

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2020**



**CITY OF PERRY  
FLORIDA**



CITY OF PERRY, FLORIDA

COUNCIL-MANAGER FORM OF GOVERNMENT

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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

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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April 27, 2021

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

Comprehensive Annual Financial Report of the City of Perry, Florida, for the fiscal year ended September 30, 2020, is submitted herewith pursuant to Section 5.12 of the City Charter, State of Florida Statutes Chapter 166.241 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 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 10.00% as of July 1, 2020, 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 2020/21 budget year the projects that made it were the new Water Plant, vehicles for several departments and as always street improvements. 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. This was also the year Covid-19 came to be so we cut spending as much as possible, suspended penalties and late fees and cutting off utilities for 10 months.

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 2020, Water Department has been featured. We are rehabbing our water plant and filters, 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 Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the thirtieth 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 Comprehensive Annual 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**

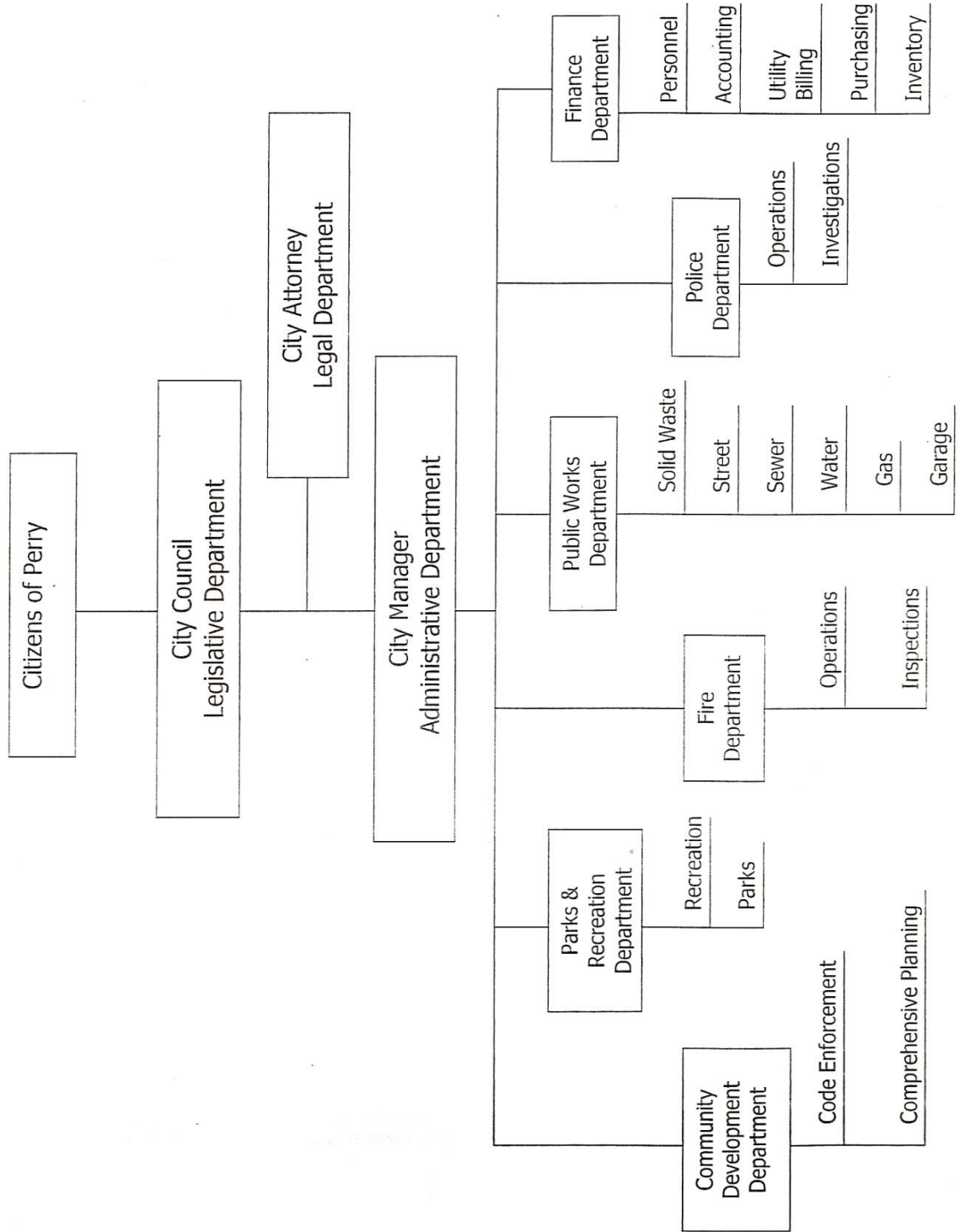
**For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended**

**September 30, 2019**

*Christopher P. Morill*

**Executive Director/CEO**

CITY OF PERRY ORGANIZATIONAL CHART





CITY OF PERRY, FLORIDA  
LISTING OF CITY OFFICIALS  
As of September 30, 2020

CITY OFFICIALS

Mayor	Alan Hall
Vice Mayor/Council Member	Venita Woodfaulk
Council Members	Shirlie Hampton Ward Ketring Mike Deming

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 & Jones**  
Certified Public Accountants

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Marian Jones Powell, CPA

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Fax: 386 / 719-5504  
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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Honorable Mayor and City Council  
City of Perry  
Perry, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Perry, Florida, as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Perry, Florida's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained by Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Perry, Florida as of September 30, 2020, and the respective changes in financial position and cash flows, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 27 through 39, the budgetary comparison information on pages 98 through 102, and the pension and OPEB schedules on page 103 through 115, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Perry, Florida's financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by *Chapter 10.550 Rules of the Auditor General of Florida* and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, additional pension schedules, combining financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements and additional pension schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining financial statements are 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 15, 2021, on our consideration of the City of Perry, Florida'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 of Perry, Florida's internal control over financial reporting and compliance.



**POWELL & JONES**  
Certified Public Accountants  
March 15, 2021

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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) Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. 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**

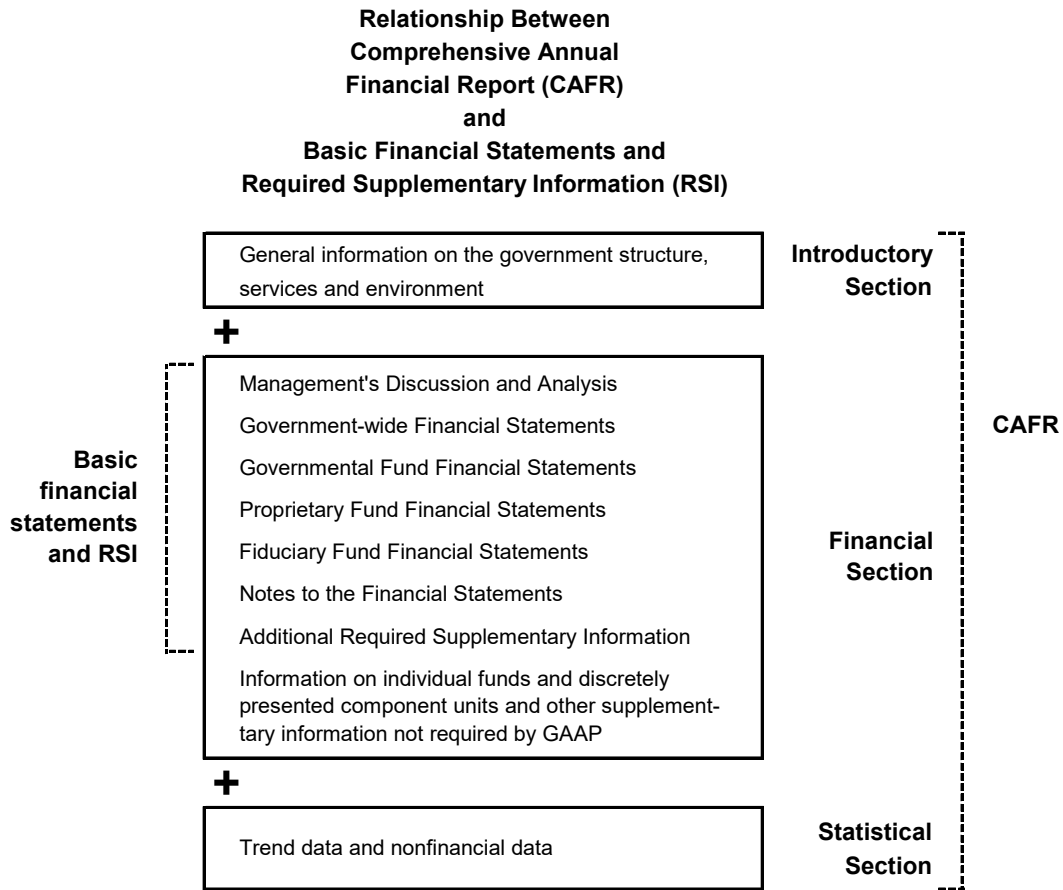
- Assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$19.7 million (net position).
- The government's total net position decreased by 2.9% during the fiscal year.
- As of September 30, 2020, the City's governmental funds reported combined ending fund balances of \$3.2 million. Approximately 19% of this total amount, \$714,504 are unassigned and assigned fund balances available for spending at the government's discretion.
- At the close of the current fiscal year, unassigned fund balance for the general fund was \$751,043 or 12.97% of total general fund expenditures of \$5.8 million.
- The City's cash amount of \$9,842,086 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, net position decreased by \$896,974 compared to the last fiscal year.

The largest portion of the City's net position is \$35 million. They are the net investment in capital assets (e.g., land, buildings, machinery and equipment) used to acquire those assets that is still outstanding. 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 \$2.5 million, represents resources that are unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

#### Statement of Net Position

As of September 30, 2020 and 2019

	Governmental Activities		Business- Type Activities		Total		Total % Change
	2020	2019	2020	2019	2020	2019	2019-20
<b>Assets</b>							
Current and other assets	\$4,166,249	\$3,625,311	\$ 6,293,883	\$ 6,198,174	\$10,460,132	\$ 9,823,485	6.5%
Capital Assets	3,145,270	3,225,398	31,790,574	30,369,281	34,935,844	33,594,679	4.0%
Total Assets	7,311,519	6,850,709	38,084,457	36,567,455	45,395,976	43,418,164	4.6%
Deferred outflows	1,763,700	1,650,349	323,870	311,434	2,087,570	2,398,113	11.0%
<b>Liabilities</b>							
Long-term liabilities outstanding	4,259,243	3,137,787	11,095,212	9,097,274	15,354,455	12,235,061	25.5%
Other liabilities	613,676	610,538	1,364,862	1,280,903	1,978,538	1,891,441	4.6%
Total Liabilities	4,872,919	3,748,325	12,460,074	10,378,177	17,332,993	14,126,502	22.7%
Deferred inflows	336,020	524,151	91,162	108,949	427,182	592,580	2.9%
<b>Net Position</b>							
Net investment in capital assets	3,145,270	3,225,398	22,050,481	22,401,190	25,195,751	25,626,588	-1.7%
Restricted	1,784,002	1,871,863	645,864	593,709	2,429,866	2,465,572	-1.4%
Unrestricted	(\$1,062,992)	(868,679)	3,160,746	3,396,864	2,097,754	2,528,185	-17.0%
Total Net Position	\$3,866,280	\$4,228,582	\$25,857,091	\$26,391,763	\$29,723,371	\$30,620,345	-2.9%

The remaining balance of \$2.5 million, (7%), 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, decreased by \$896,974 during the current fiscal year. The decrease in the government is 2.9%.

#### Statement of Changes in Net Position

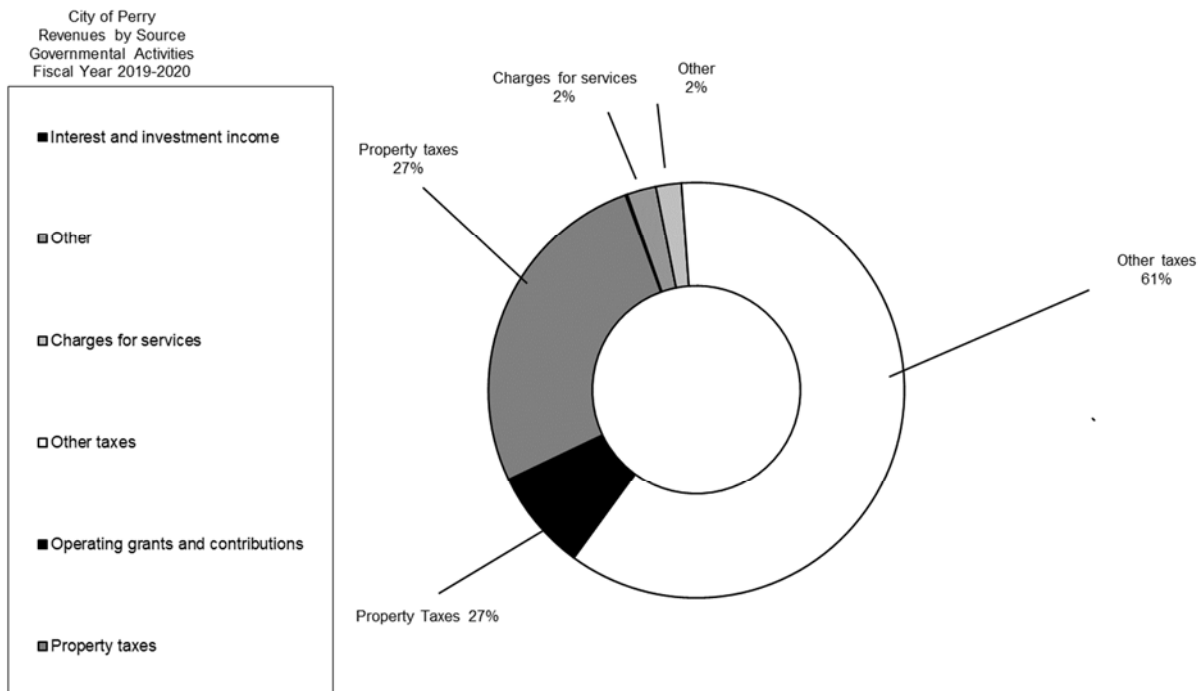
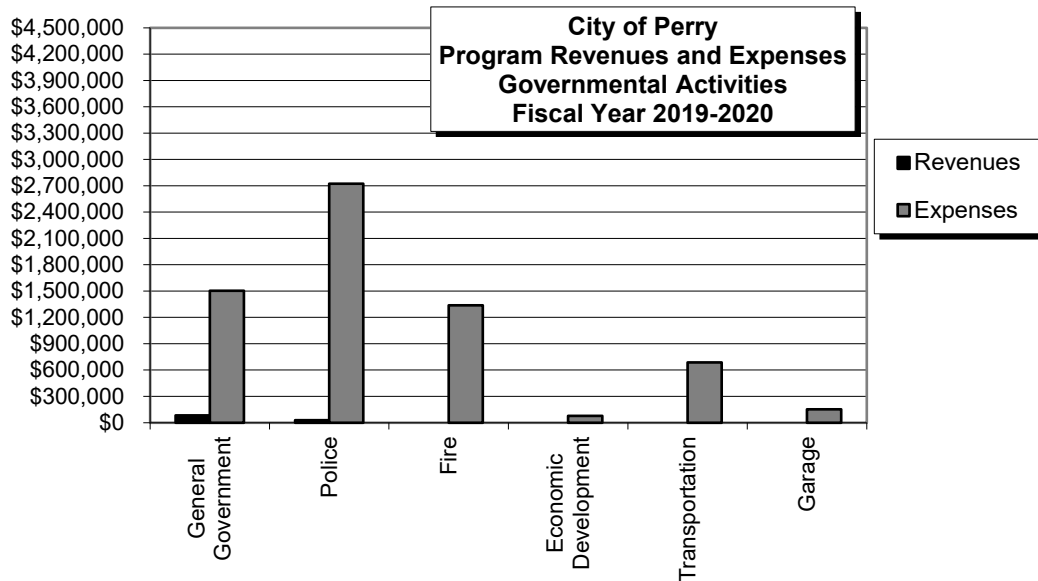
Fiscal Years Ended

