

**City of Blountstown
Blountstown, Florida**

Financial Statements

For year ended September 30, 2021

City of Blountstown, Florida
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September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blountstown, Florida as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Blountstown, 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.

Auditors' Responsibility

Our responsibility is to express opinions 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 in *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 in 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.

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blountstown, Florida as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the 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 4.1 through 4.8 and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Blountstown, Florida's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basis financial statements.

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida
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The schedule of expenditures of federal awards is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2022, on our consideration of the City of Blountstown, Florida's internal control over financial reporting and 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 the effectiveness of the City of Blountstown, Florida's 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 Blountstown, Florida's internal control over financial reporting and compliance.

Grimsley & Associates

April 4, 2022
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Blountstown, Florida

Management's Discussion and Analysis

CITY OF BLOUNTSTOWN MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Blountstown (the "City") has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the City's financial activities, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify material deviations from the financial plan (approved budget), and (e) highlight significant issues in individual funds.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The assets of the City of Blountstown exceeded its liabilities at September 30, 2021 by \$26,704,804 (net assets). Of this amount, \$5,765,392 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net assets increased by \$509,737 or (1.94%).

As of September 30, 2021, the City of Blountstown governmental funds reported combined ending fund balances of \$1,756,707, a decrease of \$252,990 in comparison with the prior year. Approximately 98% of the fund balance, or \$1,720,504, is available for spending at the City's discretion (unreserved fund balance).

The decrease in governmental funds fund balance was primarily due to approximately \$6 million in short term debt paid off. The debt was used to pay for disaster clean up and repairs from Hurricane Michael. Once funding from FEMA and insurance was received, the City paid off short term debt.

The City of Blountstown had preliminary geo-testing done on the new potential site for the Blountstown Wastewater Effluent Discharge Project and it was favorable. The City had an appraisal done of the property and after negotiations, the property owner agreed to sell the City the needed acreage at the appraised value. In late 2020, the City ordered a survey of the property and received it back in early 2021. The City completed the purchase of the property in October 2021. The City continues to search for funding sources for this project.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

Government-wide financial statements
Fund financial statements
Notes to the financial statements

In addition, this report presents certain required supplementary information, which includes management's discussion and analysis.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide both short-term and long-term information about the City's overall financial condition in a manner similar to those of a private-sector business. This statement combines and consolidates governmental funds' current financial resources (short-term expendable resources) with capital assets and long-term obligations. The statements include a *statement of net position* and a *statement of activities* that are designed to provide consolidated financial information about the governmental activities of the City presented on the accrual basis of accounting.

The *Statement of Net Position* provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the City.

The *Statement of Activities* presents information showing how the City's net assets changed during the 2021 fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is intended to summarize and simplify the user's analysis of cost of various governmental services. An increase or decrease in net assets is an indication of whether the City's financial health is improving or deteriorating.

Both of these financial statements present the 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, public safety, streets, and parks and recreation. The business-type activities of the City consist of the electric, natural gas, water, sanitation and sewer systems.

Over a period of time, changes in the City's net assets are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with other non-financial factors, such as changes in the City's property tax base and the condition of the City's capital assets including infrastructure assets.

City of Blountstown, Florida Management's Discussion and Analysis

FUND FINANCIAL STATEMENTS

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than fund types.

Fund financial statements are one of the components of the basic 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the City's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the City's funds may be classified in the broad category of *Governmental Funds and Proprietary Funds* as discussed below.

Governmental Funds - these funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resource measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the City's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

Proprietary Funds – the City maintains one type of proprietary fund, which is the Enterprise Fund. These funds are used to report business-type activities in the government-wide financial statements. The City uses enterprises funds to account for the fiscal activities relating to the electric, natural gas, water, sewer, and sanitation systems in the City of Blountstown.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section is used to present condensed financial information from the government-wide statements that compares the current year to the prior year.

STATEMENT OF NET POSITION

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities (governmental and business-type activities) by over \$26 million at the close of the fiscal year ended September 30, 2021.

This was a increase of \$509,737 over prior year net position.

City of Blountstown, Florida Management's Discussion and Analysis

STATEMENTS OF NET POSITION AS OF SEPTEMBER 30, 2021 AND 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 2,560,301	\$ 3,045,105	\$ 8,113,523	\$ 7,790,666	\$ 10,673,824	\$ 10,835,771
Non-current assets	5,826,074	5,886,955	15,109,589	14,657,089	20,935,663	20,544,044
Total assets	8,386,375	8,932,060	23,223,112	22,447,755	31,609,487	31,379,815
Deferred outflows of resources	533,194	848,875	385,029	576,613	918,223	1,425,488
Long-term liabilities	1,165,414	2,873,821	1,023,101	2,089,088	2,188,515	4,962,909
Other liabilities	803,593	1,035,407	578,370	465,582	1,381,963	1,500,989
Total liabilities	1,969,007	3,909,228	1,601,471	2,554,670	3,570,478	6,463,898
Deferred inflows of resources	1,368,684	78,473	883,744	67,865	2,252,428	146,338
Net position:						
Invested in Capital assets net of related debt	5,808,509	5,854,425	15,094,700	14,627,311	20,903,209	20,481,736
Restricted	36,203	37,026	-	-	36,203	37,026
Unrestricted	(262,834)	(98,217)	6,028,226	5,774,522	5,765,392	5,676,305
Total net position	\$ 5,581,878	\$ 5,793,234	\$ 21,122,926	\$ 20,401,833	\$ 26,704,804	\$ 26,195,067

A total of \$36,203 of the City's net assets are subject to external restrictions on how they may be used. The balance of unrestricted net assets \$5,765,392 may be used to meet the City's ongoing obligations to citizens and creditors.

At September 30, 2021, the City is able to report positive balances in all categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities.

City of Blountstown, Florida

Management's Discussion and Analysis

CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Charges for service	\$ 322,877	\$ 324,441	\$ 6,117,226	\$ 6,042,068	\$ 6,440,103	\$ 6,366,509
Grants and contributions	134,631	377,021	1,112,482	228,181	1,247,113	605,202
Property taxes	94,952	84,720	-	-	94,952	84,720
Intergovernmental	195,004	168,947	-	-	195,004	168,947
Other taxes	499,346	467,505	-	-	499,346	467,505
Investment earnings	4,439	7,170	27,419	52,081	31,858	59,251
Miscellaneous	153,668	121,536	155,563	52,075	309,231	173,611
Transfers	1,579,725	1,841,847	(1,579,725)	(1,841,847)	-	-
Total Revenues	\$ 2,984,642	\$ 3,393,187	\$ 5,832,965	\$ 4,532,558	\$ 8,817,607	\$ 7,925,745
EXPENSES						
General government	\$ 698,255	\$ 428,485	\$ -	\$ -	\$ 698,255	\$ 428,485
Public safety	1,624,103	1,967,282	-	-	1,624,103	1,967,282
Highways and streets	798,820	1,051,850	-	-	798,820	1,051,850
Culture and recreation	74,820	64,872	-	-	74,820	64,872
Business-type activities	-	-	5,111,872	4,942,798	5,111,872	4,942,798
Interest on long-term debt	-	142,701	-	-	-	142,701
Total Expenses	\$ 3,195,998	\$ 3,655,190	\$ 5,111,872	\$ 4,942,798	\$ 8,307,870	\$ 8,597,988
Net Increase (decrease)	\$ (211,356)	\$ (262,003)	\$ 721,093	\$ (410,240)	\$ 509,737	\$ (672,243)
Net position, beginning	\$ 5,793,234	\$ 6,055,237	\$ 20,401,833	\$ 20,812,073	\$ 26,195,067	\$ 26,867,310
Net position, ending	\$ 5,581,878	\$ 5,793,234	\$ 21,122,926	\$ 20,401,833	\$ 26,704,804	\$ 26,195,067

City of Blountstown, Florida Management's Discussion and Analysis

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 primary purpose of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources, available for spending, at the end of the fiscal year.

As of the end of fiscal year 2021, the City's governmental funds reported combined ending fund balances of \$1,756,707. Of this amount, *unreserved fund balance* is \$1,720,504, which is available for spending (depending on fund restrictions) at the City's discretion.

General Fund Unrestricted/Undesignated Fund Balance. The unrestricted/undesignated fund balances of the Board's General Fund (the general operating fund of the City) has decreased significantly in the current year. This decrease is due to paying for the demolition of hurricane damaged homes, which will be reimbursed by FEMA and road resurfacing..

