

TOWN OF INGLIS, FLORIDA
FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

MAYOR

Michael Andrew White

TOWN COMMISSION

Joyce Schwing, President
Scott Levesque, Vice President
Steven Schwing
William Monteverde

TOWN CLERK

Cery Logeman

**TOWN OF INGLIS, FLORIDA
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Town Commission, and Town Clerk,
Town of Inglis, 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 Town of Inglis, Florida, (the Town), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Town's 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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our (1) unmodified audit opinion on the General Fund and aggregate remaining fund information; and (2) qualified audit opinions on the governmental activities, business-type activities and Water Fund.

Basis for Qualified Opinion on Governmental Activities, Business-Type Activities, and Water Fund

As discussed in Note (10) to the financial statements, the Town has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in governmental activities, business-type activities, and the Water Fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, the business-type activities, and the Water Fund has not been determined.

Qualified Opinion on the Governmental Activities, Business-Type Activities, and Water Fund

In our opinion, except for the effects of not implementing the provisions of GASB Statement No. 75, as described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the Water Fund of the Town as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the General Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund and the aggregate remaining fund information of the Town as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

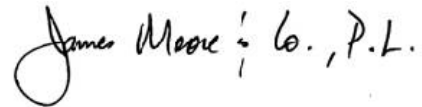
Required Supplementary Information

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

Management has omitted the schedule of changes in the Town's total OPEB liability and related ratios that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2022, on our consideration of the Town'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Gainesville, Florida
July 8, 2022

**TOWN OF INGLIS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

This discussion and analysis of the Town of Inglis' financial performance provides an overview of the Town's financial activities for the fiscal year ending September 30, 2021. Please read it in conjunction with the Town's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2021:

- Total ending unrestricted net position was \$2,099,713.
- The Town had total expenses for the year of \$1,691,719, compared to revenues of \$1,844,650.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

**TOWN OF INGLIS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

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

CONDENSED FINANCIAL INFORMATION

Comparative condensed financial information is presented on the following page.

**TOWN OF INGLIS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Assets:						
Non-capital assets	\$ 1,330,160	\$ 1,595,395	\$ 1,459,527	\$ 1,260,081	\$ 2,789,687	\$ 2,855,476
Capital assets	1,049,420	1,111,147	2,703,235	2,626,733	3,752,655	3,737,880
Total assets	2,379,580	2,706,542	4,162,762	3,886,814	6,542,342	6,593,356
Deferred outflows of resources	64,853	41,355	48,327	27,236	113,180	68,591
Liabilities:						
Current liabilities	172,345	391,314	248,202	113,971	420,547	505,285
Long-term liabilities	213,482	85,542	308,584	57,060	522,066	142,602
Total liabilities	385,827	476,856	556,786	171,031	942,613	647,887
Deferred inflows of resources	8,325	98,124	6,204	64,625	14,529	162,749
Net position:						
Net investment in capital assets	1,049,420	1,111,147	2,539,644	2,626,733	3,589,064	3,737,880
Restricted	34,198	5,604	10,659	8,114	44,857	13,718
Unrestricted	966,663	1,056,166	1,097,796	1,043,547	2,064,459	2,099,713
Total net position	<u>\$ 2,050,281</u>	<u>\$ 2,172,917</u>	<u>\$ 3,648,099</u>	<u>\$ 3,678,394</u>	<u>\$ 5,698,380</u>	<u>\$ 5,851,311</u>