Sept. 30, 2020 and 2019

	Governmental		Business-Type		Total		Total % Change 2019-20
	Activities		Activities				
	2020	2019	2020	2019	2020	2019	
<b>Revenues</b>							
Program revenues:							
Charges for services	\$ 109,517	\$ 95,790	\$ 5,277,754	\$ 5,354,446	\$ 5,387,271	\$ 5,450,236	-1.2%
Operating grants and contributions	437,690	561,984	-	-	437,690	561,984	100.0%
Capital grants and contributions	-	-	818,053	1,003,888	818,053	1,003,888	0.0%
General revenues:							
Property taxes	1,469,103	1,376,715	-	-	1,469,103	1,376,715	6.7%
Business taxes	960,048	878,030	-	-	960,048	878,030	9.3%
Other taxes and revenues	2,429,263	2,451,964	-	-	2,429,263	2,451,964	-0.9%
Interest and investment income	9,021	35,284	8,630	32,839	17,651	68,123	-74.1%
Other	125,697	56,274	128,853	110,358	254,550	166,632	52.8%
Total revenues	5,540,339	5,456,041	6,233,290	6,501,531	11,773,629	11,957,572	-1.5%
<b>Expenses</b>							
General Government	1,503,262	1,374,256	-	-	1,503,262	1,374,256	9.4%
Garage	151,790	137,115	-	-	151,790	137,115	10.7%
Public Safety	4,443,552	3,957,665	-	-	4,443,552	3,957,665	12.3%
Economic Development	77,394	37,836	-	-	77,394	37,836	104.6%
Transportation	686,643	551,941	-	-	686,643	551,941	24.4%
Recreation	-	-	345,850	430,876	345,850	430,876	-19.7%
Water	-	-	1,119,291	1,050,281	1,119,291	1,050,281	6.6%
Gas	-	-	970,875	855,146	970,875	855,146	13.5%
Solid Waste	-	-	757,988	654,002	757,988	654,002	15.9%
Sewer	-	-	2,238,196	2,188,992	2,238,196	2,188,992	2.2%
Inventory	-	-	375,762	401,291	375,762	401,291	-6.4%
Total expenses	6,862,641	6,058,813	5,807,962	5,580,588	12,670,603	11,639,401	8.9%
Increase (decrease) in net position before transfers	(1,322,302)	(602,772)	425,328	920,943	(896,974)	318,171	-381.9%
Transfers	960,000	561,932	(960,000)	(561,932)	-	-	0.0%
Change in net position	(362,302)	(40,840)	(534,672)	359,011	(896,974)	318,171	-381.9%
Net position at beginning of year	4,228,582	4,269,422	26,391,763	26,032,752	30,620,345	30,302,174	1.0%
Net position at end of year	\$ 3,866,280	\$ 4,228,582	\$ 25,857,091	\$ 26,391,763	\$ 29,723,371	\$ 30,620,345	-2.9%



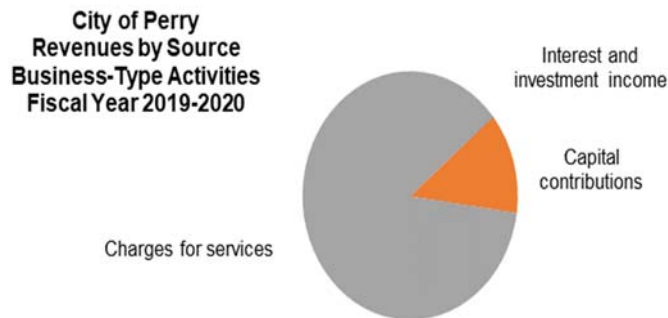
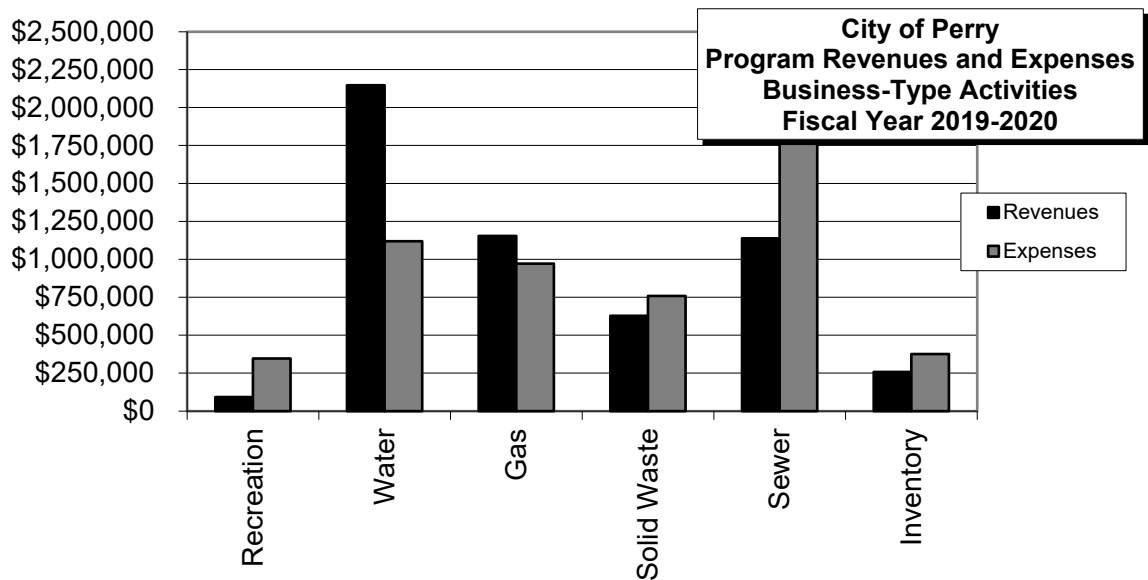
Governmental activities decreased the City’s net position by \$362,302. The Business-type activities had an increase of \$534,672 in the net position of the City. Key factors are as follows: Total revenues for all of the governmental funds overall had a large increase from the previous year was due to other taxes and revenues.



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 (42.03%), followed by General Government (23.19%). General revenues such as property, business, and privilege taxes are not shown by program, but are effectively used to support program activities citywide. For governmental activities overall, without regard to program, Other taxes are the largest single source of funds (61%), followed by Property taxes (27%) and Operating grants and contribution (8%).

Business-type activities decreased the City’s net position by \$534,672. Key factors are as follows:

Before transfers, the business-type activities reported a decrease in net position of \$495,615. Business-type activities generally set charges for services to cover the individual funds’ operating expenses and transfers to the general fund. In the Water Revenue Fund and Gas Fund, revenue is sufficient to cover the operating expenses and the transfers. Transfers totaled \$960,000.



As shown in the charts above, the sewer department reported the largest amount of expense, \$2.2 million (38.54%), followed by the water department, \$1.1 million (19.27%), and the gas department, \$1.1 million (16.72%). Fees for water provided the largest amount of revenues \$2.1 million (39.65%), followed by gas \$1.2 million (21.30%) and sewer \$1.1 million (21.01%).

## **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 \$3.7 million, a increase of \$579,360 in comparison with the prior year. This increase is primarily due to larger transfers than the previous year. Approximately 19% of this total amount, \$714,504 constitutes assigned unassigned fund balances, which are available for spending at the City's discretion (see pages 27 and 29). 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 \$5.5 million for the current fiscal year. Expenditures totaled \$5.9 million, which means that expenditures exceeded revenues before transfers by approximately \$380,000, or 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 \$751,043, and total fund balance was \$714,504. 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 13% of total general fund expenditures of \$5.7 million, while total fund balance represents 14% of that same amount.

The fund balance of the City's general fund increased by \$327,312 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 \$961,183, 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 \$312,526, which is 6% of the total governmental revenue. The proceeds supported the street department and paving projects. Gas Tax is slightly higher than previous years.

The utility tax fund's fund balance increase by \$466,104 as a result of lesser interfund transfers. The local option gas tax fund's fund balance decreased by \$32,424 due to higher interfund transfer.

### **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 \$923,576, the Sewer Revenue Fund was \$270,604, the Water Revenue Fund was \$1.5 million, the Solid Waste Fund was (\$130,932), the Recreation Fund was \$163,972 and the Inventory Fund was \$419,900.

The total change in net position for the enterprise funds was a decrease of \$534,672.

Factors concerning the finances of these funds show the largest change was Gas, Water and Sewer Funds where the accounts receivables were written off. The equity in the 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 \$13.3 million, which represents an increase of \$1.1 million over the prior fiscal year. This increase is primarily due to a gain 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 other resources were over budgetary estimates by \$102,582. Actual expenditures and other uses were under than budgetary estimates by \$558,821. The total of these two factors represents a favorable variance with the budget of \$456,239. The increased revenues from franchise and intergovernmental contributed to the increase, also reduced expenses from most departments were the main contributors to the favorable budget variance. The expenses reported budgeted expenditures of \$7 million and actual expenditures of \$6 million, which represents a favorable variance of \$558,821.

## Capital Assets and Debt Administration

### Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2020, amount to \$35 million (net of accumulated depreciation). Capital assets include land, buildings, improvements, equipment, and infrastructure. The overall total increase in the City's capital assets (net of accumulated depreciation) for the current fiscal year was 22.03%, an 2.48% decrease for governmental activities and 4.91% increase for business-type activities as shown in the table below.

#### **Capital Assets, Net of Depreciation** September 30, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 298,161	\$ 2,264,256	\$ 2,562,417
Buildings	233,887	178,207	412,094
Improvements	1,215,888	364,006	1,579,894
Equipment	1,397,334	1,433,903	2,831,237
Infrastructure	-	27,620,879	27,620,879
<b>Total</b>	<b>\$ 3,145,270</b>	<b>\$ 31,861,251</b>	<b>\$ 35,006,521</b>

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 the 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, 2020:

#### **Outstanding Debt** September 30, 2020

	<b>Governmental</b> <b>Activities</b>	<b>Business-Type</b> <b>Activities</b>	<b>Total</b>
SRF Pre Construction Loan	\$ -	\$ 169,325	\$ 169,325
SRF Sewer Loan	-	6,629,368	6,629,368
SRF Water Loan	-	15,400	15,400
USDA Bond Payable	-	2,926,000	2,926,000
Compensated Absences	352,358	66,531	418,889
OPEB Payable	765,137	425,415	1,190,552
Net Pension Liability	3,365,721	1,138,487	4,504,208
<b>Total long-term liabilities</b>	<b>\$ 4,483,216</b>	<b>\$ 11,370,526</b>	<b>\$15,853,742</b>

At the end of the current fiscal year, the City had total long-term obligations outstanding of approximately \$ 15.4 million. A pre-construction loan for the upcoming sewer plant is \$184,725 to develop engineering plans. Fiscal year 2018 the City closed on a USDA bond for \$2,926,000, this loan calls for payments of principal and interest yearly beginning September 13,2021. During the current year, the City closed on an SRF loan for sewer, the amount disbursed this fiscal year was \$6,541,488. 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 \$1,190,522. The GASB requires the recording of a liability for the estimated future unfunded balances of employee pension plans. This net pension liability was actuarially determined and recorded in the amount of \$4,504,208. The remainder consists of compensated absences in the amount of \$418,889.

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 2019-2020 budget process the overall economy was looked at, and since things appeared to be sluggish we didn't want to raise any revenues for the public and was very conservative on expenditures and only necessary capital outlay was considered. Also, 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. Due to a sluggish economy no rate increases were considered to help ease utility customer's situations.

Purchased gas represents almost 40% of the gas utility budget. A gas supply agreement was made and helps stabilize the prices for our natural gas customers.

#### Fiscal Year 2020's Budget and Rates

The City's operating budget for fiscal year 2020 totals \$4.6 million, \$4.7 million for the General Fund and \$2.9 million for the Enterprise Funds. The General Fund consists of general government activities as well as police, fire, economic development, transportation, and garage. The Enterprise Funds are expected to be self-supporting from user fees and charges for services. The Enterprise Funds consist of recreation, water, gas, sewer, solid waste, and inventory.

For the 2020 fiscal year, the millage rate is 6.6%. Ad valorem taxes provide 27% of total tax revenues for the City's General Fund.

Personnel expenditures account for 62% of the City's operating budget. The City had 89 full-time positions at the end of fiscal year 2020.

The City's Capital Outlay Budget totals \$882,751 with \$489,751 budgeted in the General Fund and \$393,000 in the Enterprise Funds. Some of the capital projects include miscellaneous items for lift station,

several trucks and police gear. The City will be getting a grant for water filters. 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 2024 that totals \$11.6 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, 2020

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,067,091	\$ 4,882,852	\$ 6,949,943
Receivables (net of allowance for uncollectibles)	146,534	462,669	609,203
Due from other governments	203,961	645,864	849,825
Inventories	-	302,498	302,498
Restricted Assets:			
Temporarily restricted:			
Cash and cash equivalents	1,748,663	-	1,748,663
Capital Assets (net of accumulated depreciation):			
Land	298,161	2,264,256	2,562,417
Depreciable - Net	<u>2,847,109</u>	<u>29,526,318</u>	<u>32,373,427</u>
Total Assets	<u>7,311,519</u>	<u>38,084,457</u>	<u>45,395,976</u>
DEFERRED OUTFLOWS	<u>1,763,700</u>	<u>323,870</u>	<u>2,087,570</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and other current liabilities	352,697	840,269	1,192,966
Unearned revenue, grants	35,806	-	35,806
Customer deposits	1,200	249,279	250,479
Compensated Absences	223,973	56,252	280,225
SRF Loan - current portion	-	154,146	154,146
USDA Loan - current portion	-	45,000	45,000
Preconstruction Loan - current portion	-	4,395	4,395
Total Current liabilities	<u>613,676</u>	<u>1,349,341</u>	<u>1,963,017</u>
Noncurrent Liabilities			
SRF Loan	-	6,475,222	6,475,222
Preconstruction Loan	-	180,330	180,330
USDA Loan	-	2,881,000	2,881,000
OPEB Payable	765,137	425,415	1,190,552
Compensated Absences	128,385	10,279	138,664
Net Pension Liability	<u>3,365,721</u>	<u>1,138,487</u>	<u>4,504,208</u>
Total noncurrent liabilities	<u>4,259,243</u>	<u>11,110,733</u>	<u>15,369,976</u>
<u>Total liabilities</u>	<u>4,872,919</u>	<u>12,460,074</u>	<u>17,332,993</u>
DEFERRED INFLOWS	<u>336,020</u>	<u>91,162</u>	<u>427,182</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,145,270	22,050,481	25,195,751
Restricted for:			
Capital Projects	-	645,864	645,864
Pay Station	6,824	-	6,824
Local Option Gas Tax	1,521,442	-	1,521,442
Law Enforcement	49,872	-	49,872
Revitalization	169,325	-	169,325
Unrestricted	(\$1,026,453)	3,160,746	2,134,293
Total net position	<u>\$ 3,866,280</u>	<u>\$ 25,857,091</u>	<u>\$ 29,723,371</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, 2020

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
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 1,503,262	\$ 81,817	\$ 312,732	\$ -	\$(1,108,713)	\$ -	\$ (1,108,713)
Public Works Transportation	686,643	-	-	-	(686,643)	-	(686,643)
Community Redevelopment	77,394	-	-	-	(77,394)	-	(77,394)
Public Safety	4,443,552	27,700	124,958	-	(4,290,894)	-	(4,290,894)
Public Works City Garage	151,790	-	-	-	(151,790)	-	(151,790)
<b>Total Governmental Activities</b>	<b>6,862,641</b>	<b>109,517</b>	<b>437,690</b>	<b>-</b>	<b>(6,315,434)</b>	<b>-</b>	<b>(6,315,434)</b>
<b>Business-type Activities:</b>							
Gas	970,875	1,118,520	-	-	-	147,645	147,645
Sewer	2,238,196	1,133,224	-	117,867	-	(987,105)	(987,105)
Water	1,119,291	2,140,556	-	700,186	-	1,721,451	1,721,451
Solid Waste	757,988	627,257	-	-	-	(130,731)	(130,731)
Recreation	345,850	1,000	-	-	-	(344,850)	(344,850)
Inventory	375,762	257,197	-	-	-	(118,565)	(118,565)
<b>Total business-type activities</b>	<b>5,807,962</b>	<b>5,277,754</b>	<b>-</b>	<b>818,053</b>	<b>-</b>	<b>287,845</b>	<b>287,845</b>
<b>Total Primary Government</b>	<b>\$ 12,670,603</b>	<b>\$ 5,387,271</b>	<b>\$ 437,690</b>	<b>\$ 818,053</b>	<b>(6,315,434)</b>	<b>287,845</b>	<b>(6,027,589)</b>
<b>General Revenues</b>							
Property Taxes					1,469,103	-	1,469,103
Discretionary Tax					767,180	-	767,180
Franchise Tax					585,606	-	585,606
Telecommunications Tax					231,206	-	231,206
Motor Fuel Tax					380,020	-	380,020
Sales Tax					465,251	-	465,251
Utility Taxes					960,048	-	960,048
Interest					9,021	8,630	17,651
Miscellaneous					125,697	128,853	254,550
Transfers					960,000	(960,000)	-
<b>Total Revenues &amp; Transfers</b>					<b>5,953,132</b>	<b>(822,517)</b>	<b>5,130,615</b>
<b>Change in net position</b>					<b>(362,302)</b>	<b>(534,672)</b>	<b>(896,974)</b>
<b>Net Position - Beginning</b>					<b>4,228,582</b>	<b>26,391,763</b>	<b>30,620,345</b>
<b>Net Position - Ending</b>					<b>\$ 3,866,280</b>	<b>\$ 25,857,091</b>	<b>\$ 29,723,371</b>

