

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**



**CITY OF PERRY
FLORIDA**



CITY OF PERRY, FLORIDA

COUNCIL-MANAGER FORM OF GOVERNMENT

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

CITY MANAGER
TAYLOR T. BROWN

PREPARED BY:
FINANCE DEPARTMENT

PENNY STAFFNEY
Director of Finance

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TABLE OF CONTENTS

TABLE OF CONTENTS

	PAGE NO.
INTRODUCTORY SECTION	
Letter of Transmittal	9
Certificate of Achievement for Excellence in Financial Reporting	15
Organizational Chart	16
List of Principal Officials	17
FINANCIAL STATEMENTS	
Independent Auditor's Report	21-23
Management's Discussion and Analysis	27-39
Basic Financial Statements	
Statement of Net Position	43
Statement of Activities	44
Governmental Funds	
Balance Sheet	45
Statement of Revenues, Expenditures and Changes in Fund Balances	47
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	48
Proprietary Fund	
Statement of Net Position	49
Statement of Revenues, Expenses and Changes in Net Position	50
Statement of Cash Flows	51-52
Fiduciary Funds	
Statement of Net Position	53
Statement of Revenues, Expenses and Changes in Net Position	54
Notes to Financial Statements	55-97
Required Supplementary Information	
Budgetary Comparison Schedules	
General Fund	100
Community Redevelopment Fund	101
Utility Tax Revenue Fund	102
Local Option Gas Tax Fund	103
Notes to Required Supplementary Information on Budgetary Comparison Schedules	104
Required Supplementary Information - Pension Plans	
Schedule of Changes in Firefighters' Net Pension Liability and Related Ratios	105
Schedule of Contributions & Schedule of Investment Return's Firefighters' Pension	106
Notes to Required Supplementary Information - Firefighters' Pension Plan	107
Schedule of Changes in Police Officers' Net Pension Liability and Related Ratios	108
Schedule of Contributions & Schedule of Investment Return's Police Officers' Pension	109
Notes to Required Supplementary Information - Police Officers' Pension Plan	110
Schedule of Proportionate Share of Net Pension Liability - Florida Retirement System and Health Insurance Subsidy Program	111

	PAGE NO.
Schedule of Contributions - Florida Retirement System and Health Insurance Subsidy Program	112
Notes to Required Supplementary Information	113-117
 Other Information	
Combining Statement of Net Position - Fiduciary Funds	120
Combining Statement of Changes in Net Position - Fiduciary Fund	121
Statement of Fiduciary Net Position - Firefighters' Pension	122
Statement of Changes in Fiduciary Net Position - Firefighters' Pension	123
Final Components of Pension Expense - Firefighters' Pension	124
Statement of Fiduciary Net Position - Police Officers' Pension	125
Statement of Changes in Fiduciary Net Position - Police Officers' Pension	126
Final Components of Pension Expense - Police Officers' Pension	127
 Statistical Section	
Net Position by Components - Last Ten Fiscal Years	131
Changes in Net Position - Last Ten Fiscal Years	132-133
Fund Balances of Governmental Funds - Last Ten Fiscal Years	134
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	135-136
Assessed Value and Estimated Actual Value of Taxable Property	137
Property Tax Rates - All Direct and Overlapping Governments - Last Ten Fiscal Years	138
Principal Property Taxpayers	139
Property Tax Levies and Collections - Last Ten Fiscal Years	140
Principal Gas Customers	141
Gas Consumption by Customer Categories - Last Ten Fiscal Years	142
Ratio of Outstanding Debt and General Bond Debt by Type	143
Pledged Revenue Coverage - Last Ten Fiscal Years	144
Demographic and Economic Statistics - Last Ten Fiscal Years	145
Principal Employers - Last Ten Fiscal Years	146
Full Time Equivalent City Government Employees by Function	147
Operating Indicators by Function - Last Ten Fiscal Years	148-149
Capital Asset Statistics by Function - Last Ten Fiscal Years	150
 COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards and State Financial Assistance	155
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	156
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	158-159
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Chapter 10.550 <i>Rules of the Auditor General</i>	161-162
Schedule of Findings and Questioned Costs	163
Management Letter	164
Independent Accountant's Report	166

INTRODUCTORY SECTION

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

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April 25, 2022

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

Annual Comprehensive Financial Report of the City of Perry, Florida, for the fiscal year ended September 30, 2021, is submitted herewith pursuant to Section 5.12 of the City Charter, State of Florida Statutes Chapter 166.241 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. This Annual Financial Report was prepared by the Finance Department and represents the official report of the City's financial condition and results of operations to the citizens, City Council, City administrative personnel, investment firms, rating agencies and other interested parties.

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

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

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

PROFILE OF THE CITY

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

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

FINANCIAL INFORMATION

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

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

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

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

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

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

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

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

The City's Trust Funds are established to account for assets held by the governmental unit in a trustee capacity or an agent for employees. In accordance with Florida law, the City's general employees participate in the Florida Retirement System Pension Plan, which presently covers all City employees except for law enforcement and fire fighters whose pension plan was covered in the paragraph above. This plan was created by the Florida Legislature and is administered by the State of Florida, Department of Management Services, Division of Retirement, and is available to the State's governmental units. The funding methods and the determinations of benefits payable are provided in various acts of the State Legislature. These acts required employers to contribute 10.00% as of July 1, 2021, of regular covered employee's gross wages. This is a multi-employer plan and actuarial information with respect to an individual participating entity is not available.