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Program revenues:						
Charges for services	\$ 270,178	\$ 281,580	\$ 489,159	\$ 503,145	\$ 759,337	\$ 784,725
Operating grants & contributions	497,920	32,435	-	-	497,720	32,435
Capital grants & contributions	157,646	52,941	254,150	76,000	411,796	128,941
General revenues:						
Property taxes	328,514	338,565	-	-	328,514	338,565
Other taxes and shared revenues	500,658	543,318	-	-	500,658	543,318
Investment earnings	926	733	2,257	1,593	3,183	2,326
Gain (loss) on disposition of capital assets	(192)	-	(47)	-	(239)	-
Miscellaneous	14,097	14,340	-	-	14,097	14,340
Total revenues	1,769,747	1,263,912	745,519	580,738	2,515,266	1,844,650
Program expenses:						
General government	405,626	387,347	-	-	405,627	387,347
Public safety	651,025	643,009	-	-	651,024	643,009
Economic environment	494,776	423	-	-	494,776	423
Transportation	39,332	43,276	-	-	39,332	43,276
Culture and recreation	31,088	36,184	-	-	31,088	36,184
Human Services	33,291	33,485	-	-	33,291	33,485
Water	-	-	567,896	547,995	567,896	547,995
Total expenses	1,655,138	1,143,724	567,896	547,995	2,223,034	1,691,719
Transfers	75,000	2,448	(75,000)	(2,448)	-	-
Change in net position	189,609	122,636	102,623	30,295	292,232	152,931
Beginning net position	1,860,672	2,050,281	3,545,476	3,648,099	5,406,148	5,698,380
Ending net position	<u>\$ 2,050,281</u>	<u>\$ 2,172,917</u>	<u>\$ 3,648,099</u>	<u>\$ 3,678,394</u>	<u>\$ 5,698,380</u>	<u>\$ 5,851,311</u>

**TOWN OF INGLIS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$366,956 in program revenues, \$896,956 of general revenues, and \$2,448 of transfers in and incurred \$1,143,724 of program expenses. This resulted in a \$122,636 increase in net position.

Business-Type Activities

Revenues of the Utility Service Fund were \$580,738 compared to expenses of \$547,995 and transfers out of \$2,448. This resulted in an increase in net position for the year of \$30,295.

THE TOWN'S INDIVIDUAL FUNDS

General Fund

The General Fund's fund balance increased by \$90,466 from \$956,399 to \$1,046,865. The ending unassigned balance represents about 67.3% of the General Fund's budget.

Water Fund

The Utility Service Fund's net position increased by \$30,295, from \$3,648,099 to \$3,678,394.

BUDGETARY HIGHLIGHTS

Revenues of the General Fund were greater than budgeted by \$153,894. General fund expenditures were below budgeted amounts by \$93,652.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town had expended \$281,780 in the prior year on a Bridge Improvement project. Current year expenditures were \$84,018 and the project was placed in service at a total cost of \$365,798. Additionally, the town expended \$42,000, in the current year to complete a fire station improvement project. The project was completed and capitalized in the current fiscal year at a total cost of \$68,925

The Town expended \$76,000 on a pre-construction study for a sub-regional wastewater treatment plant. The total cost to date is \$830,150. For further information on smaller purchases, please refer to a note in the accompanying financial statements entitled, *Capital Assets*.

Debt Administration

The Town did not incur any new debt during the year and paid off all of its total long-term debt in the amount of \$163,591. Please refer to a note in the accompanying financial statements entitled *Long-term Debt* for more detailed information about the Town's long-term debt activity.