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

CITY OF PERRY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2020

	General	Community Redevelopment	Utility Tax Revenue	Local Option Gas Tax	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 937,708	\$ -	\$1,129,383	\$ -	\$ 2,067,091
Receivables (net of allowance for uncollectibles)	56,359	-	90,175	-	146,534
Due from other governments	145,479	-	-	58,482	203,961
Cash - Restricted	56,696	170,525	-	1,521,442	1,748,663
<u>Total Assets</u>	<u>1,196,242</u>	<u>170,525</u>	<u>1,219,558</u>	<u>1,579,924</u>	<u>4,166,249</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	207,535	-	-	-	207,535
Accrued Liabilities	145,162	-	-	-	145,162
Deposits	-	1,200	-	-	1,200
Unearned revenues	35,806	-	-	-	35,806
<u>Total Liabilities</u>	<u>388,503</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>389,703</u>
Fund Balances:					
Restricted	56,696	169,325	-	1,579,924	1,805,945
Assigned	-	-	1,219,558	-	1,219,558
Unassigned	751,043	-	-	-	751,043
<u>Total Fund Balances</u>	<u>807,739</u>	<u>169,325</u>	<u>1,219,558</u>	<u>1,579,924</u>	<u>3,776,546</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 1,196,242</u>	<u>\$ 170,525</u>	<u>\$1,219,558</u>	<u>\$ 1,579,924</u>	<u>\$ 4,166,249</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, 2020

Fund Balances - Total governmental funds	3,776,546
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.	3,145,270
Net Pension Liability (Police, Fire, FRS)	(3,365,721)
Deferred outflows (Police, Fire, FRS)	1,763,700
Deferred inflows (Police, Fire, FRS)	(336,020)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.	
OPEB Liability	(765,137)
Compensated absences	<u>(352,358)</u>
Net Position of governmental activities	<u><u>\$3,866,280</u></u>

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, 2020

	General	Community Redevelopment	Utility Tax Revenue	Local Option Gas Tax	Total Governmental Funds
<b><u>REVENUES</u></b>					
Taxes:					
Property	\$ 1,438,665	\$ 30,438	\$ -	\$ -	\$ 1,469,103
Discretionary Sales Tax	767,180	-	-	-	767,180
Telecommunications	231,206	-	-	-	231,206
Franchise	585,606	-	-	-	585,606
Motor Fuel	71,590	-	-	308,430	380,020
Utility	-	-	960,048	-	960,048
Sales Tax - 1/2 Cent	465,251	-	-	-	465,251
Licenses and permits	81,817	-	-	-	81,817
Intergovernmental	437,690	-	-	-	437,690
Fines and forfeitures	27,700	-	-	-	27,700
Interest	3,790	-	1,135	4,096	9,021
Miscellaneous	115,280	10,417	-	-	125,697
<u>Total Revenues</u>	<u>4,225,775</u>	<u>40,855</u>	<u>961,183</u>	<u>312,526</u>	<u>5,540,339</u>
<b><u>EXPENDITURES</u></b>					
Current:					
General Government	1,301,195	-	55,079	-	1,356,274
Garage	128,018	-	-	-	128,018
Police	2,314,779	-	-	-	2,314,779
Fire	1,250,688	-	-	-	1,250,688
Public Work Transportation	488,826	-	-	-	488,826
Economic Development	-	77,394	-	-	77,394
Capital Outlay	305,000	-	-	-	305,000
<u>Total Expenditures</u>	<u>5,788,506</u>	<u>77,394</u>	<u>55,079</u>	<u>-</u>	<u>5,920,979</u>
<u>Excess (deficiency) of revenues over (under) expenditures</u>	<u>(1,562,731)</u>	<u>(36,539)</u>	<u>906,104</u>	<u>312,526</u>	<u>(380,640)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers In	1,750,000	-	-	-	1,750,000
Transfers Out	-	-	(440,000)	(350,000)	(790,000)
<u>Total other financing sources and uses</u>	<u>1,750,000</u>	<u>-</u>	<u>(440,000)</u>	<u>(350,000)</u>	<u>960,000</u>
<u>Net change in fund balances</u>	<u>187,269</u>	<u>(36,539)</u>	<u>466,104</u>	<u>(37,474)</u>	<u>579,360</u>
<u>Fund balances - beginning</u>	<u>620,470</u>	<u>205,864</u>	<u>753,454</u>	<u>1,617,398</u>	<u>3,197,186</u>
<u>Fund balances - ending</u>	<u>\$ 807,739</u>	<u>\$ 169,325</u>	<u>\$ 1,219,558</u>	<u>\$ 1,579,924</u>	<u>\$ 3,776,546</u>

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

CITY OF PERRY, FLORIDA  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended September 30, 2020

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

Net change in fund balances -- total governmental funds	579,360
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 \$305,000 was less depreciation of \$385,128 in the current period.	
	(80,128)
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)	(246,364)
Net change in compensated absences	(45,699)
Net change in deferred inflows/outflows	301,481
Net change in pension liability	(870,952)
Change in net position of governmental activities	(362,302)

The accompanying notes are an integral part of these financial statements



CITY OF PERRY, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2020  
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	\$ 1,178,329	\$ 823,204	\$ 2,284,908	\$ 178,123	\$ 224,750	\$ 193,538	\$ 4,882,852
Accounts Receivable (Net)	76,703	93,646	235,033	50,277	7,010	-	462,669
Grants Receivable	-	117,867	527,997	-	-	-	645,864
Inventories	-	-	-	-	-	302,498	302,498
<b>Total Current Assets</b>	<u>1,255,032</u>	<u>1,034,717</u>	<u>3,047,938</u>	<u>228,400</u>	<u>231,760</u>	<u>496,036</u>	<u>6,293,883</u>
Capital Assets:							
Land	-	547,530	1,505,410	-	211,316	-	2,264,256
Buildings and System	-	76,387	7,318	10,295	832,178	100,741	1,026,919
Machinery, Equipment, and Infrastructure	1,634,330	34,843,256	9,394,910	1,141,714	3,321,012	64,886	50,400,108
Less Accumulated Depreciation	(1,408,218)	(11,941,239)	(6,151,169)	(680,059)	(1,615,959)	(104,065)	(21,900,709)
<b>Total Non-Current Assets</b>	<u>226,112</u>	<u>23,525,934</u>	<u>4,756,469</u>	<u>471,950</u>	<u>2,748,547</u>	<u>61,562</u>	<u>31,790,574</u>
<b>Total Assets</b>	<u>1,481,144</u>	<u>24,560,651</u>	<u>7,804,407</u>	<u>700,350</u>	<u>2,980,307</u>	<u>557,598</u>	<u>38,084,457</u>
<b>DEFERRED OUTFLOWS</b>	<u>49,959</u>	<u>109,547</u>	<u>78,776</u>	<u>56,330</u>	<u>14,843</u>	<u>14,415</u>	<u>323,870</u>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	7,773	166,244	545,998	51,786	24,278	10,277	806,356
Due to Other Fund	-	-	-	-	-	-	-
Accrued Liabilities	5,181	13,443	7,971	4,186	771	2,361	33,913
Compensated Absences	10,480	24,950	10,708	2,766	889	6,459	56,252
SRF Loan	-	154,146	4,395	-	-	-	158,541
USDA Loan	-	45,000	-	-	-	-	45,000
Pre Construction loan	-	15,521	-	-	-	-	15,521
Utility Deposits	111,620	-	136,303	1,356	-	-	249,279
<b>Total Current Liabilities</b>	<u>135,054</u>	<u>419,304</u>	<u>705,375</u>	<u>60,094</u>	<u>25,938</u>	<u>19,097</u>	<u>1,364,862</u>
Non-Current Liabilities:							
Compensated Absences	-	7,703	-	-	-	2,576	10,279
SRF Loan	-	6,387,342	83,485	-	-	-	6,470,827
USDA Loan	-	2,881,000	-	-	-	-	2,881,000
Pre Construction Loan	-	169,204	-	-	-	-	169,204
OPEB Payables	56,677	127,523	85,015	141,692	338	14,170	425,415
Net Pension Liability	175,622	385,095	276,922	198,020	52,177	50,651	1,138,487
<b>Total Non-Current Liabilities</b>	<u>232,299</u>	<u>9,957,867</u>	<u>445,422</u>	<u>339,712</u>	<u>52,515</u>	<u>67,397</u>	<u>11,095,212</u>
<b>Total Liabilities</b>	<u>367,353</u>	<u>10,377,171</u>	<u>1,150,797</u>	<u>399,806</u>	<u>78,453</u>	<u>86,494</u>	<u>12,460,074</u>
<b>DEFERRED INFLOWS</b>	<u>14,062</u>	<u>30,835</u>	<u>22,174</u>	<u>15,856</u>	<u>4,178</u>	<u>4,057</u>	<u>91,162</u>
<b>NET POSITION</b>							
Net Investment Capital Assets	226,112	13,873,721	4,668,589	471,950	2,748,547	61,562	22,050,481
Restricted:							
Capital Projects	-	117,867	527,997	-	-	-	645,864
Unrestricted	923,576	270,604	1,513,626	(130,932)	163,972	419,900	3,160,746
<b>Total Net Position</b>	<u>\$ 1,149,688</u>	<u>\$ 14,262,192</u>	<u>\$ 6,710,212</u>	<u>\$ 341,018</u>	<u>\$ 2,912,519</u>	<u>\$ 481,462</u>	<u>\$ 25,857,091</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 30,2020**

Business-type Activities Proprietary Funds

	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Recreation	Inventory	Total
<b>Operating Revenues</b>							
Charges for Sales and Services	\$ 1,118,520	\$ 1,133,224	\$ 2,140,556	\$ 627,257	\$ 1,000	\$ 257,197	\$ 5,277,754
Miscellaneous	35,008	2,500	-	210	91,135	-	128,853
<b>Total Operating Revenues</b>	<u>1,153,528</u>	<u>1,135,724</u>	<u>2,140,556</u>	<u>627,467</u>	<u>92,135</u>	<u>257,197</u>	<u>5,406,607</u>
<b>Operating Expenses</b>							
Personnel Services	296,301	647,985	495,640	365,586	62,179	71,782	1,939,473
Contractual Services	1,385	29,765	37,057	556	18,478	-	87,241
Supplies and Expenses	119,663	259,309	279,842	304,787	51,268	290,920	1,305,789
Utilities	2,901	185,795	76,079	2,340	24,043	6,037	297,195
Depreciation	29,860	1,029,036	230,673	84,719	189,793	7,023	1,571,104
Gas Resale Contract	520,765	-	-	-	-	-	520,765
<b>Total Operating Expenses</b>	<u>970,875</u>	<u>2,151,890</u>	<u>1,119,291</u>	<u>757,988</u>	<u>345,761</u>	<u>375,762</u>	<u>5,721,567</u>
<b>Operating Income (Loss)</b>	<u>182,653</u>	<u>(1,016,166)</u>	<u>1,021,265</u>	<u>(130,521)</u>	<u>(253,626)</u>	<u>(118,565)</u>	<u>(314,960)</u>
<b>Non-Operating Revenues</b>							
<b>(Expenses)</b>							
Interest Revenue	43	1,823	6,764	-	-	-	8,630
Interest Expense	-	(86,306)	-	-	(89)	-	(86,395)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>43</u>	<u>(84,483)</u>	<u>6,764</u>	<u>-</u>	<u>(89)</u>	<u>-</u>	<u>(77,765)</u>
<b>Income (Loss) Before</b>							
Contributions and Transfers	182,696	(1,100,649)	1,028,029	(130,521)	(253,715)	(118,565)	(392,725)
Transfers In/(Out)	(250,000)	-	(1,160,000)	300,000	110,000	40,000	(960,000)
<b>Total Transfers</b>	<u>(250,000)</u>	<u>-</u>	<u>(1,160,000)</u>	<u>300,000</u>	<u>110,000</u>	<u>40,000</u>	<u>(960,000)</u>
Capital Contributions	-	117,867	700,186	-	-	-	818,053
<b>Total Capital Contributions</b>	<u>-</u>	<u>117,867</u>	<u>700,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>818,053</u>
<b>Change in Net Position</b>	<u>(67,304)</u>	<u>(982,782)</u>	<u>568,215</u>	<u>169,479</u>	<u>(143,715)</u>	<u>(78,565)</u>	<u>(534,672)</u>
Net Position - Beginning	1,216,992	15,244,974	6,141,997	171,539	3,056,234	560,027	26,391,763
<b>Net Position - Ending</b>	<u>\$ 1,149,688</u>	<u>\$ 14,262,192</u>	<u>\$ 6,710,212</u>	<u>\$ 341,018</u>	<u>\$ 2,912,519</u>	<u>\$ 481,462</u>	<u>\$ 25,857,091</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, 2020

	<u>Business-type Activities Proprietary Funds</u>						<u>Total</u>
	<u>Gas</u> <u>Revenue</u>	<u>Sewer</u> <u>Revenue</u>	<u>Water</u> <u>Revenue</u>	<u>Solid</u> <u>Waste</u>	<u>Recreation</u>	<u>Inventory</u>	
<u>Cash Flows from Operating Activities:</u>							
Receipts from Customers	\$1,190,674	\$1,211,962	\$2,248,154	\$688,408	\$ 85,125	\$295,884	\$5,720,207
Payments to Suppliers	(640,490)	(937,481)	125,971	(283,302)	(102,429)	(303,957)	(2,141,688)
Payments to Employees	(275,016)	(601,232)	(475,291)	(348,396)	(71,309)	(70,430)	(1,841,674)
<u>Net Cash Provided by (Used in) Operating Activities</u>	<u>275,168</u>	<u>(326,751)</u>	<u>1,898,834</u>	<u>56,710</u>	<u>(88,613)</u>	<u>(78,503)</u>	<u>1,736,845</u>
<u>Cash Flows from Noncapital Financing Activities:</u>							
Transfers (Out) In	(250,000)	-	(1,160,000)	300,000	110,000	40,000	(960,000)
Short-term loans to other funds	-	(48,000)	-	-	-	-	-
<u>Net Cash Flows Provided by (Used in) Noncapital Financing Activities</u>	<u>(250,000)</u>	<u>(48,000)</u>	<u>(1,160,000)</u>	<u>300,000</u>	<u>110,000</u>	<u>40,000</u>	<u>(960,000)</u>
<u>Cash Flows from Capital &amp; Related Financing Activities</u>							
Capital Contributions & Grants	-	(1,384,342)	(563,566)	-	-	-	(1,947,908)
Loan proceeds	-	1,809,850	-	-	-	-	1,809,850
Additions to Property, Plant & Equipment	(5,132)	-	-	(226,508)	(45,830)	(1,121)	(278,591)
Principal Paid	-	(13,712)	(2,111)	-	(22,025)	-	(37,848)
Interest Paid	-	(86,306)	-	-	(89)	-	(86,395)
<u>Net Cash Flows Provided by (Used in) Capital and Related Financing Activities</u>	<u>(5,132)</u>	<u>325,490</u>	<u>(565,677)</u>	<u>(226,508)</u>	<u>(67,944)</u>	<u>(1,121)</u>	<u>(540,892)</u>
<u>Cash Flows From Investing Activities:</u>							
Earnings on Investments	43	1,823	6,764	-	-	-	8,630
<u>Net Cash Flows Provided by (Used in) Investing Activities</u>	<u>43</u>	<u>1,823</u>	<u>6,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,630</u>
<u>Net Increase (Decrease) in Cash &amp; Cash Equivalents</u>	<u>20,079</u>	<u>(47,438)</u>	<u>179,921</u>	<u>130,202</u>	<u>(46,557)</u>	<u>(39,624)</u>	<u>196,583</u>
<u>Cash &amp; Cash Equivalents at October 1, 2019</u>	<u>1,158,250</u>	<u>870,642</u>	<u>2,104,987</u>	<u>47,921</u>	<u>271,307</u>	<u>233,162</u>	<u>4,686,269</u>
<u>Cash &amp; Cash Equivalents at September 30, 2020</u>	<u>\$1,178,329</u>	<u>\$ 823,204</u>	<u>\$2,284,908</u>	<u>\$178,123</u>	<u>\$224,750</u>	<u>\$193,538</u>	<u>\$4,882,852</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, 2020

Reconciliation of Operating Income to Net Cash

Provided by (used in) Operating Activities

Business-type Activities Enterprise Funds

	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Recreation	Inventory	Total
Operating Income (Loss)	\$ 182,653	\$ (1,016,166)	\$ 1,021,265	\$ (130,521)	\$ (253,626)	\$ (118,565)	\$ (314,960)
Adjustments not affecting cash:							
Depreciation	29,860	1,029,036	230,673	84,719	189,793	7,023	1,571,104
Change in assets and liabilities:							
Decrease(Increase) in							
Inventory	-	-	-	-	-	(15,392)	(15,392)
Decrease (increase)							
Accounts Receivable	18,077	35,177	73,060	14,993	(7,010)	34,124	168,421
Decrease (increase) in							
Deferred Outflows	(1,918)	(4,205)	(3,025)	(2,162)	(570)	(556)	(14,354)
(Decrease) Increase in							
Accounts Payable	4,224	(462,612)	518,949	24,381	(8,640)	8,392	88,918
(Decrease) Increase in							
Customer Deposits	820	-	7,164	325	-	-	9,129
(Decrease) Increase in							
Accrued Payables	2,067	4,354	2,002	1,225	(997)	322	11,040
(Decrease) Increase in							
OPEB Payable	18,249	41,061	27,374	45,623	-	4,563	155,119
(Decrease) Increase in							
Compensated Absences	3,463	7,828	(6,512)	(1,812)	(12,816)	(3,540)	(9,926)
(Decrease) Increase in							
Net Pension Liability	20,427	44,791	32,209	23,032	6,068	5,921	152,875
(Decrease) Increase in							
Deferred Inflows	(2,744)	(6,015)	(4,325)	(3,093)	(815)	(795)	(20,531)
Total Adjustments	92,525	689,415	877,569	187,231	165,013	40,062	2,096,403
<u>Net Cash Provided by (Used in)</u>							
<u>Operating Activities</u>	<u>\$ 275,178</u>	<u>\$ (326,751)</u>	<u>\$ 1,898,834</u>	<u>\$ 56,710</u>	<u>\$ (88,613)</u>	<u>\$ (78,503)</u>	<u>\$ 1,736,855</u>