Budget Variances in General Fund. Some budget variances occurred in General Fund during the 2021 fiscal year due to budgeted capital projects being postponed and un-received grant funds.

MAJOR FUNDS

GOVERNMENTAL FUNDS

The General Fund is reported as major governmental funds.

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

The General Fund consists of the Administration Department, Police Department, Fire Department, Street Department, and Parks Department.

PROPRIETARY FUNDS

There are five proprietary (business-type) funds:

Electric Department
Natural Gas Department
Water Department
Sewer Department
Sanitation Department

City of Blountstown, Florida Management's Discussion and Analysis

LONG-TERM DEBT

As of September 30, 2021, the City of Blountstown had various long-term debt in both the General Fund and the Proprietary Funds.

The City has a lease purchase agreement with IBM Credit for a new Operating System Server at City Hall.

The City has a note with Florida Department of Transportation for the Waterline Replacement Project that was done along Highway 20.

Additional information on the City's long-term debt can be found in the Notes to the Financial Statements in this report.

CAPITAL ASSETS

Generally, a government's largest group of assets (infrastructure – roads, bridges, traffic signals, and underground pipes not associated with a utility, etc.) are neither reported nor depreciated in governmental fund financial statements. GASB-34 requires that these assets now be valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government elects the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has elected to depreciate its infrastructure assets. Pre-retroactive reporting of infrastructure is not required by the City.

Approximately seventy-eight percent (78%) of the City's net assets reflects its investment in capital assets (e.g., land, buildings, improvements, and vehicles and equipment, net of related debt). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

This year's major capital asset additions included the following:

- Purchase of new Meter Rader Truck - \$26,150
- Purchas of 2 new Police Vehicles - \$63,060
- Purchase of new Jet Trailer - \$73,201
- Purchase of new Well House #2 Building - \$36,378
- Expenditures for Sewer and Water Infrastructure and Drainage Improvements were completed at a cost of \$809,092.

City of Blountstown, Florida Management's Discussion and Analysis

SIGNIFICANT ECONOMIC FACTORS

TAXABLE VALUE OF PROPERTY AND MILLAGE RATES

The City has been able to maintain the same millage rate of 1.5 mils to citizens.

NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when adopting the 2020/2021 budget. The City was able to maintain the same utility rates for its customers in 2020/2021. This coupled with rising costs has made it necessary to balance budgets using reserves from prior years and continue to provide the level of service to customers as provided in the past. The City negotiated a new electric supply contract with Southern Power, which began May 2017 and expires in April 2022. Each year the City will review rates to determine if they need to be raised in order to offset the rising costs of electricity.

REQUESTS FOR INFORMATION

This report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

TRACI S. HALL, CITY MANAGER
20591 CENTRAL AVE WEST
BLOUNTSTOWN, FL 32424

BASIC FINANCIAL STATEMENTS

City of Blountstown, Florida

Statement of Net Position

September 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 2,474,934	\$ 3,166,299	\$ 5,641,233
Investments	238,807	2,105,110	2,343,917
Accounts receivable, net	34,446	803,607	838,053
Accrued interest receivable	759	6,691	7,450
Interfund balances	(1,125,756)	1,125,756	-
Due from other governments	900,908	531,436	1,432,344
Inventory	-	150,964	150,964
Restricted cash and cash equivalents	36,203	210,649	246,852
Other assets	-	13,011	13,011
Capital assets			
Nondepreciable	1,834,459	343,621	2,178,080
Depreciable, net	3,991,615	14,765,968	18,757,583
Total assets	8,386,375	23,223,112	31,609,487
Deferred outflows of resources			
Deferred outflows related to OPEB	33,270	34,795	68,065
Deferred outflows related to pension	499,924	350,234	850,158
Total deferred outflows of resources	533,194	385,029	918,223
Liabilities			
Accounts payable	125,999	341,976	467,975
Accrued expenses	30,290	26,045	56,335
Unearned revenues	647,304	-	647,304
Customer deposits	-	210,349	210,349
Long-term liabilities			
Due within one year			
Capital lease	13,127	-	13,127
Note payable	-	14,889	14,889
Accrued compensated absences	22,352	23,156	45,508
Due in more than one year			
Capital lease	4,438	-	4,438
Pension liability	754,585	589,416	1,344,001
Accrued compensated absences	67,056	69,466	136,522
Other post-employment benefit obligation	303,856	326,174	630,030
Total liabilities	1,969,007	1,601,471	3,570,478
Deferred inflows of resources			
Deferred inflows related to OPEB	89,116	90,790	179,906
Deferred inflows related to pension	1,279,568	792,954	2,072,522
Total deferred inflows of resources	1,368,684	883,744	2,252,428
Net position			
Invested in capital assets, net of related debt	5,808,509	15,094,700	20,903,209
Restricted for			
Law enforcement	17,665	-	17,665
Scholarship fund	15,647	-	15,647
Historic preservation	2,891	-	2,891
Unrestricted	(262,834)	6,028,226	5,765,392
Total net position	\$ 5,581,878	\$ 21,122,926	\$ 26,704,804

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

City of Blountstown, Florida

Statement of Activities

For the year ended September 30, 2021

Net (Expenses) Revenues and Changes in Net Position																					
		Program Revenues			Primary Government																
		Charges for	Operating	Capital																	
		Services	Grants and	Grants and	Governmental	Business-type															
Expenses			Contributions	Contributions	Activities	Activities	Total														
Functions / Programs																					
Primary government																					
Governmental activities																					
General government	\$	698,255	\$	161,745	\$	102,696	\$	-	\$	(433,814)	\$	-	\$	(433,814)							
Public safety		1,624,103		150,860		31,935		-		(1,441,308)		-		(1,441,308)							
Highways and streets		798,820		10,272		-		-		(788,548)		-		(788,548)							
Culture and recreation		74,820		-		-		-		(74,820)		-		(74,820)							
Total governmental activities		3,195,998		322,877		134,631		-		(2,738,490)		-		(2,738,490)							
Business-type activities																					
Electric		2,593,875		4,062,001		283,560		-		-		1,751,686		1,751,686							
Water		606,887		601,515		33,283		-		-		27,911		27,911							
Sewer		920,374		768,122		93,468		701,959		-		643,175		643,175							
Natural Gas		473,936		358,119		-		-		-		(115,817)		(115,817)							
Sanitation		516,455		324,469		212		-		-		(191,774)		(191,774)							
Cemetery		345		3,000		-		-		-		2,655		2,655							
Total business-type activities		5,111,872		6,117,226		410,523		701,959		-		2,117,836		2,117,836							
Total primary government	\$	8,307,870	\$	6,440,103	\$	545,154	\$	701,959		(2,738,490)		2,117,836		(620,654)							
General revenues																					
Taxes:																					
Franchise and public service taxes										694,350		-		694,350							
Property taxes, levied for general purposes										94,952		-		94,952							
Miscellaneous										153,668		155,563		309,231							
Interest earnings										4,439		27,419		31,858							
Transfers										1,579,725		(1,579,725)		-							
Total general revenues, interest and transfers										2,527,134		(1,396,743)		1,130,391							
Change in net position										(211,356)		721,093		509,737							
Net Position, beginning										5,793,234		20,401,833		26,195,067							
Net position - ending										\$		5,581,878		\$		21,122,926		\$		26,704,804	

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

City of Blountstown, Florida
Balance Sheet
Governmental Fund

September 30, 2021

	General
Assets	
Cash and cash equivalents	\$ 2,474,934
Investments	238,807
Accounts receivable, net	34,446
Interest receivable	757
Due from other funds	306,435
Due from other governments	900,908
Restricted cash and cash equivalents	36,203
Total assets	\$ 3,992,490
Liabilities	
Accounts payable	\$ 125,999
Accrued expenses	30,289
Due to other funds	1,432,191
Unearned revenues	647,304
Total liabilities	2,235,783
Fund balances	
Restricted for scholarship fund	15,647
Restricted for law enforcement	17,665
Restricted for historic preservation	2,891
Unassigned, reported in general fund	1,720,504
Total fund balances	1,756,707
Total liabilities and fund balances	\$ 3,992,490
Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balances - governmental funds	\$ 1,756,707
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,826,074
Long-term liabilities, including notes payable and compensated absences and pension liabilities and are not due and payable in current period, and therefore, are not reported in the funds.	(1,165,413)
Deferred outflows and inflows of resources related pensions are applicable to future periods and therefore, are not reported in the funds.	
Deferred outflows of resources - pensions	533,194
Deferred inflows of resources - pensions	(1,368,684)
Net position of governmental activities	\$ 5,581,878