**TOWN OF INGLIS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

ECONOMIC FACTORS

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

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

**TOWN OF INGLIS, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,017,414	\$ 940,412	\$ 1,957,826
Investments	467,907	219,467	687,374
Receivables, net	20,793	90,973	111,766
Internal balances	1,628	(1,628)	-
Due from other governments	87,653	-	87,653
Inventories	-	2,743	2,743
Restricted assets:			
Cash and cash equivalents	-	8,114	8,114
Capital assets:			
Non-depreciable	247,307	830,150	1,077,457
Depreciable, net	863,840	1,796,583	2,660,423
Total assets	<u>\$ 2,706,542</u>	<u>\$ 3,886,814</u>	<u>\$ 6,593,356</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>\$ 41,355</u>	<u>\$ 27,236</u>	<u>\$ 68,591</u>
LIABILITIES			
Accounts payable	\$ 25,576	\$ 3,820	\$ 29,396
Accrued payroll and employee benefits	7,840	2,590	10,430
Customer deposits	-	91,303	91,303
Unearned revenue	340,575	12,534	353,109
Noncurrent liabilities:			
Due within one year:			
Compensated absences	17,323	3,724	21,047
Due in more than one year:			
Compensated absences	-	721	721
Net pension liability	85,542	56,339	141,881
Total liabilities	<u>\$ 476,856</u>	<u>\$ 171,031</u>	<u>\$ 647,887</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>\$ 98,124</u>	<u>\$ 64,625</u>	<u>\$ 162,749</u>
NET POSITION			
Net investment in capital assets	\$ 1,111,147	\$ 2,626,733	\$ 3,737,880
Restricted for:			
Stormwater	5,604	-	5,604
Debt service	-	8,114	8,114
Unrestricted	1,056,166	1,043,547	2,099,713
Total net position	<u>\$ 2,172,917</u>	<u>\$ 3,678,394</u>	<u>\$ 5,851,311</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF INGLIS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:							
General government	\$ 387,347	\$ 44,170	\$ -	\$ -	\$ (343,177)	\$ -	\$ (343,177)
Public safety	643,009	237,410	553	-	(405,046)	-	(405,046)
Economic environment	423	-	-	-	(423)	-	(423)
Transportation	43,276	-	31,882	52,221	40,827	-	40,827
Culture and recreation	36,184	-	-	720	(35,464)	-	(35,464)
Human services	33,485	-	-	-	(33,485)	-	(33,485)
Total governmental activities	<u>1,143,724</u>	<u>281,580</u>	<u>32,435</u>	<u>52,941</u>	<u>(776,768)</u>	<u>-</u>	<u>(776,768)</u>
Business-type activities:							
Water utility	547,995	503,145	-	76,000	-	31,150	31,150
Total business-type activities	<u>547,995</u>	<u>503,145</u>	<u>-</u>	<u>76,000</u>	<u>-</u>	<u>31,150</u>	<u>31,150</u>
Total primary government	<u>\$ 1,691,719</u>	<u>\$ 784,725</u>	<u>\$ 32,435</u>	<u>\$ 128,941</u>	<u>(776,768)</u>	<u>31,150</u>	<u>(745,618)</u>
General revenues:							
Property taxes					338,565	-	338,565
Sales and use taxes					112,645	-	112,645
Franchise and utility taxes					115,894	-	115,894
Public service taxes					109,687	-	109,687
Other taxes					10,445	-	10,445
Discretionary sales surtax					148,164	-	148,164
State revenue sharing					43,735	-	43,735
Other intergovernmental revenues					2,748	-	2,748
Investment earnings (loss)					733	1,593	2,326
Miscellaneous revenues					14,340	-	14,340
Transfers					2,448	(2,448)	-
Total general revenues and transfers					<u>899,404</u>	<u>(855)</u>	<u>898,549</u>
Change in net position					122,636	30,295	152,931
Net position - beginning					2,050,281	3,648,099	5,698,380
Net position - ending					<u>\$ 2,172,917</u>	<u>\$ 3,678,394</u>	<u>\$ 5,851,311</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF INGLIS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Nonmajor Fund Road & Bridge</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 855,891	\$ 161,523	\$ 1,017,414
Investments	467,907	-	467,907
Receivables, net	20,793	-	20,793
Due from other governments	80,308	7,345	87,653
Due from other funds	1,668	7,216	8,884
Total assets	<u>\$ 1,426,567</u>	<u>\$ 176,084</u>	<u>\$ 1,602,651</u>
LIABILITIES			
Accounts payable	\$ 24,031	\$ 1,545	\$ 25,576
Accrued payroll and employee benefits	7,840	-	7,840
Due to other governments	-	-	-
Unearned revenue	340,575	-	340,575
Due to other funds	7,256	-	7,256
Total liabilities	<u>379,702</u>	<u>1,545</u>	<u>381,247</u>
FUND BALANCES			
Restricted for:			
Stormwater	-	5,604	5,604
Assigned to:			
Subsequent year's budget	255,568	-	255,568
Transportation	-	168,935	168,935
Unassigned	791,297	-	791,297
Total fund balances	<u>1,046,865</u>	<u>174,539</u>	<u>1,221,404</u>
Total liabilities and fund balances	<u>\$ 1,426,567</u>	<u>\$ 176,084</u>	<u>\$ 1,602,651</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF INGLIS, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Fund balances - total governmental funds		\$ 1,221,404
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds		
Total governmental capital assets	2,867,056	
Less: accumulated depreciation	<u>(1,755,909)</u>	1,111,147
On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the Town's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.		
Net pension liability	(85,542)	
Deferred outflows related to pensions	41,355	
Deferred inflows related to pensions	<u>(98,124)</u>	(142,311)
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities and other long-term liabilities consist of the following:		
Compensated absences		(17,323)
Net position of governmental activities		<u><u>\$ 2,172,917</u></u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF INGLIS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>General Fund</u>	<u>Nonmajor Fund Road & Bridge</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 642,565	\$ 24,619	\$ 667,184
Permits, fees, and special assessments	205,770	-	205,770
Intergovernmental	280,081	69,029	349,110
Charges for services	2,928	-	2,928
Fines and forfeitures	6,574	-	6,574
Investment income	689	44	733
Miscellaneous	31,613	-	31,613
Total revenues	1,170,220	93,692	1,263,912
Expenditures			
Current:			
General government	368,520	-	368,520
Public safety	615,997	-	615,997
Transportation	-	28,904	28,904
Culture and recreation	21,419	-	21,419
Human services	34,051	-	34,051
Capital outlay	42,215	99,447	141,662
Total expenditures	1,082,202	128,351	1,210,553
Excess (deficiency) of revenues over expenditures	88,018	(34,659)	53,359
Other financing sources (uses)			
Transfers in	2,448	-	2,448
Total other financing sources (uses)	2,448	-	2,448
Net change in fund balances	90,466	(34,659)	55,807
Fund balances, beginning of year	956,399	209,198	1,165,597
Fund balances, end of year	\$ 1,046,865	\$ 174,539	\$ 1,221,404