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

**CITY OF PERRY, FLORIDA  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2020**

	<u>Police Officers' and Firefighters' Pension Funds</u>
<u>ASSETS</u>	
Cash and short-term investments	<u>\$ 255,334</u>
Receivables	
Employer	44,082
Plan Members	<u>3,007</u>
<u>Total Receivables</u>	<u>47,089</u>
Investments at fair value	
Equity	8,825,763
Fixed Income	3,289,336
Real Estate	<u>877,570</u>
<u>Total investments</u>	<u>12,992,669</u>
TOTAL ASSETS	<u>13,295,092</u>
<u>LIABILITIES</u>	
Admin Expenses	13,356
Investment Expenses	<u>2,768</u>
TOTAL LIABILITIES	<u>16,124</u>
<u>Net Position restricted for pensions</u>	<u>\$13,278,968</u>

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

**CITY OF PERRY, FLORIDA**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	<u>Police Officers' and Firefighters' Pension Funds</u>
<b><u>ADDITIONS</u></b>	
<b><u>Contributions</u></b>	
Employer	\$ 481,207
State	92,724
Plan Member	<u>40,383</u>
<b><u>Total Contributions</u></b>	<b><u>614,314</u></b>
 <b><u>Investment Income</u></b>	
Net Increase in Fair Value of Investments	783,590
Interest and Dividends	541,746
Less Investment Expense	<u>(56,281)</u>
<b><u>Net investment income</u></b>	<b><u>1,269,055</u></b>
Total additions	<u>1,883,369</u>
<b><u>DEDUCTIONS</u></b>	
Benefits	754,983
Refunds of Member Contributions	18,984
Administrative Expense	<u>64,172</u>
Total deductions	<u>838,139</u>
<b><u>Net Increase</u></b>	<b><u>1,045,230</u></b>
<b><u>Net Position restricted for pensions</u></b>	
<u>October 1, 2019</u>	<u>12,233,738</u>
<u>September 30, 2020</u>	<u>\$ 13,278,968</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 determining 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 2019-20.

#### (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.

(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.

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. Community Redevelopment Fund accounts for the receipts and distribution of the City's tax increment funds received from the City and Taylor County. Those revenues are restricted for use in the City's defined redevelopment area.
- d. 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.

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. The City also reports the following 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.

(D) Assets, liabilities, and net position or fund balance

1. Cash and Cash Equivalents:

The City has defined Cash and Cash Equivalents to include cash on hand, demand deposits, and cash with fiscal agent.

2. Investments:

All investments, including Pension Funds, are stated at fair value, which is either a quoted market price or the best available estimate.

### 3. Accounts Receivable:

Accounts receivable are recorded in the Governmental, Business-type and Fiduciary Funds. Where appropriate, an associated allowance for doubtful accounts has been established.

### 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 project 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.

### **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 deficit 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 \$6,949,943 and the bank balance was \$9,842,087. 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, 2020 consist of the following:

	Fair Value
Cash with trustees Salem Trust	<u>\$136,405</u>

The investments held by the Police Officers' Retirement Trust at September 30, 2020 consist of the following:

	Fair Value
Other Securities	\$2,014,729
Real Estate	877,570
Stock	6,101,253
	<u>\$8,993,552</u>

The deposits held by the Firefighters' Pension Trust at September 30, 2020 consist of the following:

	Fair Value
Cash with Trustees Salem Trust	<u>\$118,929</u>

The investments held by the Firefighters' Pension Trust at September 30, 2020 consist of the following:

	Fair Value
Stocks	\$2,724,510
Other Securities	1,274,607
	<u>\$3,999,117</u>

C. Receivables

Receivables at September 30, 2020 were as follows:

	<u>Accounts</u>	<u>Intergovernmental</u>	<u>Total</u>
Governmental Activities by Fund:			
General	\$ 56,359	\$ 145,479	\$ 201,838
Community Redevelopment	-	-	-
Utility Tax	90,175	-	90,175
Gas Tax	-	58,482	58,482
	<u>\$ 146,534</u>	<u>\$ 203,961</u>	<u>\$ 350,495</u>
Business-type Activities by Fund:			
Gas Revenue	\$ 76,703	\$ -	\$ 76,703
Sewer Revenue	93,646	117,867	211,513
Water Revenue	235,033	527,997	763,030
Solid Waste	50,277	-	50,277
Inventory	7,010	-	7,010
	<u>\$ 462,669</u>	<u>\$ 645,864</u>	<u>\$ 1,108,533</u>
Fiduciary Funds:			
Fund:			
Police Officers' Pension	\$ 23,665	\$ 2,500	\$ 26,165
Firefighters' Pension	20,417	507	20,924
	<u>\$ 44,082</u>	<u>\$ 3,007</u>	<u>\$ 47,089</u>

Receivables of the governmental and enterprise funds are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are considered immaterial since the amounts are near zero.

#### 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, 2020 was 6.5300 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, 2020 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 298,161	\$ -	\$ -	\$ 298,161
Depreciable Assets:				
Buildings	1,010,719	18,563	-	1,029,282
Equipment	3,081,126	216,537	(85,538)	3,212,125
Improvements other than buildings	2,200,020	69,900	-	2,269,920
	<u>6,590,026</u>	<u>305,000</u>	<u>(85,538)</u>	<u>6,809,488</u>
Less accumulated depreciation for:				
Buildings	(770,113)	(25,282)	-	(795,395)
Equipment	(1,662,028)	(238,301)	85,538	(1,814,791)
Improvements other than buildings	(932,487)	(121,545)	-	(1,054,032)
	<u>(3,364,628)</u>	<u>(385,128)</u>	<u>85,538</u>	<u>(3,664,218)</u>
Governmental activities capital assets, net	<u>\$ 3,225,398</u>	<u>\$ (80,128)</u>	<u>\$ -</u>	<u>\$ 3,145,270</u>
Business-type Activities				
Non-Depreciable Assets				
Land	\$ 2,264,256	\$ -	\$ -	\$ 2,264,256
Depreciable Assets:				
Buildings	1,009,961	19,009	(2,052)	1,026,918
Equipment	3,322,392	252,179	(25,209)	3,549,362
Improvements other than buildings	786,908	26,821	-	813,729
Infrastructure	43,386,045	2,694,388	(43,416)	46,037,017
	<u>50,769,562</u>	<u>2,992,397</u>	<u>(70,677)</u>	<u>53,691,282</u>
Less Non-Depreciable Assets				
Land	7,180	-	-	7,180
Less accumulated depreciation for:				
Buildings	(820,799)	(39,196)	2,052	(857,943)
Equipment	(1,950,001)	(215,876)	25,209	(2,140,668)
Improvements other than buildings	(403,238)	(46,485)	-	(449,723)
Infrastructure	(17,233,423)	(1,269,547)	43,416	(18,459,554)
	<u>(20,400,281)</u>	<u>(1,571,104)</u>	<u>70,677</u>	<u>(21,900,708)</u>
Business-type activities capital assets, net	<u>\$ 30,369,281</u>	<u>\$ 1,421,293</u>	<u>\$ -</u>	<u>\$ 31,790,574</u>

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

Government Activities:	
General Government	\$ 135,025
Police	169,624
Fire	54,652
Garage	4,878
Street/Transportation	20,949
Total depreciation expense - governmental activities	<u>\$ 385,128</u>
Business-type Activities	
Recreation	\$ 189,793
Water	230,673
Gas	29,860
Solid Waste	84,719
Sewer	1,029,036
Inventory	7,023
Total depreciation expense - business-type activities	<u>\$ 1,571,104</u>

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

Paving, Police got SUV's, wearable cameras, Street got mower.

Public Works:

Sewer new treatment plant and lift stations

Recreation replaced a mower.

Solid waste purchased garbage cans and 2 claw trucks.

Gas bought specialty tools.

Water purchased well upgrade.

#### 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, 2020, 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, 2020, interfund transfers were as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
General	\$ 1,750,000	\$ -
Utility Tax	-	440,000
Local Option Gas Tax	-	350,000
Recreation	110,000	-
Water	-	1,160,000
Gas	-	250,000
Inventory	40,000	-
Sewer	-	-
Waste	300,000	-
	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>

#### H. Lease Commitments

The City of Perry has no lease commitments at September 30, 2020.

#### **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. A copy of the Annual Financial Reports is available upon request.

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, 2020, contributions totaling \$271,975, \$265,534 from the employer and \$6,441 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 40.8% of covered payroll for the fiscal year ended September 30, 2020. The percentage of annual pension cost contributed was 99.88%. The State of Florida's contribution to the pension plan for the year ended amounted to \$32,683.

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, 2020 were as follows:

Total Pension Liability	\$4,704,568
Plan Fiduciary Net Position	<u>(3,730,991)</u>
Sponsor's Net Pension Liability	<u>\$ 973,577</u>
Plan Fiduciary Net Position as a percentage of total Pension Liability	79.31%

At September 30, 2020, the City reported a liability of \$973,577 for its Pension Plan's net pension liability. The net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020.

**Actuarial Assumptions:**

The total pension liability was determined by an actuarial valuation as of October 1, 2018 and reported on September 30, 2020 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary Increases	5.50%
Discount Rate	7.00%
Investment Rate of Return	7.00%

RP-2000 Table with no projection – RP-2000 Table with no projection – Sex Distinct. Disabled lives are set forward 5 years.

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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	50%	7.50%
International Equity	15%	8.50%
Broad Market Fixed Incon	30%	2.50%
Fixed Income (Non-Core)	2.50%	2.50%
Global Fixed Income	2.50%	3.50%
	<u>100%</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 7.00 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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2019	\$ 4,676,734	\$ 3,817,790	\$ 858,944
Changes for a Year:			
Service Cost	139,074	-	139,074
Interest	331,056	-	331,056
Share Plan Allocation	-	-	-
Differences between Expected and Actual Experience	(63,746)	-	(63,746)
Changes of assumptions	120,283	-	120,283
Changes of benefit terms	(191)	-	(191)
Contributions- Employer	-	236,821	(236,821)
Contributions - State	-	41,083	(41,083)
Contributions - Employee	-	6,819	(6,819)
Net Investment Income	-	165,671	(165,671)
Benefit Payments, including Refunds of Employee Contributor	(498,642)	(498,642)	-
Administrative Expense	-	(38,551)	38,551
Net Changes	27,834	(86,799)	114,633
Balances at September 30, 2020	4,704,568	3,730,991	\$ 973,577

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

1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
\$ 1,513,125	\$ 973,577	\$ 522,013

*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, 2020 the City will recognize a pension expense of \$360,591. On September 30, 2020, 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	\$ -	\$ 72,907
Changes of assumptions	174,293	-
Net difference between projected and actual earnings on pension plan investments	41,623	-
Pension plan contributions subsequent to the measurement date	298,217	-
Total	\$ 514,133	\$ 72,907

The deferred outflows of resources related to the Pension Plan, totaling \$298,217, 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, 2020. 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
2021	\$ 63,019
2022	25,132
2023	34,465
2024	20,393
2025	-
Thereafter	-
	\$ 143,009

*Plan Membership as of October 1, 2018:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	13
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	11
Active Plan Members	13
	37

*Investments:*

Investment Policy:

The following was the Board’s adopted asset allocation policy as of September 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	15%
Broad Market Fixed Income	30%
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, 2020 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.81 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)

The DROP balance at September 30, 2020 is \$51,236.

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, 2020, contributions—totaling \$309,656, \$249,615 from employer and 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 25.7% of covered payroll for the fiscal year ended September 30, 2020. The percentage of annual pension cost contributed was 101%. The State of Florida’s contribution to the pension plan for year ended amounted to \$60,041



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, 2020 were as follows:

Total Pension Liability	\$9,488,132
Plan Fiduciary Net Position	<u>(8,502,747)</u>
Sponsor's Net Pension Liability	<u>\$ 985,385</u>
Plan Fiduciary Net Position as a percentage of total Pension Liability	89.61%

At September 30, 2020, the City reported a liability of \$985,390 for its Pension Plan's net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020.

**Actuarial Assumptions:**

The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2020 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary Increases	5.00% - 10.00%
Discount Rate	7.50%
Investment Rate of Return	7.50%

RP-2000 Table with no projection. Disabled lives set forward 5 years.

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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	50%	7.50%
International Equity	15%	8.50%
Broad Market Fixed Income	20%	2.50%
Fixed Income (Non-Core)	2.5%	2.50%
Global Fixed Income	2.5%	3.50%
Real Estate	10%	4.50%
	<u>100%</u>	

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.50 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, 2019	\$ 8,712,423	\$ 8,319,762	\$ 392,661
Changes for a Year:			-
Service Cost	245,631	-	245,631
Interest	684,451	-	684,451
Change in Excess State Money	-		-
Share Plan Allocation	(13,608)	-	(13,608)
Differences between Expected and Actual Experience	8,874	-	8,874
Changes of assumptions	239,641	-	239,641
Changes of benefit terms	136,411	-	136,411
Contributions- Employer	-	235,783	(235,783)
Contributions - State	-	67,550	(67,550)
Contributions - Employee	-	35,584	(35,584)
Contributions - Buy Back	-	-	-
Net Investment Income	-	398,725	(398,725)
Benefit Payments, including Refunds of Employee Contributions	(525,686)	(525,686)	-
Administrative Expense	-	(28,971)	28,971
Net Changes	<u>775,714</u>	<u>182,985</u>	<u>592,729</u>
Balances at September 30, 2020	<u>\$ 9,488,137</u>	<u>\$ 8,502,747</u>	<u>\$ 985,390</u>

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension Liability	\$ 2,063,488	\$ 985,390	\$ 84,917

*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, 2020 the City recognized a pension expense of \$341,416. On September 30, 2020, 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	\$ 113,605	\$ 7,454
Changes of assumptions	179,730	-
Net difference between projected and actual earnings on pension plan investments	137,327	-
Pension plan contributions subsequent to the measurement date	275,714	-
Total	<u>\$ 706,376</u>	<u>\$ 7,454</u>

The deferred outflows of resources related to the Pension Plan, totaling \$275,714, 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, 2020. 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:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2021	\$ 148,992
2022	116,516
2023	110,161
2024	47,539
2025	-
Thereafter	-
	<u>\$ 423,208</u>

*Plan Membership as of October 1, 2019:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	16
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	8
Active Plan Members	21
	<hr/>
	45
	<hr/>

*Investments:*

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	15%
Broad Market Fixed Income	20%
Fixed Income (Non-Core)	2.5%
Global Fixed Income	2.5%
Real Estate	10%
	<hr/>
	100%
	<hr/>

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, 2020, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.41 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, 2020 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:

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

#### Benefits Provided:

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. 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, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2020, respectively, were as follows: Regular—8.26% and 8.47%; Special Risk Administrative Support—34.98% and 38.59%; Special Risk—24.50% and 25.48%; Senior Management Service—24.06% and 25.41%; Elected Officers'—48.70% and 48.82%; and DROP participants—14.03% and 14.60%. These employer contribution rates include 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2020, respectively.

The City's contributions to the Pension Plan totaled \$160,079 for the fiscal year ended September 30, 2020.

#### 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 \$1,842,968 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net pension liability was based on the City's 2019-20 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2020, the City's proportionate share was 0.004252204 percent, which was an increase (decrease) of (7.41)% percent from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$207,015. 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	\$ 70,534	\$ -
Changes in assumptions	333,636	-
Net difference between projected and actual earnings on Pension Plan investments	109,732	-
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	15,911	118,545
Town Pension Plan contributions subsequent to the measurement date	<u>47,141</u>	<u>-</u>
Total	<u>\$ 576,954</u>	<u>\$ 118,545</u>

The deferred outflows of resources related to the Pension Plan, totaling \$47,141 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, 2020. 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:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2021	\$ 84,752
2022	131,997
2023	112,197
2024	67,072
2025	15,250
Thereafter	-
	<u>\$ 411,268</u>

**Actuarial Assumptions:**

The total pension liability in the September 30, 2020 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	7.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through September 30, 2013.

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%	2.20%	2.20%	1.20%
Fixed Income	19.00%	3.00%	2.90%	3.50%
Global Equity	54.20%	8.00%	6.70%	17.10%
Real Estate	10.30%	6.40%	5.80%	11.70%
Private Equity	11.10%	10.80%	8.10%	25.80%
Strategic Investments	4.40%	5.80%	5.30%	6.90%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.70%

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

#### Discount Rate:

The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

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

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.80%, 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 (5.80%) or one percentage point higher (7.80%) than the current rate:



	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City's proportionate share of the net pension liability	<u>\$ 2,942,910</u>	<u>\$ 1,842,968</u>	<u>\$ 924,292</u>

**Pension Plan Fiduciary Net Position:**

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

**Payables to the Pension Plan:**

At September 30, 2020, the City had \$17,368 payables to report for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2020.