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

City of Blountstown, Florida
Statement of Revenue, Expenditures, and Changes in Fund Balance
Governmental Fund

For the year ended September 30, 2021

	General
Revenues	
Property taxes, levied for general purposes	\$ 94,952
Other taxes	499,346
Intergovernmental	353,098
Licenses and permits	40,878
Fines and forfeitures	7,835
Grants and contributions	134,630
Interest	4,439
Other fees and miscellaneous	642,913
Total revenues	1,778,091
Expenditures	
Current	
General government	1,012,524
Public safety	1,597,926
Highways and streets	593,606
Culture and recreation	26,992
Capital outlay	
General government	35,929
Public safety	187,901
Highways and streets	136,761
Culture and recreation	3,565
Debt service	
Principal	14,965
Interest and other charges	637
Total expenditures	3,610,806
Excess of expenditures over revenues	(1,832,715)
Other financing sources (uses)	
Transfers in	1,976,275
Transfers out	(396,550)
Net other financing sources (uses)	1,579,725
Net change in fund balance	(252,990)
Fund balance - beginning	2,009,697
Fund balance - ending	\$ 1,756,707

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

City of Blountstown, Florida

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund
Balance of Governmental Fund to the Statement of Activities**

For the year ended September 30, 2021

Amounts reported for governmental activities in the statement of activities (page 6) are different because:

Net change in fund balance - total governmental fund	\$ (252,990)
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the statement of net position.	360,591
Depreciation expense on governmental capital assets is included in the governmental activities in the statement of activities.	(421,472)
Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net position.	14,965
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses include:	
Pension	1,708,464
Other post-employment benefits	(4,275)
Compensated absences	(10,747)
Government funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense	
Deferred outflow of resources - pensions	(315,681)
Deferred inflow of resources - pensions	(1,290,211)
Change in net position of governmental activities (page 6)	\$ (211,356)

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

City of Blountstown, Florida
Statement of Revenue, Expenditures, and Changes in Fund Balances –
Budget and Actual - General Fund

For the year ended September 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues				
Property taxes, levied for general purposes	\$ 91,043	\$ 91,043	\$ 94,952	\$ 3,909
Other taxes	451,334	451,334	499,346	48,012
Intergovernmental	170,241	170,241	353,098	182,857
Licenses and permits	11,200	11,200	40,878	29,678
Fines and forfeitures	7,000	7,000	7,835	835
Grants and contributions	35,685	776,216	134,630	(641,586)
Interest	5,000	5,000	4,439	(561)
Other fees and miscellaneous	211,358	211,358	642,913	431,555
Reserves	428,709	494,108	-	(494,108)
Total revenues	1,411,570	2,217,500	1,778,091	(439,409)
Expenditures				
Current				
General government	485,668	1,099,502	1,012,524	86,978
Public safety	1,533,475	1,660,172	1,597,926	62,246
Highways and streets	464,971	483,385	593,606	(110,221)
Culture and recreation	44,770	44,770	26,992	17,778
Capital outlay	462,410	509,395	364,156	145,239
Debt service				
Principal	-	-	14,965	(14,965)
Interest and other charges	-	-	637	(637)
Total expenditures	2,991,294	3,797,224	3,610,806	186,418
Excess of revenues over (under) expenditures	(1,579,724)	(1,579,724)	(1,832,715)	(252,991)
Other financing sources (uses)				
Transfers in	1,976,274	1,976,274	1,976,275	1
Transfers out	(396,550)	(396,550)	(396,550)	-
Debt proceeds	-	-	-	-
Total other financing sources (uses)	1,579,724	1,579,724	1,579,725	1
Net change in fund balances	-	-	(252,990)	(252,990)
Fund balances - beginning	2,009,697	2,009,697	2,009,697	-
Fund balances - ending	\$ 2,009,697	\$ 2,009,697	\$ 1,756,707	\$ (252,990)

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

City of Blountstown, Florida
Statement of Revenue, Expenses and Changes in Net Position
Proprietary Funds

September 30, 2021

	Business-type Activities / Enterprise Funds					
	Electric	Water	Sewer	Sanitation	Non-major Funds	Total
Assets						
Current assets						
Cash and cash equivalents	\$ 1,474,208	\$ 515,812	\$ 470,528	\$ 422,783	\$ 282,967	\$ 3,166,298
Investments	185,629	736,539	1,174,181	-	8,761	2,105,110
Accounts receivable, net	565,491	71,059	91,062	38,418	37,577	803,607
Accrued interest receivable	591	2,341	3,731	-	28	6,691
Due from other funds	522,871	389,155	884,625	27,997	1,347	1,825,995
Due from other governments	17,714	-	481,016	32,706	-	531,436
Inventory	132,300	6,315	9,774	-	2,575	150,964
Total current assets	2,898,804	1,721,221	3,114,917	521,904	333,255	8,590,101
Noncurrent assets						
Restricted cash and cash equivalents	200,970	6,394	-	300	2,985	210,649
Other assets	-	-	-	-	13,011	13,011
Capital assets						
Nondepreciable	-	6,989	321,632	-	15,000	343,621
Depreciable, net	1,904,731	2,736,008	9,878,108	113,487	133,634	14,765,968
Total noncurrent assets	2,105,701	2,749,391	10,199,740	113,787	164,630	15,333,249
Total assets	5,004,505	4,470,612	13,314,657	635,691	497,885	23,923,350
Deferred outflows of resources						
Deferred outflows related to OPEB	9,801	7,613	7,364	5,843	4,174	34,795
Deferred outflows related to pension	80,562	81,374	79,148	52,993	56,157	350,234
Total deferred outflows of resources	90,363	88,987	86,512	58,836	60,331	385,029
Liabilities						
Current liabilities						
Accounts payable	215,746	3,889	78,016	18,650	25,674	341,975
Accrued expenses	6,295	6,243	6,195	5,104	2,208	26,045
Due to other funds	-	542,825	149,880	-	7,534	700,239
Compensated absences payable	4,424	6,214	6,214	4,239	2,065	23,156
Notes payable - current	-	14,889	-	-	-	14,889
Customer deposits	200,970	6,394	-	-	2,985	210,349
Total current liabilities	427,435	580,454	240,305	27,993	40,466	1,316,653
Noncurrent liabilities						
Accrued compensated absences	13,271	18,642	18,642	12,717	6,194	69,466
Other post-employment benefits	93,539	71,017	68,112	53,578	39,928	326,174
Pension liability	123,496	140,236	134,782	77,012	113,890	589,416
Total noncurrent liabilities	230,306	229,895	221,536	143,307	160,012	985,056
Total liabilities	657,741	810,349	461,841	171,300	200,478	2,301,709
Deferred inflows of resources						
Deferred inflows related to OPEB	25,099	26,659	19,478	8,891	10,663	90,790
Deferred inflows related to pension	202,972	171,949	176,501	147,390	94,142	792,954
Total deferred inflows of resources	228,071	198,608	195,979	156,281	104,805	883,744
Net position						
Invested in capital assets, net of related debt	1,904,731	2,728,108	10,199,740	113,487	148,634	15,094,700
Unrestricted	2,304,325	822,534	2,543,609	253,459	104,299	6,028,226
Total net position	\$ 4,209,056	\$ 3,550,642	\$ 12,743,349	\$ 366,946	\$ 252,933	\$ 21,122,926

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

City of Blountstown, Florida
Statement of Revenue, Expenses and Changes in Net Position
Proprietary Funds