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF INGLIS, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Net change in fund balances - total governmental funds	\$	55,807
Differences in amounts reported for governmental activities in the statement of activities are:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlay expenditures		141,662
Depreciation expense		(79,935)
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.		
Change in net pension liability (asset) and deferred inflows/outflows related to pensions		6,165
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows:		
Change in compensated absences liability		(1,063)
Change in net position of governmental activities	<u>\$</u>	<u>122,636</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF INGLIS, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	Water Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 940,412
Investments	219,467
Accounts receivable, net	90,973
Inventory	2,743
Due from other funds	40
Total current assets	1,253,635
Noncurrent assets:	
Restricted cash	8,114
Capital assets:	
Buildings and improvements	5,361,063
Equipment	82,749
Construction in progress	830,150
Accumulated depreciation	(3,647,229)
Total noncurrent assets	2,634,847
Total assets	\$ 3,888,482
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	\$ 27,236
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 3,820
Accrued payroll	2,590
Deposits	91,303
Unearned revenue	12,534
Due to other funds	1,668
Compensated absences	3,724
Total current liabilities	115,639
Noncurrent liabilities:	
Compensated absences	721
Net pension liability	56,339
Total noncurrent liabilities	57,060
Total liabilities	\$ 172,699
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	\$ 64,625
NET POSITION	
Net investment in capital assets	\$ 2,626,733
Restricted for debt service	8,114
Unrestricted	1,043,547
Total net position	\$ 3,678,394

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF INGLIS, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Water Fund
Operating revenues	
User fees	\$ 503,145
Total operating revenues	503,145
Operating expenses	
Personnel services	188,615
Operating expenses	196,273
Depreciation	159,002
Total operating expenses	543,890
Operating income (loss)	(40,745)
Nonoperating revenues (expenses)	
Interest earnings	1,593
Interest expense	(4,105)
Total nonoperating revenues (expenses)	(2,512)
Income (loss) before capital contributions and transfers	(43,257)
Capital grants	76,000
Transfers out	(2,448)
Change in net position	30,295
Net position , beginning of year	3,648,099
Net position , end of year	\$ 3,678,394

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF INGLIS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Water Fund
Cash flows from operating activities	
Cash received from customers	\$ 644,856
Cash paid to employees	(207,191)
Cash paid to suppliers	(324,721)
Net cash provided by (used in) operating activities	112,944
Cash flows from noncapital financing activities	
Transfers to other funds	(2,448)
Interfund loans	(40)
Net cash provided by (used in) noncapital financing activities	(2,488)
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(82,500)
Capital grants	76,000
Principal payments of long-term debt	(163,591)
Interest paid	(5,782)
Net cash provided by (used in) capital and related financing activities	(175,873)
Cash flows from investing activities	
Interest received	1,593
Purchases of investments	(445)
Net cash provided by (used in) investing activities	1,148
Net change in cash and cash equivalents	(64,269)
Cash and cash equivalents, beginning of year	1,012,795
Cash and cash equivalents, end of year	\$ 948,526
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (40,745)
Adjustments to reconcile net operating income to net cash provided by (used in) operating activities:	
Depreciation	159,002
Changes in assets and liabilities:	
Accounts receivable	12,605
Due from other governments	125,800
Inventories and prepaids	(2,743)
Accounts payable and accrued liabilities	(125,705)
Deposits	1,923
Unearned revenue	1,383
Compensated absences	(1,664)
Net pension liability	(16,912)
Net cash provided by (used in) operating activities	\$ 112,944
Cash and cash equivalents classified as:	
Unrestricted	\$ 940,412
Restricted	8,114
Total cash and cash equivalents	\$ 948,526

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:**

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

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

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

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

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

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

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

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

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

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

Governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and pensions, are recorded only when payment is due.