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, 2020, 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, 2020, the HIS contribution for the period October 1, 2019 through June 30, 2020 and from July 1, 2019 through September 30, 2020 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 contribution 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 \$37,554 for the fiscal year ended September 30, 2020. 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 \$702,273 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the City's 2019-20 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At September 30, 2020, the City's proportionate share was 0.005751697 percent, which was an increase (decrease) of (3.60) percent from its proportionate share measured as of June 30, 2019.

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	\$ 28,727	\$ 542
Changes in assumptions	75,514	40,834
Net difference between projected and actual earnings on HIS Plan investments	561	-
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	33,243	43,880
Town HIS Plan contributions subsequent to the measurement date	9,042	-
Total	\$ 147,087	\$ 85,256

The deferred outflows of resources related to the HIS Plan, totaling \$9,042 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2021	\$ 14,610
2022	10,837
2023	2,963
2024	6,876
2025	9,363
Thereafter	8,140
	<u>\$ 52,789</u>

Actuarial Assumptions:

The total pension liability in the July 1, 2020, 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	2.21 %

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

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through September 30, 2013.

Discount Rate:

The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 2.21%, 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 (1.21%) or one percentage point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Town's proportionate share of the net pension liability	<u>\$ 811,796</u>	<u>\$ 702,273</u>	<u>\$ 612,629</u>

Pension Plan Fiduciary Net Position:

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

**Payables to the Pension Plan:**

At September 30, 2020, the City had \$4,074 payables to report for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2020.

**Investment Plan**

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

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. 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 2018-19 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, 2020, 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, 2020.

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 provides optional post-employment benefits to all eligible individuals including lifetime medical, prescription, dental, and certain life insurance coverage. Eligible individuals include all regular employees of the City of Perry who retire from active service under one of the pension plans sponsored by the City. Under certain conditions, eligible individuals also include spouses and dependent children. The Plan does not issue a publicly available financial report.

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	8
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	90
	<u>98</u>

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 cost of the OPEB benefits, funded on a pay-as-you-go basis, was an increase of \$383,234 for the year ended September 30, 2020.

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 3.64% 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, 2019, the City recognized an OPEB expense of \$419,527. 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, 2019

The measurement period of the OPEB expense was October 1, 2018 to September 30, 2019.

The reporting period is October 1, 2019 through September 30, 2020.

The City’s Total OPEB Liability was measured as of September 30, 2019.

Note – The City’s Total OPEB Liability for the City’s ledger adjustment was measured as of September 30, 2019 using a discount rate of 4.18%. The Total OPEB Liability was “rolled-back” from September 30, 2020 at 3.58%, thus producing no experience gain or loss for the period ending September 30, 2019.

The City’s total OPEB liability as of September 30, 2020 was determined by an actuarial valuation as of September 30, 2019 using September 30, 2019 as the measurement date. The actuarial assumptions used in the September 30, 2018 valuation were as follows:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	3.58%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	54

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale AA.

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 3.58%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp.’s AA.

Changes in the Total OPEB Liability (Unaudited):

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2019	\$ 806,979
Changes for a Year:	
Service Cost	36,034
Interest	34,536
Differences Between Expected and Actual Experience	232,304
Changes of Assumptions	114,653
Changes of Benefit Terms	-
Contributions - Employer	-
Benefit Payments	(33,955)
Other Changes	-
Net Changes	383,572
Reporting Period Ending September 30, 2020	\$ 1,190,551

Changes of assumptions reflect a change in the discount rate from 4.18% for the fiscal year ending September 30, 2019 to 3.58% for the fiscal year ending September 30, 2020.

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 (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
	2.58%	3.58%	4.58%
Total OPEB Liability (Asset)	\$ 1,354,537	\$ 1,190,551	\$ 1,054,632

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:

	Healthcare Cost Trend		
	1% Decrease	Rates	1% Increase
	3.00% - 6.00%	4.00% - 7.00%	5.00% - 8.00%
Total OPEB Liability (Asset)	\$ 1,054,827	\$ 1,190,551	\$ 1,353,102

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the City reported an amount of \$1,353,102 for its OPEB liability

For the fiscal year ended September 30, 2020, the City recognized OPEB expense of \$419,527. Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense.

Fiscal Year Ending	9/30/2020
Service Cost	\$ 36,034
Interest	34,536
Recognition of Changes in Total OPEB Liab	346,957
Administrative Expenses	2,000
Total OPEB Expense	<u>\$ 419,527</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	\$ 70,534	\$ 28,727	\$ -	\$ 113,605	\$ 212,866
Changes in assumptions	333,636	75,514	174,293	179,730	763,173
Net difference between projected and actual earnings on Pension Plan investments	109,732	561	41,623	137,327	289,243
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	15,911	33,243	-	-	49,154
City Pension Plan contributions subsequent to the measurement date	47,141	9,042	298,217	275,714	630,114
<b>Total</b>	<b>\$ 576,954</b>	<b>\$ 147,087</b>	<b>\$ 514,133</b>	<b>\$ 706,376</b>	<b>\$ 1,944,550</b>

Deferred inflows	Retirement Plan				Total
	FRS	HIS	Firefighters	Police	
Difference between expected and actual experience	\$ -	\$ 542	\$ 72,907	\$ 7,454	\$ 80,903
Changes in assumptions	-	40,834	-	-	40,834
Net difference between projected and actual earnings on Pension Plan investments	-	-	-	-	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	118,545	43,880	-	-	162,425
City Pension Plan contributions subsequent to the measurement date	-	-	-	-	-
<b>Total</b>	<b>\$ 118,545</b>	<b>\$ 85,256</b>	<b>\$ 72,907</b>	<b>\$ 7,454</b>	<b>\$ 284,162</b>

Pension Expense	<b>\$ 360,591</b>	<b>\$ 341,416</b>	<b>\$ 207,015</b>	<b>\$ 21,469</b>	<b>\$ 930,491</b>
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**Note 5 – Summary Disclosure of significant contingencies**

**A. Litigation.**

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

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

**B. Federally Assisted Programs – Compliance Audits**

The City participates in a number of federally assisted programs, principally, of which are the Department of Justice, Department of Housing and Urban Development, Environmental Protection Agency, and certain other State of Florida programs. These programs are subject to audit under the requirements of the Single Audit Act of 1984 and the Single Audit Amendments of 1996 and thereafter for which a separate report is issued.

The City anticipates no material adverse findings.

**C. Long-term Debt**

Long-term liabilities directly related to and intended to be paid from Proprietary Funds are included in the accounts of such funds. The State Revolving Fund Loan will sometime in the future have a schedule of repayment listed below, but presently it is not in the repayment phase where an amortization schedule is available. The State Revolving Loan is to relieve the cash shortage until the Wastewater grant reimburses 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, 2020.

A. STATE REVOLVING FUND LOAN

1. State Revolving Loan (Pre Construction Loan)

There is also a pre-construction SRF loan also 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 Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<u>September</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	15,521	1,592	17,112
2022	15,658	1,455	17,112
2023	15,796	1,317	17,112
2024	15,935	1,177	17,112
2025	16,075	1,037	17,112
Thereafter	<u>105,741</u>	<u>3,226</u>	<u>108,967</u>
	<u>184,725</u>	<u>9,803</u>	<u>194,528</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 original loan amount of \$7,861,508 was awarded on January 16, 2018 and was amended on April 2, 2018 to provide a total of \$8,210,145. The Financing Rate on the unpaid principal of the Loan amount is 0 percent per annum. The amount disbursed as of September 30, 2020 was \$6,541,488. 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 Ended September</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	154,146	-	154,146
2022	154,146	-	154,146
2023	154,146	-	154,146
2024	154,146	-	154,146
2025	154,146	-	154,146
Thereafter	5,770,758	-	5,770,758
	<u>6,541,488</u>	<u>-</u>	<u>6,541,488</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 \$2,441.51. 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>
2021	4,395	486	4,881
2022	4,420	461	4,881
2023	4,444	437	4,881
2024	4,469	412	4,881
2025	4,494	387	4,881
Thereafter	<u>65,657</u>	<u>2,700</u>	<u>68,357</u>
	<u>87,880</u>	<u>4,882</u>	<u>92,762</u>

#### 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:

<u>YEAR</u>	<u>BEGINNING BALANCE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>ENDING BALANCE</u>	<u>TOTAL PAYMENTS</u>
2021	2,926,000	80,465	45,000	2,881,000	125,465
2022	2,881,000	79,228	46,000	2,835,000	125,228
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>1,986,243</u>	<u>2,926,000</u>		

Changes in long-term liabilities:

Long-term liability activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 306,659	\$ 227,804	\$ (182,105)	\$ 352,358	\$ 223,973
OPEB Payable	518,772	246,365	-	765,137	-
Net Pension Liability	2,494,769	870,952	-	3,365,721	-
<b>Governmental Activities Total</b>	<b>\$ 3,320,200</b>	<b>\$ 1,345,121</b>	<b>\$ (182,105)</b>	<b>\$ 4,483,216</b>	<b>\$ 223,973</b>
<b>Long-term Liabilities</b>					
<b>Business-type Activities:</b>					
SRF Pre Construction Loan	\$ 198,437	\$ -	\$ (13,712)	\$ 184,725	\$ 15,521
SRF Sewer Loan	4,731,638	1,809,850	-	6,541,488	154,146
SRF Water Loan	89,991	-	(2,111)	87,880	4,395
USDA Bond Payable	2,926,000	-	-	2,926,000	45,000
Compensated Absences	79,930	27,031	(40,430)	66,531	56,252
OPEB Payable	288,545	136,870	-	425,415	-
Net Pension Liability	1,006,039	132,448	-	1,138,487	-
<b>Business-type Activities Total</b>	<b>\$ 9,320,580</b>	<b>\$ 2,106,199</b>	<b>\$ (56,253)</b>	<b>\$ 11,370,526</b>	<b>\$ 275,314</b>

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

As of September 30, 2020, 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.

<u>Fund</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
General			
Law enforcement	\$ 49,872	\$ -	\$ -
Other	6,824	-	751,043
Community redevelopment	169,325	-	-
Utility Tax Revenue			
Reserves	-	1,219,558	-
Transportation	1,579,924	-	-
	<u>\$ 1,805,945</u>	<u>\$ 1,219,558</u>	<u>\$ 751,043</u>

**Note 7 – Restricted Net Position of Proprietary Fund**

As of September 30, 2020, restricted net position in proprietary funds are as follows:

Restricted for:	
Capital Projects	<u>645,864</u>
	<u>\$ 645,864</u>

**Note 8 – 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 Accounting and Control  
Schedule of Changes in Firefighter's Net Pension Liability and Related Ratios  
Schedules of Contributions and Investment Returns - Firefighters' Pension  
Notes to RSI for Firefighters' Pension Schedules  
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Schedule of Proportionate Share of Net Pension Liability – FRS  
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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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property	\$ 1,481,365	\$ 1,481,365	\$ 1,438,665	\$ (42,700)
Discretionary Sales Tax	755,556	755,556	767,180	11,624
Communication service tax	232,000	232,000	231,206	(794)
Franchise	540,000	540,000	585,606	45,606
Motor Fuel	97,262	97,262	71,590	(25,672)
Licenses & permits	85,180	85,180	81,817	(3,363)
Intergovernmental	397,717	397,717	437,690	39,973
Fines & Forfeitures	15,740	15,740	27,700	11,960
Sales Tax - 1/2 Cent	488,453	488,453	465,251	(23,202)
Interest	10,000	10,000	3,790	(6,210)
Miscellaneous	19,920	19,920	115,280	95,360
Total Revenues	<u>4,123,193</u>	<u>4,123,193</u>	<u>4,225,775</u>	<u>102,582</u>
<b>EXPENDITURES</b>				
Current:				
Legislative (Council)	75,229	75,229	73,080	2,149
Administration	555,420	555,420	448,809	106,611
Finance	478,791	478,791	484,872	(6,081)
Legal	30,000	30,000	32,867	(2,867)
Comprehensive Planning	62,152	62,152	60,444	1,708
Garage	133,152	133,152	128,018	5,134
Police	2,453,959	2,453,959	2,314,779	139,180
Fire	1,310,352	1,310,352	1,250,688	59,664
Protective Inspections	195,055	195,055	201,123	(6,068)
Transportation (Street)	563,466	563,466	488,826	74,640
Capital Outlay	489,751	489,751	305,000	184,751
Total Expenditures	<u>6,347,327</u>	<u>6,347,327</u>	<u>5,788,506</u>	<u>558,821</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,224,134)</u>	<u>(2,224,134)</u>	<u>(1,562,731)</u>	<u>661,403</u>
<b>OTHER FINANCING SOURCES - USES</b>				
Transfers In	2,490,120	2,490,120	1,750,000	(740,120)
Total other financing sources & uses	<u>2,490,120</u>	<u>2,490,120</u>	<u>1,750,000</u>	<u>(740,120)</u>
Net change in fund balances	265,986	265,986	187,269	(78,717)
Fund balances - beginning	(2,700,942)	(1,741,562)	620,470	1,645,495
Fund balances - ending	<u>\$ (2,434,956)</u>	<u>\$ (1,475,576)</u>	<u>\$ 807,739</u>	<u>\$ 1,566,778</u>

CITY OF PERRY, FLORIDA  
 Budgetary Comparison Schedule  
 Community Redevelopment Fund  
 For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
County	\$ 18,000	\$ 18,000	\$ 16,007	\$ (1,993)
City	15,192	15,192	14,431	(761)
Depot Rental	7,200	7,200	10,267	3,067
Miscellaneous	-	-	150	150
Interest	600	600	-	(600)
Total Revenues	<u>40,992</u>	<u>40,992</u>	<u>40,855</u>	<u>(137)</u>
<b>EXPENDITURES</b>				
Current:				
Expenses	<u>\$ 40,992</u>	<u>\$ 40,992</u>	<u>\$ 77,394</u>	<u>\$ (36,402)</u>
Total Expenditures	<u>40,992</u>	<u>40,992</u>	<u>77,394</u>	<u>(36,402)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(36,539)</u>	<u>(36,539)</u>
<b>OTHER FINANCING SOURCES-USES</b>				
Transfers In	-	-	-	-
Transfers 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	-	-	(36,539)	(36,539)
Fund balances-beginning	<u>136,041</u>	<u>136,042</u>	<u>205,864</u>	<u>38,888</u>
Fund balances-ending	<u>\$ 136,041</u>	<u>\$ 136,042</u>	<u>\$ 169,325</u>	<u>\$ 2,349</u>

CITY OF PERRY, FLORIDA  
 Budgetary Comparison Schedule  
 Utility Tax Revenue Fund  
 For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final budget- Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Electric	\$ 630,000	\$ 630,000	\$ 736,250	\$ 106,250
Water	109,000	109,000	126,707	17,707
Propane/Natural Gas	97,000	97,000	95,258	(1,742)
Fines & Forfeitures	2,100	2,100	1,833	(267)
Interest	5,750	5,750	1,135	(4,615)
Total Revenues	<u>843,850</u>	<u>843,850</u>	<u>961,183</u>	<u>117,333</u>
<b>EXPENDITURES</b>				
Current:				
Total Expenditures	<u>1,200</u>	<u>1,700</u>	<u>55,079</u>	<u>(53,379)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>842,650</u>	<u>842,150</u>	<u>906,104</u>	<u>63,954</u>
<b>OTHER FINANCING SOURCES-USES</b>				
Transfers In (Out)	<u>(805,113)</u>	<u>(805,113)</u>	<u>(440,000)</u>	<u>365,113</u>
Total other financing sources & uses	<u>(805,113)</u>	<u>(805,113)</u>	<u>(440,000)</u>	<u>365,113</u>
Net change in fund balances	37,537	37,037	466,104	429,067
Fund balances-beginning	<u>825,991</u>	<u>825,991</u>	<u>753,454</u>	<u>(72,537)</u>
Fund balances-ending	<u>\$ 863,528</u>	<u>\$ 863,028</u>	<u>\$1,219,558</u>	<u>\$ 356,530</u>

CITY OF PERRY, FLORIDA  
 Budgetary Comparison Schedule  
 Local Option Gas Tax Fund  
 For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>REVENUES</b>				
Taxes:				
Motor Fuel	\$ 332,366	\$ 332,366	\$ 308,430	\$ (23,936)
Interest	14,000	14,000	4,096	(9,904)
Total Revenues	<u>346,366</u>	<u>346,366</u>	<u>312,526</u>	<u>(33,840)</u>
<b>EXPENDITURES</b>				
Current:				
Miscellaneous	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>346,366</u>	<u>346,366</u>	<u>312,526</u>	<u>(33,840)</u>
<b>OTHER FINANCING SOURCES-USES</b>				
Transfers In (Out)	<u>(346,366)</u>	<u>(346,366)</u>	<u>(350,000)</u>	<u>(3,634)</u>
Total other financing sources & uses	<u>(346,366)</u>	<u>(346,366)</u>	<u>(350,000)</u>	<u>(3,634)</u>
Net change in fund balances	-	-	(37,474)	(37,474)
Fund balances - beginning	1,341,335	1,356,071	1,617,398	261,327
Fund balances - ending	<u>\$ 1,341,335</u>	<u>\$ 1,356,071</u>	<u>\$ 1,579,924</u>	<u>\$ 223,853</u>

CITY OF PERRY, FLORIDA  
Notes to Required Supplementary Information on Budgetary Comparison Schedules  
For the Fiscal Year Ended September 30, 2020

Budgetary Accounting

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

Budget Requirements

Increases in budget appropriations were properly approved by the City Council.  
For the year ended September 30, 2020, there were no changes to appropriations in any of the governmental funds.

