water										
New Customers	10	10	8	35	16	18	19	19	17	24
Water Main Breaks	-	-	-	-	-	-	-	-	-	-
Average daily consumption	1.67M	1.67M	0.0	1.5M	1.5M	1.5M	1.5M	1.5M	1.5M	1.5M
Sewer										
Daily sewage treatment (avg)	0.879	1.093	0.783	1.089	0.64	1.011	1.5	1.5	1.5	1
Gas										
New Customers	16	10	11	10	15	12	15	15	11	9
Line leaks	-	-	-	-	-	-	-	-	-	-

Source: City of Perry

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	15	15	15	15	15	15	15	15	15
Fire stations	1	1	1	1	1	1	1	1	1	1
Highways & streets										
Streets (miles)	72	72	72	72	72	72	72	72	72	72
Street lights	1,063	1,063	1,063	1,063	1,079	1,079	1,079	1,079	1,079	1,079
Traffic signals	15	15	15	15	15	15	15	15	15	15
Recreation										
Parks acreage	99	99	100	110	110	110	110	110	110	110
Parks	13	13	13	13	13	13	13	13	13	13
Splash Pads	2	2	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains	91	91	91	91	91	91	91	91	91	91
Fire hydrants	383	384	384	384	384	384	384	384	384	384
Millions gallons per day	3	3	3	3	3	3	3	3	3	3
Sewer										
Miles of sewer	50	50	50	50	50	50	50	50	50	50
Millions gallons per day	1.2	1.2	1.2	1.2	1.2	1	1	1	1	1.25
Gas										
Miles of line	94	94	94	94	94	94	94	94	94	94
Sanitation										
Number of trucks (trash)	4	4	4	4	4	4	4	4	4	4
Number of trucks (garbage)	3	3	3	3	3	3	3	3	3	3

Source: City of Perry

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## **COMPLIANCE SECTION**

**Schedule of Expenditures of Federal and State Awards**

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

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

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

**Independent Accountant's Report**

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**CITY OF PERRY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
For the Fiscal Year Ended September 30, 2022

<u>Program Titles and Grant Numbers</u>	<u>Assistance Listing #/ CSFA#</u>	<u>Award Number</u>	<u>Award/Contract Amount</u>	<u>Revenue/Loan Proceeds Recognized in Prior Year</u>	<u>Revenue/Loan Proceeds Recognized in Current Year</u>	<u>Program Expenses</u>
<b>Federal Awards</b>						
<i>U.S. Department of Agriculture</i>						
Community Facilities Grant	10.766	USDA-1	\$ 64,600	\$ -	\$ 64,600	\$ 64,600
<i>U.S. Department of Treasury</i>						
<i>passed through Florida Executive Office of the Governor</i>						
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5263	\$ 3,445,372	\$ -	\$ 393,991	\$ 393,991
<i>U.S. Environmental Protection Agency (EPA)</i>						
<i>passed through Florida Department of Environmental Protection</i>						
Drinking Water SRF Loan	66.468	DW620260	175,000	-	-	175,000
<b>Total Federal Awards</b>			<u>\$ 3,684,972</u>	<u>\$ -</u>	<u>\$ 458,591</u>	<u>\$ 633,591</u>
<b>State Awards</b>						
<i>State of Florida Department of Transportation</i>						
Small County Outreach Program	55.009	G1V98	208,478	-	50,000	50,000
<b>Total State Awards</b>			<u>\$ 208,478</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</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, 2022

I. Basis of Presentation

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

II. Indirect Cost Rate

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

III. Summary of Significant Accounting Policies

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of Perry, Florida (the “City”), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated April 25, 2023.

**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.

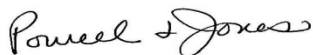
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 of Perry, Florida'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 and Jones".

**Powell and Jones CPA**  
Lake City, Florida  
April 25, 2023

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

Honorable Mayor and City Council  
City of Perry, Florida

We have audited the basic financial statements of the City of Perry, Florida (the “City”) as of and for the year ended September 30, 2022, and have issued our report thereon dated April 25, 2022, which is unmodified.

We have issued our Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated April 25, 2023. Disclosures in these reports, if any, should be considered in conjunction with this management letter.

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

**PRIOR YEAR FINDINGS** - There were no reportable findings in the prior year.

**CURRENT YEAR FINDINGS** - There were no reportable findings in the current year.

**FINANCIAL COMPLIANCE MATTERS**

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

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

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

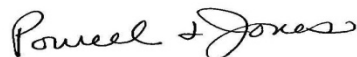
Data Element	Reference	Comment
The total number of CRA employees compensated in the last pay period of the CRA's fiscal year being reported	Section 218.32(1)(e)(2)(a)	The CRA has no employees
the total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA' fiscal year being reported.	Section 218.32(1)(e)(2)(b)	0
All compensation earned by or awarded to the CRA employees, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(c)	The CRA has no employees
All compensation earned by or awarded to CRA nonemployees, independent contractors whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(d)	\$0
Budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amended a final adopted budget under Section 189.016(6), Florida Statutes.	Section 218.32(1)(e)(3)	See page 106 of this annual financial report.
Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.	Section 218.32(1)(e)(2)(e)	None

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

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

## CONCLUSION

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



**Powell and Jones CPA**  
Lake City, Florida  
April 25, 2023

## INDEPENDENT ACCOUNTANT'S REPORT

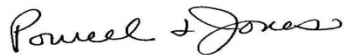
Honorable Mayor and City Council  
City of Perry, Florida

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, 2022. 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, 2022. 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, 2022.

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  
April 25, 2023