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

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

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

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

The Town reports the following major governmental fund:

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

The Town reports the following major proprietary fund:

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

The Town also reports one nonmajor fund, the Road and Bridge fund.

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

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

(g) **Deposits and investments**—The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

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

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

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

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

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

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

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

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

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

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

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

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

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

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

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

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

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

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

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

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

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

**TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

(2) Reconciliation of Government-Wide and Fund Financial Statement:

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

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

(3) Property Tax Calendar:

Under Florida law, the assessment of all properties and collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser. State laws regulating tax assessment are designed to ensure a consistent property valuation method statewide and permit municipalities to levy property taxes at a rate of up to 10 mills. For the fiscal year ended September 30, 2021, the millage rate assessed by the Town was 5.0000 per \$1,000.

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

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

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

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

Valuation Date:	January 1, 2020
Levy Date:	October 1, 2020
Due Date:	March 31, 2021
Lien Date:	January 1, 2021

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(4) Deposits and Investments:

The Town's cash and equivalents and investments consist of legally authorized demand deposits and certificates of deposit. The institutions in which these deposits are kept are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, in addition to applicable Federal Depository Insurance Corporation (FDIC) insurance, these balances on deposit at September 30, 2021, are insured or collateralized through the Bureau of Collateral Management, Florida Department of Financial Services.

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

The Town held no assets or investments carried at fair value at September 30, 2021, and subject to the required disclosures of GASB 72.

(5) Accounts Receivable:

The Town's receivables consist of the following at September 30, 2021:

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Governmental Activities:			
General Fund			
Accounts receivable	\$ 20,793	\$ -	\$ 20,793
Totals – Governmental Type Activities	<u>20,793</u>	<u>-</u>	<u>20,793</u>
Business-Type Activities			
Water Utility Fund			
Accounts receivable	143,496	(62,500)	80,996
Assessments receivable	9,977	-	9,977
Totals – Business-Type Activities	<u>153,473</u>	<u>(62,500)</u>	<u>90,973</u>
Totals	<u>\$ 174,266</u>	<u>\$ (62,500)</u>	<u>\$ 111,766</u>

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(6) Capital Assets:

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

	Beginning Balance	Increase s	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 247,307	\$ -	\$ -	\$ 247,307
Construction in progress	<u>324,259</u>	<u>106,465</u>	<u>(430,724)</u>	<u>-</u>
Total assets not being depreciated	<u>571,566</u>	<u>106,465</u>	<u>(430,724)</u>	<u>247,307</u>
Capital assets being depreciated:				
Improvements	336,003	-	-	336,003
Infrastructure	31,075	365,798	-	396,873
Buildings	663,676	-	-	663,676
Building improvements	185,845	81,660	-	267,505
Equipment	602,420	18,463	-	620,883
Vehicles	<u>334,809</u>	<u>-</u>	<u>-</u>	<u>334,809</u>
Total assets being depreciated	<u>2,153,828</u>	<u>465,921</u>	<u>-</u>	<u>2,619,749</u>
Less: accumulated depreciation	(1,675,974)	(79,935)	-	(1,755,909)
Total capital assets being depreciated, net	<u>477,854</u>	<u>385,986</u>	<u>-</u>	<u>863,840</u>
Governmental activities capital assets, net	<u>\$ 1,049,420</u>	<u>\$ 492,451</u>	<u>\$ (430,724)</u>	<u>\$ 1,111,147</u>
	Beginning Balance	Increase s	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	<u>\$ 754,150</u>	<u>\$ 76,000</u>	<u>\$ -</u>	<u>\$ 830,150</u>
Total assets not being depreciated	<u>754,150</u>	<u>76,000</u>	<u>-</u>	<u>830,150</u>
Capital assets being depreciated:				
Water plant	5,309,062	6,500	-	5,315,562
Equipment	82,749	-	-	82,749
Improvements	<u>45,501</u>	<u>-</u>	<u>-</u>	<u>45,501</u>
Total assets being depreciated	<u>5,437,312</u>	<u>6,500</u>	<u>-</u>	<u>5,443,812</u>
Less: accumulated depreciation	(3,488,227)	(159,002)	-	(3,647,229)
Total capital assets being depreciated, net	<u>1,949,085</u>	<u>(152,502)</u>	<u>-</u>	<u>1,796,583</u>
Business-type activities capital assets, net	<u>\$ 2,703,235</u>	<u>\$ (76,502)</u>	<u>\$ -</u>	<u>\$ 2,626,733</u>