For the year ended September 30, 2021

	Business-type Activities / Enterprise Funds					
	Electric	Water	Sewer	Sanitation	Non-major Funds	Total
Operating revenues						
Charges for services	\$ 4,062,001	\$ 601,515	\$ 768,122	\$ 324,469	\$ 361,119	\$ 6,117,226
Total operating revenues	4,062,001	601,515	768,122	324,469	361,119	6,117,226
Operating expenses						
Personal services	387,685	333,697	330,640	271,524	171,689	1,495,235
Purchased energy	1,841,220	-	-	-	232,805	2,074,025
Services and supplies	163,158	8,647	25,720	108,802	12,844	319,171
Heat, light and power	17,120	16,835	44,049	-	502	78,506
Insurance	10,485	10,016	29,822	-	6,227	56,550
Repairs and maintenance	26,249	3,476	10,643	18,415	1,325	60,108
Other operating expenses	12,382	66,482	67,854	73,095	32,916	252,729
Depreciation / amortization	135,576	167,734	411,646	44,619	15,973	775,548
Total operating expenses	2,593,875	606,887	920,374	516,455	474,281	5,111,872
Net operating income (loss)	1,468,126	(5,372)	(152,252)	(191,986)	(113,162)	1,005,354
Nonoperating revenues (expenses)						
Interest income	3,293	9,538	13,336	630	622	27,419
Miscellaneous revenue	337,427	34,646	190,232	212	3,569	566,086
Net nonoperating revenues (expenses)	340,720	44,184	203,568	842	4,191	593,505
Income (loss) before contributions and transfers	1,808,846	38,812	51,316	(191,144)	(108,971)	1,598,859
Capital contributions	-	-	701,959	-	-	701,959
Transfers, net	(1,860,782)	(115,493)	60,850	242,052	93,648	(1,579,725)
Change in net position	(51,936)	(76,681)	814,125	50,908	(15,323)	721,093
Net position - beginning	4,260,992	3,627,323	11,929,224	316,038	268,256	20,401,833
Net position - ending	\$ 4,209,056	\$ 3,550,642	\$ 12,743,349	\$ 366,946	\$ 252,933	\$ 21,122,926

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

City of Blountstown, Florida
Statement of Cash Flows
Proprietary Funds

For the year ended September 30, 2021

	Business-type Activities / Enterprise Funds					Total
	Electric	Water	Sewer	Sanitation	Non-major Funds	
Operating activities						
Receipts from customers and users	\$ 4,535,361	\$ 621,648	\$ 510,425	\$ 325,743	\$ 351,564	\$ 6,344,741
Payments to suppliers	(2,001,284)	(114,790)	(128,583)	(219,067)	(276,562)	(2,740,286)
Payments to employees	(402,892)	(342,916)	(339,456)	(279,178)	(179,967)	(1,544,409)
Net cash provided by (used for) operating activities	2,131,185	163,942	42,386	(172,502)	(104,965)	2,060,046
Noncapital financing activities						
Other receipts (payments)	337,427	34,646	190,232	212	9,544	572,061
Transfers to/from other funds	(1,860,782)	(115,493)	60,850	242,052	93,648	(1,579,725)
Net cash provided by (used for) noncapital financing activities	(1,523,355)	(80,847)	251,082	242,264	103,192	(1,007,664)
Capital and related financing activities						
Capital contributions	-	-	701,959	-	-	701,959
Purchase of capital assets	(13,289)	(43,800)	(1,147,836)	-	(23,127)	(1,228,052)
Proceeds from sale of fixed assets	-	-	-	-	-	-
Principal paid on debt	-	(14,889)	-	-	-	(14,889)
Net cash provided by (used for) capital and related financing activities	(13,289)	(58,689)	(445,877)	-	(23,127)	(540,982)
Investing activities						
Purchase of investments	(3,289)	(13,028)	(20,769)	-	(153)	(37,239)
Interest received	5,295	17,463	25,972	630	715	50,075
Net cash provided by (used for) investing activities	2,006	4,435	5,203	630	562	12,836
Net increase (decrease) in cash and cash equivalent:	596,547	28,841	(147,206)	70,392	(24,338)	524,236
Cash and cash equivalents - beginning	1,078,631	493,365	617,734	352,691	310,291	2,852,712
Cash and cash equivalents - ending	\$ 1,675,178	\$ 522,206	\$ 470,528	\$ 423,083	\$ 285,953	\$ 3,376,948
Classified as						
Current assets - cash and cash equivalents	\$ 1,474,208	\$ 515,812	\$ 470,528	\$ 422,783	\$ 282,968	\$ 3,166,299
Restricted assets - cash and cash equivalents	200,970	6,394	-	300	2,985	210,649
	\$ 1,675,178	\$ 522,206	\$ 470,528	\$ 423,083	\$ 285,953	\$ 3,376,948

(Continued)

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

City of Blountstown, Florida
Statement of Cash Flows
Proprietary Funds(continued)

For the year ended September 30, 2021

	Business-type Activities / Enterprise Funds					
	Electric	Water	Sewer	Sanitation	Non-major Funds	Total
Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities						
Net operating income (loss)	\$ 1,468,126	\$ (5,372)	\$ (152,252)	\$ (191,986)	\$ (113,162)	\$ 1,005,354
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization	135,576	167,734	411,646	44,619	15,973	775,548
(Increase) decrease in accounts receivable	(11,141)	14,588	(742)	1,274	(9,195)	(5,216)
(Increase) decrease in inventory	10,446	1,620	-	(5,157)	110	7,019
(Increase) decrease in due from other funds	-	(1,255)	-	-	-	(1,255)
(Increase) decrease in other assets	475,621	6,115	(256,955)	-	1,146	225,927
Increase (decrease) in accounts payable and accrued expenses	59,641	(18,893)	41,185	(21,252)	633	61,314
Increase (decrease) in due to other funds	(15,964)	(25)	(496)	-	-	(16,485)
Increase (decrease) in customer deposits	8,880	(570)	-	-	(470)	7,840
Net cash provided by (used for) operating activities	\$ 2,131,185	\$ 163,942	\$ 42,386	\$ (172,502)	\$ (104,965)	\$ 2,060,046

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - REPORTING ENTITY

The City of Blountstown, Florida, (the City) is located in northwest Florida in Calhoun County. The City operates under an elected Mayor-Council and a four-member City Council, and serves approximately 3,000 residents. The City provides a full range of municipal services, including fire and police protection, public works activities, parks and recreation, and general administrative services. The City operates a water, sewer, natural gas, sanitation, and electric utility. The City also operates a cemetery.

As outlined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, the financial reporting entity consists of the primary government, and its component units, for which the primary government is considered to be financially accountable. Also included are other entities whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each potential component unit is individually evaluated using specific criteria outlined in GASB Statement No. 14 to determine whether the entity is: (a) part of the primary government; (b) a component unit which should be included in the reporting entity (blended or discretely presented); (c) an organization which should be excluded from the reporting entity entirely.

The principal criteria for classifying a potential component unit include the legal separateness of the organization, the financial accountability of the primary government for the potential component unit resulting from either the primary government's ability to impose its will on the potential component unit, or the potential component unit's fiscal dependency on the primary government. In applying the above criteria, the Blountstown Community Redevelopment Agency (the Agency) is considered a component unit and is blended in the financial statements of the City. The agency was established by City Resolution 90-4. There was no financial activity for the entity for 2021.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Commencing in the reporting year ended September 30, 2004, the City implemented GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Significant City accounting policies are described below.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units, if any, for which the primary government is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements, *continued*

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

General Fund - The general fund is the City's primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund.

The City reports the following major proprietary funds:

Electric Fund - Accounts for the purchase and distribution of electric services.

Water Fund - Accounts for costs for collection, treatment and distribution of water services.

Sewer Fund - Accounts for costs to provide wastewater and sanitary sewer services.

Sanitation Fund - Accounts for costs to provide residential and commercial sanitation services.

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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, *continued*

Governmental 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for water, sewer, natural gas, and electricity service. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Enterprise Activities

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Budgets and Budgetary Accounting

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a budgetary accounting system in accordance with various legal requirements which govern the City's operations. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund level. All budget changes that affect the total of a fund's budget must be approved by the City Commission.

The budgetary information presented for the general fund is prepared on the modified accrual basis. Unexpended items at year-end must be reappropriated in the subsequent year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. This includes cash in banks and balances in the State Board of Administration Investment Pool.

Investments

Investments consist of those deposits made locally in commercial banks with a maturity dates greater than three months of the date acquired by the government.

Receivables

Customer accounts receivable are recorded in the enterprise funds at their net realizable value, reduced by an allowance for uncollectible accounts, where applicable. The allowance at September 30, 2021 was \$8,000.

Due From (To) Other Funds

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances."

Inventories

Inventory items of materials and supplies, which are not significant in amount, are considered expenditures when purchased in the governmental funds. Inventory in the proprietary funds consists of utility supplies held for consumption or capital improvements and are valued at the lower of cost or net realizable value using the first-in, first-out (FIFO) method.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, storm water system, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Property, plant, and equipment with initial, individual costs that exceed \$500 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs exceed \$25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets effective October 1, 2003. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required by the City.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements other than buildings	20-35
Machinery and equipment	5-15
Infrastructure	15-25

Major outlays for capital assets and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

Compensated Absences

The City maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from City service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences, *continued*

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Proprietary fund types accrue sick leave and vacation benefits in the period they are earned. Compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*.