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

Reporting Period Ending Measurement Date	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	\$ 149,168	\$ 139,074	\$ 128,341	\$ 118,446	\$ 102,147	\$ 68,009	\$ 76,529
Interest	330,230	331,056	329,241	317,117	309,146	302,674	293,950
Share Plan Allocation	-	-	-	-	-	-	-
Changes of Benefit Terms	-	(191)	-	-	-	-	-
Differences Between Expected and Actual Experience	69,143	(63,746)	(37,464)	(25,456)	(189,134)	(79,654)	-
Changes of Assumptions	(142,052)	120,283	112,233	111,855	223,700	-	-
Benefit Payments, Including Refunds of Employee Contributions	(272,342)	(498,642)	(234,324)	(233,295)	(236,004)	(252,512)	(253,304)
Net Change in Total Pension Liability	134,147	27,834	298,027	288,667	209,855	38,517	117,175
Total Pension Liability - Beginning	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>\$ 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	\$ 265,534	\$ 236,821	\$ 195,748	\$ 192,146	\$ 281,438	\$ 176,554	\$ 202,954
Contributions - State	32,683	41,083	36,114	39,613	38,522	49,773	51,276
Contributions - Employee	6,441	6,819	6,098	6,019	5,703	4,115	3,852
Net Investment Income	399,488	165,671	267,505	387,624	158,924	(32,885)	304,425
Benefit Payments, Including Refunds of Employee Contributions	(272,342)	(498,642)	(234,324)	(233,295)	(236,004)	(252,512)	(253,304)
Administrative Expense	(31,967)	(38,551)	(28,303)	(16,895)	(16,976)	(15,607)	(7,967)
Net Change in Plan Fiduciary Net Position	399,837	(86,799)	242,838	375,212	231,607	(70,562)	301,236
Plan Fiduciary Net Position - Beginning	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>\$ 4,130,828</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>\$ 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	85.37%	79.31%	81.63%	81.64%	78.23%	76.49%	79.10%
Covered Payroll	\$ 644,045	\$ 681,942	\$ 610,905	\$ 601,947	\$ 570,338	\$ 468,196	\$ 385,197
Net Position Liability as a Percentage of Covered Payroll	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**

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 295,625	\$ 278,233	\$ 232,144	\$ 231,148	\$ 319,960	\$ 226,327	\$ 254,230
Contributions in Relation to the Actuarially Determined Contributio	298,217	277,904	231,862	231,759	319,960	226,327	254,230
	<u>\$ (2,592)</u>	<u>\$ 329</u>	<u>\$ 282</u>	<u>\$ (611)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 644,065	\$ 681,942	\$ 610,905	\$ 601,947	\$ 570,338	\$ 468,196	\$ 385,197
Contributions as a Percentage of Covered Payroll	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**

	9/30/2020	9/30/2019	9/30/2018	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Annual Money-Weighted Rate of Return Net of Investment Expense	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: 10/01/2018

Presentation: GASB 68 requires information for 10 years. However, until a full 10-year trend is complied, 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: RP-2000 Generational. Annuitant White Collar with no setback, no projection scale.  
 Interest Rate: 7.50% 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. Also any Member who has reached Normal Retirement is assumed to continue employment for one additional year.  
 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: 5.5% per year until the assumed retirement age.  
 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	9/30/2021 <u>9/30/2020</u>	9/30/2020 <u>9/30/2019</u>	9/30/2019 <u>9/30/2018</u>	9/30/2018 <u>9/30/2017</u>	9/30/2017 <u>9/30/2016</u>	9/30/2016 <u>9/30/2015</u>	9/30/2015 <u>9/30/2014</u>
<b>Total Pension Liability</b>							
Service Cost	\$ 246,666	\$ 245,631	\$ 201,904	\$ 223,106	\$ 201,527	\$ 211,890	\$ 205,037
Interest	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	(98,395)	8,874	(14,909)	267,370	(286,364)	(20,807)	-
Changes of Assumptions	(170,644)	239,641	-	-	187,750	-	-
Contributions - Buy Back	-	-	-	-	5,729	-	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(501,625)</u>	<u>(525,686)</u>	<u>(400,461)</u>	<u>(389,811)</u>	<u>(654,738)</u>	<u>(628,255)</u>	<u>(323,810)</u>
Net Change in Total Pension Liability	187,301	775,714	428,656	676,681	46,506	145,665	440,457
Total Pension Liability - Beginning	<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>	<u>6,974,458</u>
Total Pension Liability - Ending	<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>#####</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 215,673	\$ 235,783	\$ 214,135	\$ 209,331	\$ 392,928	\$ 363,840	\$ 365,109
Contributions - State	60,041	67,550	57,494	52,972	40,967	52,719	50,821
Contributions - Employee	33,942	35,584	21,351	21,429	20,961	18,978	18,363
Contributions - Buy Back	-	-	-	-	5,729	-	-
Net Investment Income	869,567	398,725	601,006	771,054	392,453	(55,592)	739,095
Benefit Payments, Including Refunds of Employee Contributions	(501,625)	(525,686)	(400,461)	(389,811)	(654,738)	(628,255)	(323,810)
Administrative Expense	<u>(32,205)</u>	<u>(28,971)</u>	<u>(28,436)</u>	<u>(25,830)</u>	<u>(30,495)</u>	<u>(26,275)</u>	<u>(14,392)</u>
Net Change in Plan Fiduciary Net Position	645,393	182,985	465,089	639,145	167,805	(274,585)	835,186
Plan Fiduciary Net Position - Beginning	<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>	<u>6,487,122</u>
Plan Fiduciary Net Position - Ending	<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>#####</u>
Net Pension Liability - Ending (a) - (b)	<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	94.55%	89.61%	95.49%	94.82%	94.85%	93.22%	98.75%
Covered Payroll	\$ 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	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**

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 309,861	\$ 295,003	\$ 255,143	\$ 252,860	\$ 433,895	\$ 416,559	\$ 415,930
Contributions in Relation to the Actuarially Determined Contribution	275,714	303,333	271,629	262,303	433,895	416,559	415,930
	<u>\$ 34,147</u>	<u>\$ (8,330)</u>	<u>\$ (16,486)</u>	<u>\$ (9,443)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,094,916	\$ 1,147,872	\$ 1,067,547	\$ 1,071,441	\$1,048,055	\$ 975,095	\$ 918,167
Contributions as a Percentage of Covered Employee Payroll	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**

	9/29/2020	9/30/2019	09/30/2018	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Annual Money-Weighted Rate of Return Net of Investment Expense	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: 10/01/2018  
 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: RP-2000 Table with no projection (Disabled lives set forward 5 years).  
 Interest Rate: 8% 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 PROPORINATE SHARE OF NET PENSION LIABILITY**  
**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM**  
**LAST 10 FISCAL YEARS\***

	2020	2019	2018	2017	2016	2015	2014
City's proportion of the FRS net pension liability (asset)	0.004252204%	0.004592558%	0.004485714%	0.004789156%	0.004770012%	0.005339440%	0.005372006%
City's proportionate share of the FRS net pension liability (asset)	\$ 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)	0.005751697%	0.005966489%	0.005604617%	0.005934001%	0.005796838%	0.005914848%	0.005999943%
City's proportionate share of the HIS net pension liability (asset)	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)	\$ 2,545,241	\$ 2,249,203	\$ 1,944,319	\$ 2,051,091	\$ 1,880,029	\$ 1,292,881	\$ 888,780
City's covered payroll	\$ 2,025,904	\$ 1,991,770	\$ 1,935,700	\$ 1,875,622	\$ 1,901,125	\$ 1,741,507	\$ 1,714,990
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	125.63%	112.92%	100.45%	109.36%	98.89%	74.24%	51.82%
Plan fiduciary net position as a percentage of the total pension liability	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\***

	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	\$ 160,079	\$ 148,058	\$ 170,822	\$ 131,395	\$ 125,987	\$ 128,376	\$ 121,575
Contractually required HIS contribution	37,554	34,447	40,613	33,097	32,180	22,654	21,454
Total Contractually Required Contributions	<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	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 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	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, 2020**

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of September 30, 2017, are shown below:

	FRS	HIS
Total pension liability	\$ 204,909,739	\$ 12,588,098
Plan fiduciary net position	(161,568,256)	(378,261)
	\$ 43,341,483	\$ 12,209,837
 Plan fiduciary net position as a percentage of the total pension liability	78.85%	3.00%

The total pension liability for the FRS was determined by the plan's actuary and reported in the plan's valuation dated July 1, 2020. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The HIS actuarial valuation was prepared as of July 1, 2020. 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 ending June 30, 2014, through 2020, respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal year 2020, 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 CAFR 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

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2020 for the period July 1, 2013, through June 30, 2020. 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 6.80%. 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 is funded on a pay-as-you-go basis, a municipal bond rate of 2.21% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – See Additional Financial and Actuarial Information).

The following changes in actuarial assumptions occurred in 2020:

FRS: The long-term expected rate of return was decreased from 6.90 to 6.80, and the active member mortality assumption was updated.

HIS: The municipal bonds rate used to determine total pension liability was decreased from 3.50% to 2.21%.



**CITY OF PERRY, FLORIDA**  
**SCHEDULE OF CHANGES IN THE**  
**TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**For the Fiscal Year Ended September 30, 2020**

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

Reporting Period Ending	9/30/2020	9/30/2019	9/30/2018
Measurement Date	9/30/2019	9/30/2018	9/30/2017
<b>Total OPEB Liability</b>			
Service Cost	\$ 36,034	\$ 38,602	\$ 41,673
Interest	34,536	30,775	26,693
Changes of benefit terms		-	-
Differences between Expected and Actural Experience	232,304	-	-
Changes of Assumptions	114,653	(53,509)	(62,236)
Benefit Payments	(33,955)	(31,223)	(28,711)
Net Change in Total OPEB Liability	383,572	(15,355)	(22,581)
Total OPEB Liability - Beginning	806,979	822,334	844,915
Total OPEB Liability - Ending	<u>\$ 1,190,551</u>	<u>\$ 806,979</u>	<u>\$ 822,334</u>
Covered Payroll*	\$ 3,677,265	\$ 3,811,244	\$ 3,718,287
Total OPEB Liability as a percentage of Covered Payroll	32.38%	21.17%	22.12%

\*FY 2020 Covered Payroll projected based on actual FY 2019 Covered Payroll

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

Changes of assumptions.

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, 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	\$15,406

Blended Annual Premium Amounts

<u>Program</u>	<u>Employee Contribution</u>	<u>Spouse Contribution</u>
Medical Insurance	\$10,587	\$9,084

Member Statistical Data

	<u>9/30/2019</u>
Number of Active Participants	90
Average Current Age	44.7
Average Age at Employment	36.0
Average Past Service	8.6
Covered Payroll*	\$ 3,677,265
Average Salary	40,859
Number of Inactives Receiving Benefits	
Retirees, Beneficiaries and Disabled Members	8
Covered Spouses	4
Total	<u>12</u>
Average Current Age of Retirees	60.8

\*FY 2020 Covered Payroll projected based on actual FY 2019 Covered Payroll

## Actuarial Assumptions and Funding Methods

Valuation Date	9/30/2019										
Measurement Date	9/30/2019										
Fiscal Year End	9/30/2020										
Actuarial Value of Assets	Market Value										
Mortality Rate	RP-2000 Combined Health Mortality Table projected to the valuation date using Scale AA.										
Discount Rate	3.58%. Based on the September 30, 2019 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices										
Retirement Rates	100% at Normal Retirement Eligibility										
Inflation	2.50% per year.										
Salary Increase Rate	2.50% per year.										
Marital Status	100% assumed married, with male spouses 3 years older than female spouses.										
Health Care Participation	25% participation assumed, with 50% electing spouse coverage.										
Health Care Inflation	Initial rate of 7.00% in fiscal 2020, grading down to the ultimate trend rate of 4.00% in fiscal 2074										
Termination Rates	Selected rates for various ages listed below:										
	<table> <thead> <tr> <th style="text-align: center;">Age</th> <th style="text-align: center;">% Remaining Employed Until Assumed Retirement Age</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">20</td> <td style="text-align: center;">29.60%</td> </tr> <tr> <td style="text-align: center;">30</td> <td style="text-align: center;">59.30%</td> </tr> <tr> <td style="text-align: center;">40</td> <td style="text-align: center;">84.10%</td> </tr> <tr> <td style="text-align: center;">50</td> <td style="text-align: center;">100.00%</td> </tr> </tbody> </table>	Age	% Remaining Employed Until Assumed Retirement Age	20	29.60%	30	59.30%	40	84.10%	50	100.00%
Age	% Remaining Employed 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  
Statement of Changes in Fiduciary Net Position – Firefighters’ Pension  
Final Components of Pension Expense – Firefighters’ Pension  
Statement of Fiduciary Net Position – Police Officers’ Pension  
Statement of Changes in Statement of Fiduciary Net Position – Police Officers’ Pension  
Final Components of Pension Expense – Police Officers’ Pension

**CITY OF PERRY, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**September 30, 2020**

	Police Officers' Pension Fund	Firefighters' Pension Fund	Total
<b><u>ASSETS</u></b>			
Cash and short-term investments	\$ 136,405	\$ 118,929	\$ 255,334
Receivables			
Employer	23,665	20,417	44,082
Plan Member	2,500	507	3,007
<u>Total Receivables</u>	<u>26,165</u>	<u>20,924</u>	<u>47,089</u>
Investments at fair value			
Equity	6,101,253	2,724,510	8,825,763
Fixed Income	2,014,729	1,274,607	3,289,336
Real Estate	877,570	-	877,570
<u>Total investments</u>	<u>8,993,552</u>	<u>3,999,117</u>	<u>12,992,669</u>
Total Assets	<u>9,156,122</u>	<u>4,138,970</u>	<u>13,295,092</u>
<b><u>LIABILITIES</u></b>			
Investment Expenses	1,393	1,375	2,768
Administrative Expenses	6,589	6,767	13,356
Total Liabilities	<u>7,982</u>	<u>8,142</u>	<u>16,124</u>
<u>Net Position restricted for pension benefits</u>	<u>\$ 9,148,140</u>	<u>\$ 4,130,828</u>	<u>\$ 13,278,968</u>

**CITY OF PERRY, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**For the Fiscal Year Ended September 30, 2020**

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
<b><u>ADDITIONS</u></b>			
Contributions			
Employer	\$ 215,673	\$ 265,534	\$ 481,207
State	60,041	32,683	92,724
Plan Member	33,942	6,441	40,383
<b><u>Total Contributions</u></b>	<b><u>309,656</u></b>	<b><u>304,658</u></b>	<b><u>614,314</u></b>
<b><u>Investment Income</u></b>			
Net Increase in Fair Value of Investments	528,772	254,818	783,590
Interest and Dividends	375,391	166,355	541,746
Less Investment Expense	<u>(34,596)</u>	<u>(21,685)</u>	<u>(56,281)</u>
<b><u>Total investment income</u></b>	<b><u>869,567</u></b>	<b><u>399,488</u></b>	<b><u>1,269,055</u></b>
<b>Total Additions</b>	<b><u>1,179,223</u></b>	<b><u>704,146</u></b>	<b><u>1,883,369</u></b>
<b><u>DEDUCTIONS</u></b>			
Benefits	482,641	272,342	754,983
Refunds of Member Contributions	18,984	-	18,984
Administrative Expense	32,205	31,967	64,172
<b>Total deductions</b>	<b><u>533,830</u></b>	<b><u>304,309</u></b>	<b><u>838,139</u></b>
<b><u>Net Increase</u></b>	<b><u>645,393</u></b>	<b><u>399,837</u></b>	<b><u>1,045,230</u></b>
<b><u>Net Position restricted for pension benefits</u></b>			
<b><u>October 1, 2019</u></b>	<b><u>8,502,747</u></b>	<b><u>3,730,991</u></b>	<b><u>12,233,738</u></b>
<b><u>September 30, 2020</u></b>	<b><u>\$ 9,148,140</u></b>	<b><u>\$ 4,130,828</u></b>	<b><u>\$ 13,278,968</u></b>