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(6) **Capital Assets:** (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General governmental	\$ 22,360
Public safety	28,015
Physical environment	423
Transportation	14,372
Culture and recreation	14,765
Total depreciation expense - governmental activities	<u>\$ 79,935</u>
Business-type activities:	
Water utility	<u>\$ 159,002</u>
Total depreciation expense - business-type activities	<u>\$ 159,002</u>

(7) **Long-Term Debt:**

For the fiscal year ended September 30, 2021, a summary of the long-term liability transactions for the Town is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	<u>\$ 16,260</u>	<u>\$ 16,126</u>	<u>\$ (15,063)</u>	<u>\$ 17,323</u>	<u>\$ 17,323</u>
Business-type activities:					
Notes payable	\$ 163,591	\$ -	\$ (163,591)	\$ -	\$ -
Compensated absences	6,109	10,508	(12,172)	4,445	3,724
Business-type activities –	<u>\$ 169,700</u>	<u>\$ 10,508</u>	<u>\$ (175,763)</u>	<u>\$ 4,445</u>	<u>\$ 3,724</u>
Total long-term liabilities					

(8) **Interfund Loans, Advances, Fees and Transfers:**

The outstanding balances between funds are short-term loans to cover short-term cash flow needs and expected to be repaid in full over the course of the next fiscal year. Individual fund interfund receivables and payables for the primary government at September 30, 2021, are comprised of the following:

	Due From Other Funds	Due to Other Funds
Governmental Activities:		
General Fund:		
Water Utility Fund	\$ 1,668	\$ -
Road and Bridge Fund	-	7,256
Road and Bridge Fund:		
General Fund	<u>7,216</u>	<u>-</u>
	<u>8,884</u>	
Business-Type Activities:		
Water Fund:		
General Fund	<u>40</u>	<u>1,668</u>
	<u>40</u>	<u>1,668</u>
Total – All Funds	<u>\$ 8,924</u>	<u>\$ 8,924</u>

For the year ended September 30, 2021, the Water Fund transferred \$2,448 to the General Fund to subsidize operating costs.

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(9) **Employees' Retirement Plans:**

A. Florida Retirement System

Plan Description and Administration

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the entity's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

**TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

(9) **Employees' Retirement Plans:** (Continued)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Annual Comprehensive Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement, Research and Education Services
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Contributions

The entity participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at September 30, 2021, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2021	After June 30, 2021
Regular Class	10.00%	10.82%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll, which are included in the above rates.

For the plan year ended June 30, 2021, actual contributions made for employees participating in FRS and HIS were as follows:

Entity Contributions – FRS	\$ 20,620
Entity Contributions – HIS	4,840
Employee Contributions – FRS	8,746

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(9) **Employees' Retirement Plans:** (Continued)

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

At September 30, 2021, the entity reported a liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 40,887
HIS	100,994
Total	<u>\$ 141,881</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The entity's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2021 and June 30, 2020, the entity's proportionate share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>2021</u>	<u>2020</u>
FRS	0.000541271%	0.000570249%
HIS	0.000823332%	0.000905933%

For the year ended June 30, 2021, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$ (1,246)
HIS	4,023
Total	<u>\$ 2,777</u>

Deferred outflows/inflows related to pensions:

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

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,008	\$ -	\$ 3,380	\$ (42)
Changes of assumptions	27,977	-	7,936	(4,161)
Net different between projected and actual investment earnings	-	(142,644)	105	-
Change in Entity's proportionate share	4,204	(7,468)	11,139	(8,434)
Contributions subsequent to measurement date	5,698	-	1,144	-
	<u>\$ 44,887</u>	<u>\$ (150,112)</u>	<u>\$ 23,704</u>	<u>\$ (12,637)</u>

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(9) **Employees' Retirement Plans:** (Continued)

The above amounts for deferred outflows of resources for contributions related to pensions resulting from entity contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

<u>Year</u>	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
2022	(18,754)	3,211	\$ (15,543)
2023	(22,565)	1,779	(20,786)
2024	(30,034)	2,052	(27,982)
2025	(38,690)	2,254	(36,436)
2026	(880)	803	(77)
Thereafter	-	(176)	(176)
Total	<u>\$ (110,923)</u>	<u>\$ 9,923</u>	<u>\$ (101,000)</u>

Actuarial assumptions:

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.80%. This rate did not change from the prior year rate. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 2.21%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2021, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(9) **Employees' Retirement Plans:** (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Expected Rate of Return</u>
Cash	1.0%	2.1%
Fixed income	20.0%	3.8%
Global equities	54.2%	8.2%
Real estate	10.3%	7.1%
Private equity	10.8%	11.7%
Strategic investments	3.7%	5.7%
Total	<u>100.0%</u>	

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

The following presents the proportionate shares of the FRS and HIS net pension liability of the entity calculated using the current discount rates, as well as what the entity's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.80%	\$ 182,849	\$ 40,887	\$ (77,777)
HIS	2.16%	116,759	100,994	88,078

(10) **Other Post-Employment Benefits (OPEB):**

The Town provides other post-employment benefits (OPEB) to its employees by providing retirement healthcare benefits.

The Town has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities, note disclosures, and required supplementary information.

(11) **Risk Management:**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in coverage from the prior year.

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

TOWN OF INGLIS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(12) **Contingencies:**

Amounts received or receivable from grantor agencies in current and prior years are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute, a liability of the applicable fund(s). The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

The Town is involved in various legal proceedings incidental to the conduct of its affairs. It is the Town's policy to accrue for amounts related to these legal matters if it is possible that a liability has been incurred and an amount is reasonably estimable. At September 30, 2021, no amounts have been accrued.

(13) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board ("GASB") has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Town's financial statements

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.
- (b) GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.

TOWN OF INGLIS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 579,564	\$ 579,564	\$ 642,565	\$ 63,001
Licenses and permits	166,660	166,660	205,770	39,110
Intergovernmental	262,790	262,790	280,081	17,291
Charges for services	215	215	2,928	2,713
Fines and forfeitures	3,450	3,450	6,574	3,124
Interest revenues	1,065	1,065	689	(376)
Miscellaneous	2,582	2,582	31,613	29,031
Total revenues	<u>1,016,326</u>	<u>1,016,326</u>	<u>1,170,220</u>	<u>153,894</u>
Expenditures				
Current:				
General Government:				
Legislative	31,650	31,650	30,788	862
Executive	238,671	239,927	229,741	10,186
Legal	1,200	1,200	7,069	(5,869)
Other general government	108,858	108,858	100,922	7,936
Public Safety:				
Code enforcement	79,300	79,300	49,610	29,690
Police	298,752	298,752	298,752	-
Fire	232,406	238,457	233,445	5,012
Transportation	4,130	4,130	34,190	(30,060)
Culture and recreation	21,478	21,478	21,419	59
Human services	31,579	32,143	34,051	(1,908)
Contingency	100,000	74,600	-	74,600
Capital outlay	27,830	45,359	42,215	3,144
Total expenditures	<u>1,175,854</u>	<u>1,175,854</u>	<u>1,082,202</u>	<u>93,652</u>
Excess (deficiency) of revenues over expenditures	<u>(159,528)</u>	<u>(159,528)</u>	<u>88,018</u>	<u>247,546</u>
Other financing sources (uses)				
Transfers in	2,448	2,448	2,448	-
Total other financing sources (uses)	<u>2,448</u>	<u>2,448</u>	<u>2,448</u>	<u>-</u>
Net change in fund balances	<u>(157,080)</u>	<u>(157,080)</u>	<u>90,466</u>	<u>247,546</u>
Fund balances, beginning of year	956,399	956,399	956,399	-
Fund balances, end of year	<u>\$ 799,319</u>	<u>\$ 799,319</u>	<u>\$ 1,046,865</u>	<u>\$ 247,546</u>

The accompanying notes to the schedule of revenues, expenses, and changes in fund balance budget and actual are an integral part of this schedule.