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 Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills for general operations. The City's millage rate for the year ended September 30, 2021, was 1.5 mills.

The tax levy of the City is established by the City Commission prior to October 1 of each year.

Property tax revenue is recognized when taxes are received by the City. Because any delinquent taxes collected after September 30 would not be material, delinquent taxes due are not accrued at year end.

All taxes become payable on November 1, of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All taxes become delinquent on April 1 following the year in which they are assessed. 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. Taxes paid in March are without discount.

Property taxes are collected by the Calhoun County Tax Collector. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates.

Fund Balance Reporting and Governmental Fund-Type Definitions

The City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 11.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Use of Restricted Assets

Restricted assets consist of cash which is required by resolution or contractual obligation to be set aside for specific purposes and is therefore unavailable for general operating purposes. When both restricted and unrestricted (unassigned) net assets are available, restricted assets are applied first. When both assigned and unassigned net assets are available, assigned net assets are applied first.

Encumbrances

Encumbrances represent commitments in the form of purchase orders which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances do not represent expenditures or liabilities. The City does not record encumbrances outstanding at year end.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that future time.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of Recently Issued Accounting Pronouncements

New Accounting Standards Adopted

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the City's financial statements.

Recently Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the City upon implementation. Management has not yet evaluated the effect of implementation of these standards.

Statement No.	GASB Accounting Standard	GASB Effective Fiscal Year
87	<i>Leases</i>	2022
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2022
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2022
91	<i>Conduit Debt Obligations</i>	2023
92	<i>Omnibus 2020</i>	2023
93	<i>Replacement of Interbank Offered Rates</i>	2022
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2024
96	<i>Subscription-Based Information Technology Arrangements</i>	2024
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	2023

NOTE 3 - CASH AND INVESTMENTS

At September 30, 2021, the carrying amount of the City's cash and cash equivalents and restricted cash was \$5,888,085 and the bank balance was \$5,953,064. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit 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 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.

Florida Statutes authorize the City to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the City to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

The City invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2021, the net realizable value and the carrying value of these funds was \$32,667. The funds are carried as a cash equivalent on the balance sheet at September 30, 2021 (See Note 2 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at www.sbafla.com/prime.

The State of Florida's Local Government Investment Pool is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pool. These rules provide guidance and establish the general operating procedures for the administration of the pool. The SBA provides regulatory oversight for the Florida PRIME Fund. As a pool participant, the City owns a share of the respective pool, not the underlying securities.

The Florida PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the City's investment in PRIME is at amortized cost.

Credit Risk

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the City investments are not evidenced by specific, identifiable investment securities.

As of September 30, 2021, the City's investment in the Florida PRIME is rated by Standard and Poors and the current rating is AAAm.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2021, is 49 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2021, is 64 days.

Custodial Credit Risk

At September 30, 2021, the City did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2021, the City did not hold any investments that were considered to have concentration of credit risk.

Foreign Currency Risk

At September 30, 2021, the City did not hold any investments that were considered to have foreign currency risk.

Fair Value Measurement and Application

Governmental entities are required to record investments at fair value unless an exception applies and disclose the fair value measurement and hierarchy. Paragraph 69 of GASB 72 lists several investments that should be measured as described in GASB Statement 31 which includes investments in nonparticipating interest-earning investment contracts (certificates of deposit) and money market investments that have a maturity at the time of purchase of one year or less. At September 30, 2021, the City's investments consisted of non-negotiable certificates of deposits which are recorded at cost and are excluded from fair value measurement.

All City depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to ensure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All City cash consists of checking accounts and interest-bearing time deposits in a local bank.

For the purposes of the statement of cash flows, the City considers cash and cash equivalents to include cash and cash equivalents and restricted cash.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 4 - RECEIVABLES

Receivables at September 30, 2021 consist primarily of charges to utility customers for water, sewer, gas, electric and sanitation services provided by the City. The City grants credit to customers, substantially all of whom are local residents.

	General Fund	Business-type Activities	Total
Utility charges-billed	\$ -	\$ 547,433	\$ 547,433
Utility charges-unbilled	-	257,624	257,624
Other	34,446	6,550	40,996
Less allowance for bad debts	-	(8,000)	(8,000)
Accounts receivable total	\$ 34,446	\$ 803,607	\$ 838,053

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers at September 30, 2021, consisted of the following:

TRANSFERS OUT	TRANSFERS IN				
	General	Sewer	Natural Gas	Sanitation	TOTAL
General	\$ -	\$ 60,850	\$ 93,648	\$ 242,052	\$ 396,550
Electric	1,860,782	-	-	-	1,860,782
Water	115,493	-	-	-	115,493
	\$ 1,976,275	\$ 60,850	\$ 93,648	\$ 242,052	\$ 2,372,825

The City's transfers include transfers to (a) other funds based on budgetary requirements and (b) funds that are required by statute or budgetary authority to expend revenues from another fund that by statute or budgetary authority must collect revenues.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 5 - INTERFUND TRANSFERS (CONTINUED)

Balances due to/from other funds at September 30, 2021 are as follows:

	Interfund Receivables	Interfund Payables
General fund	\$ 306,435	\$ 1,432,191
Business-type funds		
Electric	522,871	-
Water	389,155	542,825
Sewer	884,625	149,880
Natural Gas	-	7,534
Sanitation	27,997	-
Cemetery	1,347	-
Total	\$ 2,132,430	\$ 2,132,430

The balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made. Amounts are generally repaid during the next fiscal year.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,442,996	\$ -	\$ -	\$ 1,442,996
Construction in progress	288,767	102,696	-	391,463
 Total capital assets, not being depreciated	 1,731,763	 102,696	 -	 1,834,459
 Capital assets, being depreciated:				
Buildings	660,084	-	-	660,084
Machinery and equipment	7,385,786	257,895	(64,232)	7,579,449
 Total capital assets, being depreciated	 8,045,870	 257,895	 (64,232)	 8,239,533
 Less: accumulated depreciation for:				
Buildings	366,271	14,986	-	381,257
Machinery and equipment	3,524,407	406,486	(64,232)	3,866,661
 Total accumulated depreciation	 3,890,678	 421,472	 (64,232)	 4,247,918
 Total capital assets, being depreciated, net	 4,155,192	 (163,577)	 -	 3,991,615
 Governmental activities capital assets, net	 \$ 5,886,955	 \$ (60,881)	 \$ -	 \$ 5,826,074

Depreciation/amortization expense was charged to governmental activities of the primary government as follows:

Governmental activities	
General government	\$ 44,301
Public safety	113,470
Highways and streets	219,437
Culture and recreation	44,264
 Total depreciation expense-governmental activities	 \$ 421,472

City of Blountstown, Florida
Notes to Financial Statements

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 51,723	\$ -	\$ -	\$ 51,723
Construction in progress	250,157	109,437	(67,696)	291,898
 Total capital assets, not being depreciated	 301,880	 109,437	 (67,696)	 343,621
 Capital assets, being depreciated:				
Utility systems	23,356,322	1,083,568	-	24,439,890
Other property, plant and equipment	2,067,989	102,741	(5,525)	2,165,205
 Total capital assets, being depreciated	 25,424,311	 1,186,309	 (5,525)	 26,605,095
 Less: accumulated depreciation for:				
Utility systems	9,567,124	603,132	-	10,170,256
Other property, plant and equipment	1,501,979	172,417	(5,525)	1,668,871
 Total accumulated depreciation	 11,069,103	 775,549	 (5,525)	 11,839,127
 Total capital assets, being depreciated, net	 14,355,208	 410,760	 -	 14,765,968
 Utility capital assets, net	 \$ 14,657,088	 \$ 520,197	 \$ (67,696)	 \$ 15,109,589
Depreciation/amortization expense was charged to business-type activities of the primary government as follows:				
Business-type activities				
Electric fund			\$	135,576
Water fund				167,734
Sewer fund				411,646
Natural gas fund				15,628
Sanitation fund				44,620
Cemetery fund				345
 Total depreciation expense-business-type activities			 \$	 775,549