**CITY OF PERRY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2020**

	<u>Firefighters' Pension Fund</u>
<u>ASSETS</u>	
Cash and short-term investments	<u>\$118,929</u>
Receivables	
Investment Income	-
Employer	20,417
Plan Members	<u>507</u>
<u>Total Receivables</u>	<u>20,924</u>
Investments at fair value	
U. S. Government obligations	-
Domestic Corporate Bonds	-
Stocks	-
Equity	2,724,510
Fixed Income	<u>1,274,607</u>
<u>Total investments</u>	<u>3,999,117</u>
<b>TOTAL ASSETS</b>	<u><b>4,138,970</b></u>
 <u>LIABILITIES</u>	
Benefit Payments	0
Investment Expenses	1,375
Administrative Expenses	<u>6,767</u>
<b>TOTAL LIABILITIES</b>	<u><b>8,142</b></u>
 <u>Net Position held in trust for pension benefits</u>	 <u><u>\$4,130,828</u></u>



**CITY OF PERRY, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	<u>Firefighters'</u> <u>Pension Fund</u>
<b><u>ADDITIONS</u></b>	
Contributions	
Employer	\$265,534
State	32,683
Plan Member	6,441
<u>Total Contributions</u>	<u>304,658</u>
<u>Investment Income</u>	
Net Increase in Fair Value of Investments	254,818
Interest and Dividends	166,355
Less Investment Expense	<u>(21,685)</u>
<u>Net investment income</u>	399,488
Total additions	<u>704,146</u>
<b><u>DEDUCTIONS</u></b>	
Benefits	272,342
Administrative Expense	31,967
Refunds of Member Contributions	-
Total deductions	<u>304,309</u>
<u>Net Increase</u>	<u>399,837</u>
<u>Net Position held in trust for pension benefits</u>	
October 1, 2019	<u>3,730,991</u>
September 30, 2020	<u>\$4,130,828</u>

**FINAL COMPONENTS OF PENSION EXPENSE – FIREFIGHTERS’ PENSION**

	<u>Net Pension Liability</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Pension Expense</u>
Beginning balance	\$ 858,944	\$ 172,433	\$ 561,400	\$ -
Employer contributions made after September 30, 2019	-	-	298,217	-
Total pension liability factors:				
Service cost	139,074	-	-	139,074
Interest	331,056	-	-	331,056
Share plan allocation	-	-	-	-
Changes in benefit terms	(191)	-	-	(191)
Differences between expected and actual experience with regard to economic or demographic assumptions	(63,746)	63,746	-	-
Current year amortization of experience difference	-	(78,949)	-	(78,949)
Change in assumptions about future economic or demographic factors or other inputs	120,283	-	120,283	-
Current year amortization of change in assumptions	-	-	(142,017)	142,017
Benefit payments	<u>(498,642)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change	<u>27,834</u>	<u>(15,203)</u>	<u>276,483</u>	<u>533,007</u>
Plan fiduciary net position:				
Contributions - employer	236,821	-	(236,821)	-
Contributions - state	41,083	-	(41,083)	-
Contributions - employee	6,819	-	-	(6,819)
Net investment income	267,638	-	-	(267,638)
Difference between projected and actual earnings on pension plan investments	(101,967)	-	101,967	-
Current year amortization	-	(28,087)	(91,577)	63,490
Benefit payments	(498,642)	-	-	-
Administrative expenses	<u>(38,551)</u>	<u>-</u>	<u>-</u>	<u>38,551</u>
Net change	<u>(86,799)</u>	<u>(28,087)</u>	<u>(267,514)</u>	<u>(172,416)</u>
Ending balance	<u>\$ 973,577</u>	<u>\$ 129,143</u>	<u>\$ 570,369</u>	<u>\$ 360,591</u>

**CITY OF PERRY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2020**

	<u>Police Officers Pension Fund</u>
<u>ASSETS</u>	
Cash and short-term investments	<u>\$136,405</u>
Receivables	
Employer	23,665
Plan Members	<u>2,500</u>
<u>Total Receivables</u>	<u>26,165</u>
Investments at fair value	
Equity	6,101,253
Fixed Income	2,014,729
Real Estate	<u>877,570</u>
<u>Total investments</u>	<u>8,993,552</u>
<b>TOTAL ASSETS</b>	<u><b>9,156,122</b></u>
<u>LIABILITIES</u>	
Investment Expenses	1,393
Admin Expenses	<u>6,589</u>
<b>TOTAL LIABILITIES</b>	<u><b>7,982</b></u>
<u>Net Position held in trust for pension benefits</u>	<u><u><b>\$9,148,140</b></u></u>

**CITY OF PERRY, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	<u>Police Officers Pension Fund</u>
<b><u>ADDITIONS</u></b>	
<b><u>Contributions</u></b>	
Employer	\$215,673
State	60,041
Plan Member	<u>33,942</u>
<b><u>Total Contributions</u></b>	<b><u>309,656</u></b>
<b><u>Investment Income</u></b>	
Net Increase in Fair Value of Investments	528,772
Interest and Dividends	375,391
Less Investment Expense	<u>(34,596)</u>
<b><u>Net investment income</u></b>	<b><u>869,567</u></b>
Total additions	<u>1,179,223</u>
<b><u>DEDUCTIONS</u></b>	
Benefits	482,641
Refunds of Member Contributions	18,984
Administrative Expense	32,205
Total deductions	<u>533,830</u>
<b><u>Net Increase</u></b>	<b><u>645,393</u></b>
<b><u>Net Position held in trust for pension benefits</u></b>	
<u>October 1, 2019</u>	<u>8,502,747</u>
<u>September 30, 2020</u>	<b><u>\$9,148,140</u></b>

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

	<u>Net Pension Liability</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Pension Expense</u>
Beginning balance	\$ 392,661	\$ 217,109	\$ 704,140	\$ -
Employer contributions made after September 30, 2015	-	-	275,714	-
Total pension liability factors:				
Service cost	245,631	-	-	245,631
Interest	684,451	-	-	684,451
Share plan allocation	(13,608)	-	-	(13,608)
Change In benefit terms	136,411	-	-	136,411
Contributions - buy back	-	-	-	-
Differences between expected and actual experience with regard to economic or demographic assumptions	8,874	-	8,874	-
Current year amortization of experience difference	-	(79,479)	(55,691)	(23,788)
Change in assumptions about future economic or demographic factors or other inputs	239,641	-	239,641	-
Current year amortization of change in assumptions	-	-	(106,849)	106,849
Benefit payments	<u>(525,686)</u>	-	-	-
Net change	<u>775,714</u>	<u>(79,479)</u>	<u>361,689</u>	<u>1,135,946</u>
Plan fiduciary net position:				
Contributions - employer	235,783	-	(235,783)	-
Contributions - state	67,550	-	(67,550)	-
Contributions - employee	35,584	-	-	(35,584)
Contributions - buy back	-	-	-	-
Net investment income	636,422	-	-	(636,422)
Difference between projected and actual earnings on pension plan investments	(237,697)	-	237,697	-
Current year amortization	-	(43,392)	(207,033)	163,641
Benefit payments	(525,686)	-	-	-
Administrative expenses	<u>(28,971)</u>	-	-	28,971
Net change	<u>182,985</u>	<u>(43,392)</u>	<u>(272,669)</u>	<u>(479,394)</u>
Ending balance	<u>\$ 985,390</u>	<u>\$ 94,238</u>	<u>\$ 793,160</u>	<u>\$ 656,552</u>

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# STATISTICAL SECTION

This part of the City of Perry’s comprehensive annual 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.

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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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in										
capital assets	\$ 2,324	\$ 2,219	\$ 2,396	\$ 2,507	\$ 2,612	\$ 2,415	\$ 2,317	\$ 3,221	\$ 3,225	\$ 3,145
Restricted	1,687	1,667	1,571	1,578	1,517	1,560	1,660	1,722	1,873	1,784
Unrestricted	2,450	2,561	2,131	1,925	670	253	(12)	(674)	(870)	(1,063)
<b>Total governmental activities</b>										
net position	6,461	6,447	6,098	6,010	4,799	4,228	3,965	4,269	4,228	3,866
<b>Business-type activities</b>										
Net investment in										
capital assets	13,295	15,289	19,260	18,532	18,520	21,185	21,197	25,467	22,401	22,050
Restricted	3,238	4,426	4,173	2,996	5,660	644	1,115	912	594	646
Unrestricted	8,296	7,331	6,388	7,978	4,120	6,830	2,703	(346)	3,397	3,161
<b>Total business-type activities</b>										
net position	24,829	27,046	29,821	29,506	28,300	28,659	25,015	26,033	26,392	25,857
<b>Primary Government</b>										
Net investment in										
capital assets	15,619	17,508	21,656	21,036	21,132	23,600	23,514	28,688	25,626	25,195
Restricted	4,925	6,093	5,744	4,579	7,177	2,204	2,775	2,634	2,467	2,430
Unrestricted	10,746	9,892	8,519	9,902	4,790	7,083	2,691	(1,020)	2,527	2,098
<b>Total primary government</b>										
net position	31,290	\$ 33,493	\$ 35,919	\$ 35,517	\$ 33,099	\$ 32,887	\$ 28,980	\$ 30,302	\$ 30,620	\$ 29,723

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, 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>EXPENSES</b>										
Governmental activities										
General Government	\$ 777	\$ 1,299	\$ 1,036	\$ 1,128	\$ 1,189	\$ 1,106	\$ 1,666	\$ 1,665	\$ 1,374	\$ 1,503
Transportation	560	498	635	510	539	541	487	638	552	687
Economic Development	114	6	164	1	6	39	22	10	38	77
Police	2,047	2,004	2,162	2,412	2,191	2,339	2,435	2,437	2,668	2,985
Fire	910	778	855	884	1,096	955	1,135	1,134	1,290	1,459
Garage	96	114	97	112	130	134	131	222	137	158
<b>Total governmental activities expenses</b>	<b>\$4,504</b>	<b>\$4,699</b>	<b>\$4,949</b>	<b>\$ 5,047</b>	<b>\$ 5,151</b>	<b>\$ 5,114</b>	<b>\$ 5,876</b>	<b>\$ 6,106</b>	<b>\$ 6,059</b>	<b>\$ 6,869</b>
Business-type activities										
Recreation	\$ 329	\$ 123	\$ 167	\$ 251	\$ 198	\$ 226	\$ 269	\$ 394	\$ 431	\$ 346
Water	976	805	778	851	858	919	1,568	1,011	1,050	1,119
Gas	904	717	783	907	957	776	1,615	711	855	971
Sanitation	740	699	691	695	651	727	722	654	654	758
Sewer	1,321	1,386	1,419	1,429	1,496	1,505	2,847	1,808	2,189	2,238
Warehouse	331	364	390	381	313	342	321	390	401	376
<b>Total business-type activities expenses</b>	<b>4,601</b>	<b>4,094</b>	<b>4,228</b>	<b>4,514</b>	<b>4,473</b>	<b>4,495</b>	<b>7,342</b>	<b>4,968</b>	<b>5,580</b>	<b>5,808</b>
<b>Total primary government expenses</b>	<b>9,105</b>	<b>\$ 8,793</b>	<b>\$9,177</b>	<b>\$ 9,561</b>	<b>\$ 9,624</b>	<b>\$ 9,609</b>	<b>\$ 13,218</b>	<b>\$ 11,074</b>	<b>\$ 11,639</b>	<b>\$ 12,677</b>

CITY OF PERRY, FLORIDA  
CHANGES IN NET POSITION

(continued)

Fiscal Year Ended September 30, 2020

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>											
<b>Governmental activities</b>											
<b>Taxes</b>											
Property Taxes	\$ 1,123	\$1,103	\$1,018	\$1,006	\$ 1,011	\$ 1,291	\$ 1,285	\$ 1,288	\$ 1,360	\$ 1,376	\$ 1,469
Discretionary Sales Tax	-	-	-	-	-	-	-	-	569	687	767
Sales Taxes	309	331	350	361	381	358	374	395	408	469	465
Franchise Taxes	674	625	576	556	599	590	533	520	560	633	586
Motor Fuel Taxes	404	397	350	351	353	372	368	377	394	436	380
Utility taxes	911	797	714	733	851	762	799	876	749	878	960
Telecommunications Taxes	295	308	316	298	308	317	247	242	234	227	231
State Revenue Sharing	496	419	411	475	484	398	494	618	3	561	547
Investment Earnings	13	12	11	8	4	5	3	5	17	35	9
Miscellaneous	110	145	79	77	41	28	51	212	745	56	126
Transfers	607	546	630	642	780	1,246	389	1,075	1,274	562	960
<b>Total governmental activities</b>	<b>4,942</b>	<b>4,683</b>	<b>4,455</b>	<b>4,507</b>	<b>4,812</b>	<b>5,367</b>	<b>4,543</b>	<b>5,608</b>	<b>6,313</b>	<b>5,920</b>	<b>6,500</b>
<b>Business-type activities</b>											
Investment Earnings	133	64	58	40	21	76	44	19	31	33	8
Charges for Services & Miscellaneous	-	29	2	33	46	-	81	78	144	110	6,225
Transfers	(607)	(546)	(630)	(642)	(780)	(1,246)	(389)	(1,075)	(1,274)	(562)	(960)
<b>Total business-type activities</b>	<b>(474)</b>	<b>(453)</b>	<b>(570)</b>	<b>(569)</b>	<b>(713)</b>	<b>(1,170)</b>	<b>(264)</b>	<b>(978)</b>	<b>(1,099)</b>	<b>(419)</b>	<b>5,273</b>
<b>Total primary gov't revenues</b>	<b>4,468</b>	<b>4,230</b>	<b>\$3,885</b>	<b>\$3,938</b>	<b>\$4,099</b>	<b>4,197</b>	<b>\$4,279</b>	<b>\$4,630</b>	<b>\$5,214</b>	<b>5,501</b>	<b>11,773</b>
<b>CHANGES IN NET POSITION</b>											
Governmental activities	\$ 754	\$ 512	\$ (14)	\$ (349)	(\$174)	\$339	(\$890)	(\$263)	\$749	(\$41)	(\$362)
Business-type activities	872	538	2,216	2,776	(34)	(587)	360	(3,644)	1,017	359	(\$534)
<b>Total primary gov't revenues</b>	<b>\$ 1,626</b>	<b>\$ 1,050</b>	<b>\$ 2,202</b>	<b>\$ 2,427</b>	<b>(\$208)</b>	<b>(\$248)</b>	<b>(\$530)</b>	<b>(\$3,907)</b>	<b>\$1,766</b>	<b>\$318</b>	<b>(\$896)</b>

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, 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 397	\$ 96	\$ 72	\$ 53	\$ 41	\$ 51	\$ 65	\$ 3	\$ 80	\$ 57
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	1,992	2,208	1,881	1,467	1,616	781	459	854	540	751
<b>Total general fund</b>	<b>\$2,389</b>	<b>\$2,304</b>	<b>\$1,953</b>	<b>\$ 1,520</b>	<b>\$1,657</b>	<b>\$ 832</b>	<b>\$ 524</b>	<b>\$ 857</b>	<b>\$ 620</b>	<b>\$ 808</b>
All Other Governmental Funds										
Restricted	\$1,196	\$1,493	\$1,397	\$ 1,448	\$1,477	\$1,510	\$1,456	\$1,694	\$1,824	\$1,786
Assigned	682	670	644	830	826	727	972	661	753	1,220
Unreserved:										
Special revenue funds	-	-	-	-	-	-	166	514	-	(37)
<b>Total governmental funds</b>	<b>\$ 1,878</b>	<b>\$2,163</b>	<b>\$2,041</b>	<b>\$ 2,278</b>	<b>\$2,303</b>	<b>\$2,237</b>	<b>\$2,594</b>	<b>\$2,869</b>	<b>\$2,577</b>	<b>\$2,969</b>