**TOWN OF INGLIS, FLORIDA
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
SEPTEMBER 30, 2021**

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

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

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

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

	As of the Plan Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)							
Proportion of the net pension liability	0.000541271%	0.000570249%	0.000563263%	0.000550636%	0.000537772%	0.000529740%	0.000467932%
Proportionate share of the net pension liability	\$ 40,887	\$ 247,154	\$ 193,980	\$ 165,854	\$ 159,069	\$ 133,760	\$ 60,440
Covered payroll	291,539	314,486	287,322	253,127	244,292	231,274	202,194
Proportionate share of the net pension liability as a percentage of covered payroll	14.02%	78.59%	67.51%	65.52%	65.11%	57.84%	29.89%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program (HIS)							
Proportion of the net pension liability	0.000823332%	0.000905933%	0.000858927%	0.000774825%	0.000759402%	0.000740352%	0.000666480%
Proportionate share of the net pension liability	\$ 100,994	\$ 110,613	\$ 96,105	\$ 82,008	\$ 81,199	\$ 86,285	\$ 67,970
Covered payroll	291,539	314,486	287,322	253,127	244,292	231,274	202,194
Proportionate share of the net pension liability as a percentage of covered payroll	34.64%	35.17%	33.45%	32.40%	33.24%	37.31%	33.62%
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%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available.

**TOWN OF INGLIS, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS
(UNAUDITED)**

	For the Fiscal Year Ended September 30,						
	2021	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)							
Contractually required contribution	\$ 21,092	\$ 18,947	\$ 17,465	\$ 15,693	\$ 14,574	\$ 13,726	\$ 11,181
Contributions in relation to the contractually required contribution	(21,092)	(18,947)	(17,465)	(15,693)	(14,574)	(13,726)	(11,181)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 286,752	\$ 314,486	\$ 287,322	\$ 253,127	\$ 244,292	\$ 231,274	\$ 202,194
Contributions as a percentage of covered payroll	7.36%	6.02%	6.08%	6.20%	5.97%	5.93%	5.53%
Health Insurance Subsidy Program (HIS)							
Contractually required contribution	\$ 4,760	\$ 5,220	\$ 4,770	\$ 4,202	\$ 4,055	\$ 3,994	\$ 2,689
Contributions in relation to the contractually required contribution	(4,760)	(5,220)	(4,770)	(4,202)	(4,055)	(3,994)	(2,689)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 286,752	\$ 314,486	\$ 287,322	\$ 253,127	\$ 244,292	\$ 231,274	\$ 202,194
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Inglis, Florida, (the Town) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated July 8, 2022.

As discussed in Note (10) to the financial statements, the Town has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in governmental activities, business-type activities and the water fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, business-type activities and the water fund, has not been determined.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) 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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

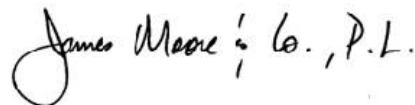
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Gainesville, Florida
July 8, 2022

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

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

Report on the Financial Statements

We have audited the financial statements of the Town of Inglis, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated July 8, 2022.

As discussed in Note (10) to the financial statements, the Town has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in governmental activities, business-type activities and the water fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, business-type activities and the water fund, has not been determined.

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; 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* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated July 8, 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 annual financial audit report. The following summarizes the status of prior year findings and recommendations. No recommendations remain uncorrected from the second preceding year.

2020-001 Financial Condition Assessment - Corrective actions taken. Not repeated in current fiscal year 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 this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government of the reporting entity is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we noted no special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

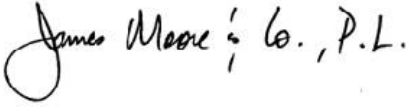
Additional Matters

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 which warrants the attention of those charged 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 Town Commission, management, and others within the Town and is not intended to be and should not be used by anyone other than these specified parties.

Gainesville, Florida
July 8, 2022





INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the Town's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

A handwritten signature in black ink that reads 'James Moore & Co., P.L.' with a stylized initial 'J'.

Gainesville, Florida
July 8, 2022