City of Blountstown, Florida
Notes to Financial Statements

NOTE 7 - LONG-TERM DEBT AND BONDS PAYABLE

Long-term debt activity for the year ended September 30, 2021, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Compensated absences	\$ 78,661	\$ 50,981	\$ 40,234	\$ 89,408	\$ 22,352
Notes/lease payable	32,530	-	14,965	17,565	13,127
	111,191	50,981	55,199	106,973	35,479
Business-type activities:					
Compensated absences	91,860	42,442	41,680	92,622	23,156
Notes payable	29,778	-	14,889	14,889	14,889
	121,638	42,442	56,569	107,511	38,045
Total	\$ 232,829	\$ 93,423	\$ 111,768	\$ 214,484	\$ 73,524

Debt service requirements on long-term debt at September 30, 2021 are as follows:

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES	
	NOTES PAYABLE	
	PRINCIPAL	INTEREST
2022	13,127	247
2023	4,438	20
Total	\$ 17,565	\$ 267

FISCAL YEAR ENDING SEPTEMBER 30,	BUSINESS-TYPE ACTIVITIES	
	NOTES PAYABLE	
	PRINCIPAL	INTEREST
2022	14,889	-
Total	\$ 14,889	\$ -

City of Blountstown, Florida
Notes to Financial Statements

NOTE 7 - LONG-TERM DEBT AND BONDS PAYABLE (CONTINUED)

Governmental Activities

Note payable

Capital lease purchase - IBM Credit for \$38,900, payable in monthly installments of \$1,114 including interest at 2.13%, secured by computer server	\$ 17,565
Total notes payable	\$ 17,565

Business-Type Activities

Note payable

State of Florida, Department of Transportation, payable in annual installments of \$14,889, unsecured, non-interest bearing	\$ 14,889
Total notes payable	14,889
Total business-type activities	\$ 14,889

NOTE 8 – STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY

Defined Benefit Plans

The City participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer cost sharing defined benefit public retirement system administered by the State of Florida, Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the State of Florida Division of Retirement, Tallahassee, Florida 32399-1560, or by accessing their internet site at (www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 8 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2021, were as follows:

	FRS	HIS
Florida Retirement System:		
Regular	9.16%	1.66%
Senior Management Service Class	27.35%	1.66%
Special Risk	24.23%	1.66%
DROP	16.68%	1.66%

The employer's contributions for the year ended September 30, 2021, were \$289,277 to the FRS and \$37,922 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2021, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2021. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability at June 30, 2021	\$ 557,756	\$ 786,245
Proportion at:		
Current measurement date	0.0074%	0.0064%
Prior measurement date	0.0069%	0.0055%
Pension expense (benefit)	\$ 23,396	\$ 71,030

City of Blountstown, Florida
Notes to Financial Statements

NOTE 8 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 95,600	\$ -	\$ 26,310	\$ (329)
Changes of assumptions	381,644	-	61,781	(32,395)
Net difference between projected and actual earnings on pension plan investments	-	(1,945,868)	820	-
employer contributions	127,535	(89,873)	77,313	(4,057)
City contributions subsequent to the measurement date	70,547	-	8,608	-
Total	\$ 675,326	\$ (2,035,741)	\$ 174,832	\$ (36,781)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	FRS	HIS
2022	\$ (267,823)	\$ 15,323
2023	(308,343)	5,210
2024	(384,233)	11,662
2025	(507,053)	15,915
2026	(67,923)	12,401
Thereafter	3,098	6,691
Total	\$ (1,532,277)	\$ 67,202

NOTE 8 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2021. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2021. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2021, rolled-forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.16%

Mortality assumptions for both plans were based on the PUB-2010 base table.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2021 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2021:

FRS: Decreasing the maximum amortization period to 20 years for all current and future amortization bases.

HIS: The municipal bond rate used to determine total pension liability was decreased from 2.21% to 2.16%.

The long-term expected rate of return assumption of 6.80% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.30%, which is consistent with the 1.17% real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2021 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary both components and the overall 6.80% return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.80% reported investment return assumption is the same as the investment return assumption chose by the 2021 FRS Actuarial Assumption Conference for funding policy purposes.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 8 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
<hr/>				
Total	100.00%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.8%. FRS' 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 essentially 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. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS Net Pension Liability		
	Current		
	1% Decrease (5.80%)	Discount Rate (6.80%)	1% Increase (7.80%)
Governmental Employer's proportionate share of the net pension liability	\$ 1,541,489	\$ 344,693	\$ (655,694)
Business-Type Employer's proportionate share of the net pension liability	\$ 952,829	\$ 213,062	\$ (405,300)

City of Blountstown, Florida
Notes to Financial Statements

NOTE 8 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Sensitivity Analysis (Continued)

	HIS Net Pension Liability		
	Current		
	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Governmental Employer's proportionate share of the net pension liability	\$ 561,747	\$ 485,899	\$ 423,760
Business-Type Employer's proportionate share of the net pension liability	\$ 347,228	\$ 300,346	\$ 261,935

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2021, totaled \$32,322.

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others; and natural disasters for which the City carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials' liability
- Accidental death and dismemberment

The City's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the City's experience for this type of risk.

NOTE 10 - GRANTS

The City participates in several state and federal grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for, or including, the year ended September 30, 2021, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the City's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined, although the City expects such amounts, if any, to be immaterial.

NOTE 11 - FUND BALANCE

Reserved Fund Balance

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. Spendable fund balances are classified based on a hierarchy of the City's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2021, the City reports net assets as restricted, assigned and unassigned. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the City's intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Reservations of fund balance show amounts that are not appropriated for expenditure or are legally restricted for specific uses. The purpose for each is indicated as follows:

Fund	Purpose	Amount
General Fund	Police education	\$ 17,665
General Fund	Scholarship fund	15,647
General Fund	Historic preservation	2,891
Total restricted fund balance		\$ 36,203

NOTE 12 - MAJOR SUPPLIER

Florida Gas Utilities (FGU) acts as the agent for the City on all natural gas purchases. Purchases totaled \$232,805 for the year ended September 30, 2021. The City has placed a deposit totaling \$13,011 with FGU to satisfy the credit requirements of the supplier.

City of Blountstown, Florida
Notes to Financial Statements

All electricity sold by the City was purchased from Southern Power. Purchases totaled \$1,841,220 for the year ended September 30, 2021.

NOTE 13 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Plan Description – The City has implemented Governmental Accounting Standards Board Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for retiree health insurance.

The City of Blountstown Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan which provides Other Postemployment Benefits (OPEB) to eligible retirees and their eligible dependents. Pursuant to the provisions of Section 112.0801, the Florida Statutes, employees who retire from the City and eligible dependents, may continue to participate in the group health insurance plan. Retirees and their eligible dependents shall be offered the same health insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full-time employees of the City. For all employees participating in the Florida Retirement System, participants are eligible for normal retirement upon attaining the earlier of 1) age 62 or 2) 30 year of service regardless of age. See note 8 for further details

Benefits Provided - The City provides post-employment healthcare to its retirees. Health benefits are provided through the City's healthcare provider, Capital Health Plan. The benefit levels are the same as those afforded to active employees. Health benefits include inpatient and outpatient medical services and prescriptions.

Membership – At September 30, 2021, there were no terminated employees entitled to benefits by not yet receiving them. The membership of the Plan consisted of:

Active employees	47
Retirees and beneficiaries currently receiving benefits	-
Total Membership	47
<hr/>	
Participating employers	1

City of Blountstown, Florida
Notes to Financial Statements

NOTE 13 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Contributions and Funding Policy - A qualifying trust or agency fund has not been authorized by the City. The City negotiates the premium rates with Capital Health Plan. The required contribution is based on pay-as-you-go financing requirements. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs. The City did not have any retiree. The chart below shows the cost of the monthly retiree premiums as of the valuation date:

	Capital Health	Capital Health	Capital Health
	01/01/20	10/01/20	10/01/21
Coverage	09/30/20	09/30/21	09/30/22
Retiree	\$ 632.23	\$ 639.83	\$ 679.56
Retiree & Spouse	\$ 1,327.68	\$ 1,343.64	\$ 1,427.07
Retiree & Children	\$ 1,106.40	\$ 1,119.70	\$ 1,189.23
Family	\$ 1,896.69	\$ 1,919.49	\$ 2,038.68

Net OPEB Liability, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB - At September 30, 2021, the City reported a liability of \$630,031 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2021, and was determined by an actuarial valuation as of October 1, 2020. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2021, the City recognized OPEB expense of \$90,065. At September 30, 2021, the City reported deferred outflows of resources or deferred inflows of resources related to OPEB from the following sources:

	Deferred	
	Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 24,695	\$ 70,354
Changes of assumptions or other inputs	43,370	109,552
Net difference between projected and actual investments	-	-
Total	\$ 68,065	\$ 179,906

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	FRS
2022	\$ 11,990
2023	11,990
2024	11,990
2025	11,990
2026	11,990
Thereafter	51,987

City of Blountstown, Florida
Notes to Financial Statements

NOTE 13 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

The following shows the changes in the City's net OPEB liability:

	OPEB Liability	Deferred Inflows	Deferred Outflows	OPEB Expense
Balance at September 30, 2020	\$ 621,575	\$ 78,776	\$ 48,540	\$ -
Service Cost	85,304	-	-	85,304
Interest Cost	17,172	-	-	17,172
Changes in Benefit Terms	-	-	-	-
Differences between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	27,239	120,836	-	-
Current Year Amortization of Experience Difference	-	(19,706)	-	(5,877)
Change in Assumptions About Future Economic or Demographic Factors or Other Inputs	(120,838)	-	27,239	-
Current Year Amortization of Change in Assumptions	-	-	(7,714)	(6,113)
Benefit Payments	(422)	-	-	(421)
Net Change	\$ 630,030	\$ 179,906	\$ 68,065	\$ 90,065

Actuarial Methods and Assumptions – The total OPEB liability in the October 1, 2016, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Cost of Living Increases:	Increase in accordance with the healthcare cost trend rates
Projected annual salaries increase	3.00% per annum
Healthcare cost trend rate	6.50% for 2020/21 reduced 0.5% each year until reaching ultimate trend rate of 5.00%
T Mortality	PUB-2010 Mortality Table for general and public safety employees, with full generational improvements in mortality using Scale MP-2020

Discount Rate – The discount rate used to measure the total OPEB liability was 2.43%. The discount rate is based on the return on the S&P Municipal Bond 20-year High Grade Index.

City of Blountstown, Florida
Notes to Financial Statements

NOTE 13 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate -

The following presents the City's proportionate share of the net OPEB liability using a discount rate that is 1 percent lower (1.43%) or 1 percent point higher (3.43%) than the current discount rate:

	1% Decrease (1.43%)	Current Discount Rate (2.43%)	1% increase (3.43%)
Net OPEB Liability	\$ 702,894	\$ 630,030	\$ 566,338

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate- The following presents the City's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are 1 percent lower (4.00%) or 1 percent point higher (6.00%) than the current healthcare cost trend rates:

	1% Decrease (5.50% decreasing to 4.00%)	Current Discount Rate (6.50% decreasing to 5.00%)	1% increase (7.50% decreasing to 6.00%)
Net OPEB Liability	\$ 539,954	\$ 630,030	\$ 740,705

NOTE 14 – OPERATING LEASES

The City entered into a new 36 month garbage truck lease in November 2020. The rental expense under operating lease for the year ended September 30, 2021 was \$35,448.

NOTE 15 –SUBSEQUENT EVENTS

In October 2018, the City sustained damages to property, equipment and infrastructure as a result of Hurricane Michael. The City has ongoing FEMA projects related to Hurricane Michael in excess of \$2.6 million. These projects are expecting completion in late 2023.

In October 2020, the City purchased the property needed to complete the Effluent Project and design is underway.

In August 2021, renovations at the Blountstown Police Department began at a cost of just over \$1 million. They anticipate the project to be completed Spring 2022.

NOTE 16 – UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the City. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain as of April 4, 2022.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

Litigation. Various claims and lawsuits are pending against the City. In the opinion of legal counsel, the potential unrecorded liability on all claims and lawsuits will not be significant to the City's financial position.

Intergovernmental Grants. Amounts received or receivable from grantors are subject to audit and adjustments by the grantor agencies, principally federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts to be immaterial.

COMBINING FINANCIAL STATEMENTS

City of Blountstown, Florida
Combining Statement of Net Position
Nonmajor Proprietary Funds

September 30, 2021

	Business-type Activities / Enterprise Funds		
	Natural Gas	Cemetery	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 167,994	\$ 114,973	\$ 282,967
Investments	8,761	-	8,761
Accounts receivable, net	37,577	-	37,577
Accrued interest receivable	28	-	28
Due from other funds	-	1,347	1,347
Due from other governments	-	-	-
Inventory	2,575	-	2,575
Total current assets	216,935	116,320	333,255
Noncurrent assets			
Restricted cash and cash equivalents	2,985	-	2,985
Other assets	13,011	-	13,011
Capital assets			
Nondepreciable	-	15,000	15,000
Depreciable, net	133,634	-	133,634
Total noncurrent assets	149,630	15,000	164,630
Total assets	366,565	131,320	497,885
Deferred outflows of resources			
Deferred outflows related to OPEB	4,174	-	4,174
Deferred outflows related to pension	56,157	-	56,157
Total deferred outflows of resources	60,331	-	60,331
Liabilities			
Current liabilities			
Accounts payable	25,674	-	25,674
Accrued expenses	2,208	-	2,208
Due to other funds	7,534	-	7,534
Compensated absences payable	2,065	-	2,065
Customer deposits	2,985	-	2,985
Total current liabilities	40,466	-	40,466
Noncurrent liabilities			
Accrued compensated absences	6,194	-	6,194
Other post-employment obligations	39,928	-	39,928
Pension liability	113,890	-	113,890
Total noncurrent liabilities	160,012	-	160,012
Total liabilities	200,478	-	200,478
Deferred Inflows of resources			
Deferred inflows related to OPEB	10,663	-	10,663
Deferred inflows related to pension	94,142	-	94,142
Total deferred inflows of resources	104,805	-	104,805
Net position			
Invested in capital assets, net of related debt	133,634	15,000	148,634
Unrestricted	(12,021)	116,320	104,299
Total net position	\$ 121,613	\$ 131,320	\$ 252,933

City of Blountstown, Florida
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds

For the year ended September 30, 2021

	Business-type Activities / Enterprise Funds		
	Natural Gas	Cemetery	Total
Operating revenues			
Charges for services	\$ 358,119	\$ 3,000	\$ 361,119
Total operating revenues	358,119	3,000	361,119
Operating expenses			
Personal services	171,689	-	171,689
Purchased energy	232,805	-	232,805
Services and supplies	12,844	-	12,844
Heat, light and power	502	-	502
Insurance	6,227	-	6,227
Repairs and maintenance	1,325	-	1,325
Other operating expenses	32,916	-	32,916
Depreciation	15,628	345	15,973
Total operating expenses	473,936	345	474,281
Net operating income (loss)	(115,817)	2,655	(113,162)
Nonoperating revenues (expenses)			
Gain on the disposition of equipment	-	-	-
Interest income	475	147	622
Miscellaneous revenue	3,569	-	3,569
Total nonoperating revenues (expenses)	4,044	147	4,191
Income (loss) before contributions and transfers	(111,773)	2,802	(108,971)
Transfers, net	93,648	-	93,648
Change in net position	(18,125)	2,802	(15,323)
Net position, beginning	139,738	128,518	268,256
Net position - ending	\$ 121,613	\$ 131,320	252,933

City of Blountstown, Florida
Combining Statement of Cash Flows
Nonmajor Proprietary Funds

For the year ended September 30, 2021

	Business-type Activities / Enterprise Funds		
	Natural Gas	Cemetery	Total
Operating activities			
Receipts from customers and users	\$ 348,564	\$ 3,000	\$ 351,564
Payments to suppliers	(276,562)	-	(276,562)
Payments to employees	(179,967)	-	(179,967)
Net cash (used for) provided by operating activities	(107,965)	3,000	(104,965)
Noncapital financing activities			
Miscellaneous revenue and contributions	9,544	-	9,544
Transfers from other funds	93,648	-	93,648
Net cash provided by noncapital financing activities	103,192	-	103,192
Capital and related financing activities			
Purchase of capital assets	(23,127)	-	(23,127)
Proceeds from sale of fixed assets	-	-	-
Net cash provided by capital and related financing activities	(23,127)	-	(23,127)
Investing activities			
Purchase of investments	(153)	-	(153)
Interest received	568	147	715
Net cash provided by investing activities	415	147	562
Net (decrease) increase in cash and cash equivalents	(27,485)	3,147	(24,338)
Cash and cash equivalents - beginning	198,464	111,827	310,291
Cash and cash equivalents - ending	\$ 170,979	\$ 114,974	\$ 285,953
Classified as			
Current assets - cash and cash equivalents	\$ 167,994	\$ 114,974	\$ 282,968
Restricted assets - cash and cash equivalents	2,985	-	2,985
	\$ 170,979	\$ 114,974	\$ 285,953