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, 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>REVENUES</b>										
Taxes:										
Property	\$1,103	\$1,019	\$1,006	\$ 1,011	\$ 1,291	\$ 1,285	\$ 1,289	\$ 1,361	\$ 1,377	\$ 1,469
Discretionary Sales Tax	0	0	0	0	0	0	0	569	687	767
Telecommunications	308	316	298	308	317	247	243	234	227	231
Franchise	624	576	556	599	590	533	520	560	633	586
Motor Fuel	397	350	351	353	372	368	377	394	436	380
Utility	797	714	732	851	762	799	877	749	878	960
Sales Tax 1/2 Cent	331	350	361	381	358	374	395	408	469	465
Licenses & Permits	114	85	93	79	80	81	78	77	78	82
Intergovernmental	542	448	475	512	398	389	507	418	562	438
Fines & Forfeitures	96	72	42	41	29	22	36	48	17	28
Interest	12	11	8	4	5	4	5	17	35	9
Miscellaneous	145	79	35	41	44	52	212	746	56	126
<b>Total Revenues</b>	<b>4,469</b>	<b>4,020</b>	<b>3,957</b>	<b>\$ 4,180</b>	<b>\$ 4,246</b>	<b>\$ 4,154</b>	<b>\$ 4,539</b>	<b>\$ 5,581</b>	<b>\$ 5,455</b>	<b>\$ 5,541</b>
<b>EXPENDITURES</b>										
General Government	824	934	1042	1,039	1,121	1,300	1,249	1,316	1,285	1,356
Transportation	452	449	460	470	492	508	450	626	551	489
Economic Development	112	2	3	1	5	40	22	11	38	77
Police	1975	2082	2218	2,309	2,273	2,200	2,194	2,278	2,450	2,315
Fire	828	737	808	847	926	1,108	1,136	1,128	1,270	1,251
Garage	101	118	98	108	113	121	118	134	129	128
Capital Outlay	431	140	431	383	400	156	397	1,187	391	305
<b>Total Expenditures</b>	<b>4,723</b>	<b>4,462</b>	<b>5,060</b>	<b>\$ 5,157</b>	<b>\$ 5,330</b>	<b>\$ 5,433</b>	<b>\$5,566</b>	<b>\$ 6,680</b>	<b>\$ 6,114</b>	<b>\$ 5,921</b>
Excess of revenues over (under) expenditures	(254)	(442)	(1,103)	(977)	(1,084)	(1,279)	(1,027)	(1,099)	(659)	(380)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OTHER FINANCING SOURCES (USES)										
Transfers In	\$1,587	\$1,617	\$1,657	\$ 1,667	\$2,285	\$1,566	\$ 1,931	\$2,638	\$1,563	\$1,750
Transfers Out	(1,041)	(987)	(1,015)	(887)	(1,040)	(1,177)	(855)	(1,364)	(1,001)	(790)
Total other financing sources (uses)	\$ 546	\$ 630	\$ 642	\$ 780	\$1,245	\$ 389	\$ 1,076	\$1,274	\$ 562	\$ 960
Net Change in fund balances	\$ 292	\$ 188	\$ (462)	\$ (197)	\$ 161	\$ (890)	\$ 49	\$ 174	\$ (95)	\$ 579
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
2009	\$ 204,774,335	\$ 47,600,818	\$ 539,929	\$ 252,915,082	\$ (1,713,113)	\$ 254,628,195	\$ 252,915,082	4.5000	100.00%
2010	\$ 197,233,150	\$ 44,074,008	\$ 455,385	\$ 241,762,543	\$ (10,972,457)	\$ 252,735,000	\$ 241,762,543	4.5000	100.00%
2011	\$ 187,375,809	\$ 40,008,082	\$ 296,573	\$ 227,680,464	\$ (12,395,660)	\$ 240,076,124	\$ 227,680,464	4.5000	100.00%
2012	\$ 186,194,689	\$ 38,540,917	\$ 211,243	\$ 224,946,849	\$ (2,924,080)	\$ 227,870,929	\$ 224,946,849	4.5000	100.00%
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%

\*residential & commercial distinction not available

Source: Taylor County Property Appraiser

PROPERTY TAX RATES  
ALL DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

Fiscal Year	CITY OF PERRY			TAYLOR COUNTY				SCHOOLS			WATER MGMT	Millage 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	
2009	4.5000	0.0000	4.5000	7.0113	0.0000	1.1215	8.1328	7.750	0.0000	7.750	0.440	20.823
2010	4.5000	0.0000	4.5000	7.0113	0.0000	1.1215	8.1328	7.664	0.0000	7.664	0.440	20.7367
2011	4.5000	0.0000	4.5000	7.0113	0.0000	1.1215	8.1328	7.623	0.0000	7.623	0.4143	20.6701
2012	4.5000	0.0000	4.5000	7.0113	0.0000	1.1215	8.1328	7.694	0.0000	7.694	0.4143	20.7411
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	0.403	21.720
2018	6.0716	0.0000	6.0716	7.243	0.0000	1.168	8.410	6.663	0.0000	6.663	0.395	21.540
2019	6.5300	0.0000	6.5300	7.243	0.0000	1.225	8.468	6.397	0.0000	6.663	0.038	21.699
2020	6.6744	0.0000	6.6744	7.243	0.0000	1.225	8.468	6.152	0.0000	6.152	0.037	21.331

Source: Taylor County Property Appraiser



CITY OF PERRY, FLORIDA  
 PRINCIPAL PROPERTY TAXPAYERS  
 FOR TAX LEVY OF FY 2020

TAXPAYERS	2020			2011		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE
Duke Energy	\$49,802,494	1	37.61%			
West Fraser Southeast	21,206,905	3	16.02%			
Super Pufft Snacks USA	19,500,000	4	14.73%			
Consolidated Communications	23,628,332	2	17.85%			
Comcast of Perry	2,366,522	7	1.79%			
Walmart Supercenter	8,166,300	5	6.17%			
Georgia Florida Bark & Mulc	732,496	8	0.55%			
Winn Dixie Store Inc	646,023	9	0.49%			
Bell South Telecommunicatic	603,224	10	0.46%			
Aaron Sales and Lease	5,751,136	6	4.34%			
	\$132,403,432		100.00%	\$0		0.00%

Not Available

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
2009	\$ 251,217	\$ 1,110	\$ 1,045	94.1%	\$15	\$1,060 95.5%
2010	\$ 234,852	\$ 1,116	\$ 1,047	93.8%	\$27	\$1,074 96.2%
2011	\$ 227,004	\$ 1,060	\$ 1,045	98.6%	\$12	\$1,057 99.7%
2012	\$ 227,871	\$ 1,011	\$ 998	98.7%	\$9	\$1,007 99.6%
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%

Source: Taylor County Tax Collector

CITY OF PERRY, FLORIDA  
PRINCIPAL GAS CUSTOMERS  
FOR TAX 2020

GAS CUSTOMERS	2020			2011		
	TOTAL GAS PURCHASED	RANK	% OF TOP GAS REVENUE	TOTAL GAS PURCHASED	RANK	% OF TOTAL GAS REVENUE
Doctor's Memorial Hospital	\$ 123,901	1	33.91%	Not Available		
Curt Manufacturing	\$ 84,380	2	23.10%			
Anderson Columbia	\$ 51,398	3	14.07%			
American Aluminum	\$ 20,346	4	5.57%			
Marshall Health & Rehab	\$ 20,240	5	5.54%			
Perrytown Apts	\$ 17,086	6	4.68%			
Taylor Sheriff Office	\$ 13,290	7	3.64%			
Walmart	\$ 12,170	8	3.33%			
Country Wide Laundry	\$ 10,863	9	2.97%			
D1 Dept Transportation	\$ 11,679	10	3.20%			
	\$ 365,353		100.00%	\$ -		0.00%

Source: City of Perry Gas Department

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
2009	35,489,700	\$ 523,204	2,476,200	\$ 30,127	47,961,200	\$ 527,927	7,010,700	\$ 87,991	1,911	33
2010	42,601,312	\$ 647,535	3,215,800	\$ 39,947	44,769,976	\$ 530,228	5,538,200	\$ 80,581	1,872	33
2011	37,818,700	\$ 578,238	2,918,400	\$ 28,816	49,263,880	\$ 693,030	5,293,100	\$ 81,187	1,856	36
2012	28,063,900	\$ 403,169	2,040,200	\$ 23,404	50,897,800	\$ 585,526	3,826,300	\$ 53,982	1,838	36
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

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							
2011	\$ -	\$ -	\$ -	1,215	\$ -	\$ 310	\$ 905	\$ 227,004	0.40%	7,017	\$ 0.13	\$ 31,415	\$0.03
2012	\$ -	\$ -	\$ -	581	\$ -	\$ 310	\$ 271	\$ 224,946	0.12%	7,037	\$ 0.04	\$ 37,468	\$0.01
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						

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

Fiscal Year	Water & Sewer Bonds						Special Assessment Bonds			
	Water Revenues	Less Water Operating Expenses	Sewer Revenues	Less Sewer Operating Expenses	Debt Service		Coverage	Special Assessment Collections	Principal & Interest	Coverage
					Principal	Interest				
2011	\$1,380	\$594	\$872	\$720	\$293	\$16	3.04	-	-	-
2012	\$1,572	\$587	\$856	\$805	\$300	\$10	3.35	-	-	-
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				-	-	-

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
2009	6,785		\$ 32,032	35.5	12.23	3,237	10.40%
2010	7,199		31,183	35.7	12.53	2,635	10.5%
2011	7,017		31,415	39.2	12.53	2,617	11.50%
2012	7,037		37,468	36	12.53	3,447	12.40%
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%

Source: Online

CITY OF PERRY, FLORIDA  
 PRINCIPAL EMPLOYERS  
 LAST TEN FISCAL YEARS

Employer	2020		Percentage of Total City Employment	2010		Percentage of Total City Employment
	Numbers of Employees	Rank		Employees	Rank	
Doctor's Memorial Hospital	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				
Citizens State Bank	1-49	9				
Buckeye Credit Union	1-49	10				

Source: Career Source



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

Function	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government	19	19	19	19	19	19	17	17	17	17
Public safety										
Police										
Officers	22	22	22	22	22	22	20	21	21	21
Civilians	2	3	3	0	2	2	2	2	2	2
Fire										
Firefighters and officers	9	9	9	9	13	13	12	13	13	13
Highways & streets	5	5	5	5	5	5	5	5	5	5
Sanitation	9	9	9	9	8	10	10	8	8	8
Water	7	7	7	7	6	6	8	6	6	6
Sewer	7	7	7	7	8	7	7	8	8	8
Gas	5	5	5	5	5	5	4	4	4	4
Rec	0	0	0	0	0	0	0	1	1	1
Total	<u>85</u>	<u>86</u>	<u>86</u>	<u>83</u>	<u>88</u>	<u>89</u>	<u>85</u>	<u>85</u>	<u>85</u>	<u>85</u>

Source: City of Perry

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police</b>										
Physical arrests	967	944	0	785	682	721	556	626	788	548
Written reports by officers	1,706	1,735	0	1,337	1,377	1,462	1,529	1,460	1,508	2,055
Traffic violations	829	1,038	0	605	373	568	496	635	2,795	1,965
Total events reported	20,743	21,183	0	19,216	19,316	18,115	19,727	18,552	15,529	10,542
<b>Fire</b>										
Number of calls answered	931	1,014	1,005	1,043	1,015	1,116	1,091	1,076	1,012	552
Inspections	51	68	63	49	53	45	39	36	64	57
<b>Building Inspections</b>										
Number of permits	385	398	294	250	301	268	299	305	266	320
Permit value (in thousands)	4,898	4,929	5,650	4,187	4,306	2,851	5,938	7,150	6,557	20,210
<b>Highways &amp; streets</b>										
Streets resurfaced (miles)	-	3.4	-	1	1	-	-	5	3	3
Potholes repaired (tons)	39.91	59.48	41.56	47	24	48	48	99	48	48
<b>Sanitation</b>										
Tons collected per day (avg)	11.8	12.5	11.4	11.5	10.7	10.6	10.67	8.85	8.39	10.16

Source: City of Perry

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Water</b>										
New Customers	22	35	10	10	8	35	16	18	19	19
Water Main Breaks	-	-	-	-	-	-	-	-	-	-
Average daily consumption	1.67M	1.67M	1.67M	1.67M	0.0	1.5M	1.5M	1.5M	1.5M	1.5M
<b>Sewer</b>										
Daily sewage treatment (avg)	0.77	0.97	0.879	1.093	0.783	1.089	0.64	1.01	1.5	1.5
<b>Gas</b>										
New Customers	14	-7	16	10	11	10	15	12	15	15
Line leaks	-	-	-	-	-	-	-	-	-	-

Source: City of Perry

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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)	71	72	72	72	72	72	72	72	72	72
Street lights	1,063	1063	1063	1,063	1,063	1,063	1,079	1,079	1,079	1,079
Traffic signals	15	15	15	15	15	15	15	15	15	15
Recreation										
Parks acreage	87	87	99	99	100	110	110	110	110	110
Parks	11	11	13	13	13	13	13	13	13	13
Splash Pads	1	1	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	383	383	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	48	50	50	50	50	50	50	50	50	50
Millions gallons per day	1	1.2	1.2	1.2	1.2	1.2	1.2	1	1	1
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**

**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***

**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Chapter 10.550 *Rules of the Auditor General***

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

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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, 2020

<u>Program Titles and Grant Numbers</u>	<u>CFDA/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 Justice</i>						
<i>passed through Florida Department of Law Enforcement</i>						
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JAGC-TAYL-2-N2-033	\$ 19,987	\$ 13,850	\$ 5,537	\$ 5,537
<b>Federal Emergency Management Administration</b>						
<i>passed through Florida Department of Law Enforcement</i>						
Public Assistance Grants	97.036	Z0156	168,759	168,758	2,075	2,075
<i>U.S. Environmental Protection Agency (EPA)</i>						
<i>passed through Florida Department of Environmental Protection</i>						
Capitalization Grants for Drinking Water State Revolving Fund	66.468	DW620250	2,538,600	-	700,186	700,186
<b>Total Federal Awards</b>			<u>\$ 2,727,346</u>	<u>\$ 182,608</u>	<u>\$ 707,798</u>	<u>\$ 707,798</u>
<b>State Awards</b>						
<i>State of Florida Department of Environmental Protection</i>						
Wastewater Treatment Facility Construction	37.077	WW570011	\$ 8,210,145	\$ 5,323,347	\$ 1,336,008	\$ 1,336,008
<b>Total State Awards</b>			<u>\$ 8,210,145</u>	<u>\$ 5,323,347</u>	<u>\$ 1,336,008</u>	<u>\$ 1,336,008</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, 2020

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. 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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**Powell & Jones**  
Certified Public Accountants

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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, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Perry, Florida's basic financial statements, and have issued our report thereon dated March 15, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Perry, Florida'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 of Perry, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Perry, Florida'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.

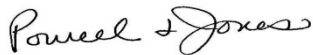
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

### **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 on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



**POWELL & JONES**  
Certified Public Accountants  
March 15, 2021

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**Powell & Jones**  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550 RULES OF  
THE AUDITOR GENERAL**

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

**Report on Compliance for Each Major State Financial Assistance Project**

We have audited City of Perry's (the City) compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of The City's major state financial assistance projects for the year ended September 30, 2020. The City's major state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state financial assistance projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of The City's major state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and by Chapter 10.550, *Rules of the Auditor General*. Those standards and Chapter 10.550, *Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state financial assistance project occurred. An audit includes 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 audit provides a reasonable basis for our opinion on compliance for each major state financial assistance projects. However, our audit does not provide a legal determination of The City's compliance.

**Opinion on Each Major State Financial Assistance Project**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state financial assistance projects for the year ended September 30, 2020.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state financial assistance projects to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state financial assistance project and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



**POWELL & JONES**  
Certified Public Accountants  
March 15, 2021

**CITY OF PERRY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Fiscal Year Ended September 30, 2020

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
● Material weakness(es) identified?	No
● Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

**State Financial Assistance**

Internal control over financial reporting:	
● Material weaknesss identified?	No
● Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Rule 10.656, <i>Rules of the Auditor General</i> ?	No

Identification of major programs:

<u>CSFA Number/Grant Number</u>	<u>Name of Program or Cluster</u>
37.077	Florida Department of Environmental Protection Capitalization Grants for Drinking Water SRF

Dollar threshold used to distinguish between Type A and Type B programs:	\$400,802
State Financial Assistance Findings and Questioned Costs	None
State Financial Assistance Prior Year Findings and Questioned Costs	None

**Other Issues**

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to State Programs





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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 (City) as of and for the year ended September 30, 2020, and have issued our report thereon dated March 15, 2021, 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 March 15, 2021. 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 of Perry, Florida did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

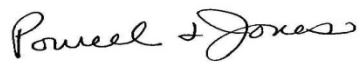
Financial Condition Assessment Procedures – As required by the *Rules of the Auditor General*, Sections 10.554(1)(i)7.c and 10.556(7), we applied financial condition assessment procedures to the Council's financial statements. It is management's responsibility to monitor the entity's financial condition,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

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.

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

**POWELL & JONES**

March 15, 2021



**Powell & Jones**  
Certified Public Accountants

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## INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and City Council  
City of Perry, Florida

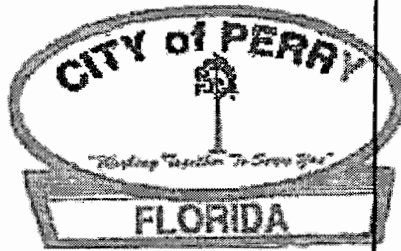
We have examined the City of Perry, Florida's (the City) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020. We also examined the City's compliance with Sections 163.387(6) and (7), *Florida Statutes* regarding the Perry Community Redevelopment Agency during the year ended September 30, 2020. 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, 2020.

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 & JONES**  
March 15, 2021



224 South Jefferson Street, Perry, FL, 32347-3235

850-584-7161

**AFFIDAVIT**

Before me, the undersigned authority, personally appeared Pamela Bay, Director of Finance, who being duly sworn, deposes and says on oath that:

1. I am the Director of Finance for the City of Perry a Florida municipal corporation, pursuant to Section 26 of the Charter of the City of Perry, County of Taylor, State of Florida 1986, as amended, I am responsible to administer the financial affairs of the City of Perry and serve as its Chief Financial Officer.
2. The City of Perry duly adopted Ordinance 559 in 1986 imposing the following impact fee:  
(a) Sewer Impact fee
3. The City of Perry Florida has complied with and, as of the date of this Affidavit remains in compliance with, Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

*[Signature]*  
Chief Financial Officer of the Entity

STATE OF FLORIDA  
COUNTY OF TAYLOR

SWORN TO AND SUBSCRIBED before me this 30<sup>th</sup> day of July 2020.

*Delois E. Clayton*  
NOTARY PUBLIC  
Delois Clayton

Personally known X

Commission Expires July 10, 2021