(Continued)

City of Blountstown, Florida
Combining Statement of Cash Flows
Nonmajor Proprietary Funds (Continued)

For the year ended September 30, 2021

	<u>Business-type Activities / Enterprise Funds</u>		
	<u>Natural Gas</u>	<u>Cemetery</u>	<u>Total</u>
Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities			
Net operating income (loss)	\$ (115,817)	\$ 2,655	\$ (113,162)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	15,628	345	15,973
(Increase) decrease in accounts receivable	(9,195)	-	(9,195)
(Increase) decrease in due from other governments	110	-	110
(Increase) decrease in inventory	1,146	-	1,146
Increase (decrease) in accounts payable and accrued expenses	633	-	633
Increase (decrease) in customer deposits	(470)	-	(470)
Net cash provided by (used for) operating activities	\$ (107,965)	\$ 3,000	\$ (104,965)

Required Supplementary Information

City of Blountstown, Florida
Schedule of Proportional Share of Net Pension Liability
Florida Retirement System (Last 9 fiscal years)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	0.0074%	0.0069%	0.0074%	0.0069%	0.0066%	0.0069%	0.0063%	0.0066%	0.0075%
City's proportionate share of the net pension liability (asset)	\$ 557,755	\$ 2,078,246	\$ 2,550,004	\$ 2,078,246	\$ 1,958,667	\$ 1,730,343	\$ 814,493	\$ 400,297	\$ 1,293,409
City's covered - employee payroll	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828	\$ 1,642,014	\$ 1,652,709
City's proportionate share of the net pension liability (asset) as a percentage of its own covered - employee payroll	23.94%	115.90%	130.91%	115.90%	113.58%	102.74%	48.84%	24.38%	78.26%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.40%	84.26%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	N/A

Note: Data was unavailable prior to 2013

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

City of Blountstown, Florida
Schedule of Contributions
Florida Retirement System (Last 9 fiscal years)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 289,277	\$ 196,638	\$ 229,593	\$ 196,638	\$ 172,380	\$ 167,117	\$ 153,744	\$ 143,706	\$ 101,109
Contributions in relation to the contractually required contribution	(289,277)	(196,638)	(229,593)	(196,638)	(172,380)	(167,117)	(153,744)	(143,706)	(101,109)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828	\$ 1,642,014	\$ 1,652,709
Contributions as a percentage of covered-employee payroll	12.42%	10.97%	11.79%	10.97%	10.00%	9.92%	9.22%	8.75%	6.12%

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

City of Blountstown, Florida
Schedule of Proportional Share of Net Pension Liability
Health Insurance Subsidy (Last 9 fiscal years)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	0.0064%	0.5500%	0.0060%	0.5500%	0.0052%	0.0053%	0.0053%	0.0054%	0.0055%
City's proportionate share of the net pension liability (asset)	\$ 786,245	\$ 581,075	\$ 671,586	\$ 581,077	\$ 556,620	\$ 621,907	\$ 541,496	\$ 501,438	\$ 479,463
City's covered - employee payroll	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828	\$ 1,642,014	\$ 1,652,709
City's proportionate share of the net pension liability (asset) as a percentage of its own covered - employee payroll	33.75%	32.41%	34.48%	32.41%	32.28%	36.93%	32.47%	30.54%	29.01%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	N/A

Note: Data was unavailable prior to 2013

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

City of Blountstown, Florida
Schedule of Contributions
Health Insurance Subsidy (Last 9 fiscal years)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 37,922	\$ 29,773	\$ 33,330	\$ 29,773	\$ 27,550	\$ 27,351	\$ 20,297	\$ 18,371	\$ 18,040
Contributions in relation to the contractually required contribution	(37,922)	(29,773)	(33,330)	(29,773)	(27,550)	(27,351)	(20,297)	(18,371)	(18,040)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828	\$ 1,642,014	\$ 1,652,709
Contributions as a percentage of covered-employee payroll	1.63%	1.66%	1.71%	1.66%	1.60%	1.62%	1.22%	1.12%	1.09%

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

City of Blountstown, Florida

Schedule of Changes in the Sponsor's Total OPEB Liability and Related Ratio

Reporting Period	9/30/2021	9/30/2020
Measurement Period	9/30/2021	9/30/2020

Total OPEB Liability

Service Cost	\$ 85,304	\$ 90,384
Interest	17,172	13,142
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	27,239	(17,946)
Changes of Assumptions	(120,838)	12,456
Benefit Payments	(422)	(359)
Net Change in Total OPEB Liability	8,455	97,677
Total OPEB Liability - Beginning	621,575	523,898
Total OPEB Liability - Ending	\$ 630,030	\$ 621,575

Covered Employee Payroll * \$ 1,887,423

Sponsor's Total OPEB Liability as a percentage
of Covered Employee Payroll 33.38%

*FY 2021 covered Payroll, projected based on actual FY 2020 Covered Payroll

Notes to Schedule:

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

FY 2021	2.43%
FY 2020	2.14%
FY 2019	3.58%

COMPLIANCE SECTION

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Blountstown, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 4, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Profession Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 4, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. No such findings and recommendations were made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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

Grimsley & Associates

April 4, 2022
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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*

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blountstown, Florida (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Blountstown's basic financial statements and have issued our report thereon dated April 4, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Blountstown's financial statements are free of 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Grimsley & Associates

April 4, 2022
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida

We have examined City of Blountstown, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for City of Blountstown, Florida's compliance with those requirements. Our responsibility is to express an opinion on City of Blountstown, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Blountstown, Florida, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Blountstown, Florida, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on City of Blountstown, Florida's compliance with specified requirements.

In our opinion, City of Blountstown, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

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

Grimsley & Associates

April 4, 2022
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and City Council
City of Blountstown
Blountstown, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of Blountstown, Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Blountstown, Florida's major federal programs for the year ended September 30, 2021. The City of Blountstown, Florida's major federal programs 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Blountstown, Florida's major federal programs 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 the audit requirement of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 federal program occurred. An audit includes examining, on a test basis, evidence about the City of Blountstown, Florida's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Blountstown, Florida's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Blountstown, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City of Blountstown, Florida, 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 of Blountstown, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Blountstown, Florida'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 federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Grimsley & Associates

April 4, 2022
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

City of Blountstown, Florida

Schedule of Expenditures of Federal Awards

For the year ended September 30, 2021

Federal Agency				
Pass through Entity		Contract/Grant	CFDA	
Federal Program		Number	Number	Expenditures
U.S. Department of Homeland Security, Federal Emergency Management Agency				
Pass through the State of Florida, Department of Economic Opportunity				
Disaster Grants - Public Assistance		Z0898	97.036	\$ 315,328
Disaster Grants - Public Assistance		Z2578	97.036	109,207
Total U.S. Department of Homeland Security, Federal Emergency Management Agency				424,535
U.S. Department of Justice				
Pass through the State of Florida, Office of the Attorney General				
Crime Victim Assistance		2017VAGX0060	16.575	31,935
Total U.S. Department of Justice				31,935
U.S. Department of Housing and Urban Development				
Pass through the State of Florida, Department of Economic Opportunity				
Community Development Block Grant		2020-CESF-JACK-1-C9-025	14.228	632,304
Total U.S. Department of Housing and Urban Development				632,304
Total Expenditures of Federal Awards				\$ 1,088,774

NOTES TO SCHEDULE:

- A. This schedule is expenditures of federal awards (the Schedule) includes the federal award activity of the City of Blountstown, Florida under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Blountstown, Florida, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Blountstown, Florida.
- B. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

City of Blountstown, Florida
Schedule of Findings and Questioned Costs
Year ended September 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements noted?	No

Federal Awards

1. Type of auditor's report issued on compliance for major programs	Unmodified
2. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?	None noted
4. Identification of major programs	

CFDA Number	Federal Program
14.228	Community Development Block Grants

5. Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
6. Auditee qualified as low-risk under 2CFR 200.520	No

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

Section IV – State Project Findings and Questioned Costs

Not applicable.

Section V – Summary of Prior Year Audit

None Noted.