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

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

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

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

LOCAL ECONOMIC OUTLOOK

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

LONG TERM FINANCIAL PLANNING

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

For the 2021/22 budget year the projects that made it were the new Water Plant, vehicles for several departments and as always street improvements. This particular budget year the outlook was lean so capital outlay was kept to a minimum. The budget years beyond that include various street, sewer, water, flood areas, and sidewalk improvements. This was also the year Covid-19 came to be so we cut spending as much as possible, suspended penalties and late fees and cutting off utilities for 10 months.

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

MAJOR INITIATIVES

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

DEPARTMENT FOCUS

Each year the City selects a department for its efforts and accomplishments. In 2021, Water Department has been featured. We are rehabbing our water plant and filters, as ever increasing requirements for water quality are mandated we strive to keep Florida water clean.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Perry for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This was the thirty-first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Director of Finance



City Manager

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Government Finance Officers Association

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

Presented to

**City of Perry
Florida**

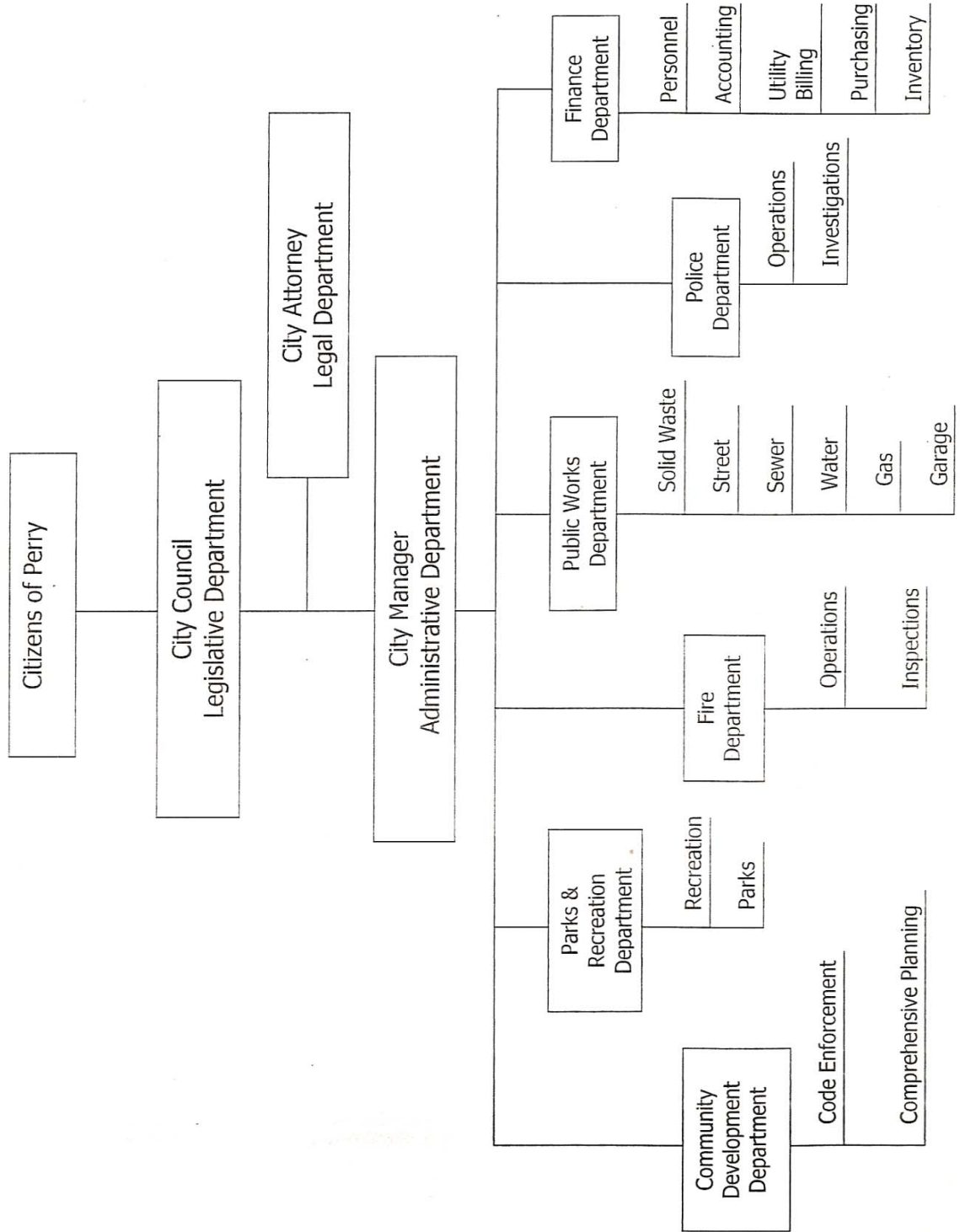
**For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended**

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF PERRY ORGANIZATIONAL CHART



CITY OF PERRY, FLORIDA
LISTING OF CITY OFFICIALS
As of September 30, 2021

CITY OFFICIALS

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

APPOINTED OFFICIALS

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

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FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

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

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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Honorable Mayor and City Council
City of Perry
Perry, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Perry, Florida, as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Perry, Florida's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Perry, Florida as of September 30, 2021, and the respective changes in financial position and cash flows, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The combining fund financial statements and additional pension schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2022, on our consideration of the City of Perry, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the City of Perry, Florida's internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
April 25, 2022

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MANAGEMENT'S DISCUSSION
AND ANALYSIS

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Management's Discussion and Analysis

This section of the City of Perry's (the City) Annual Comprehensive Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

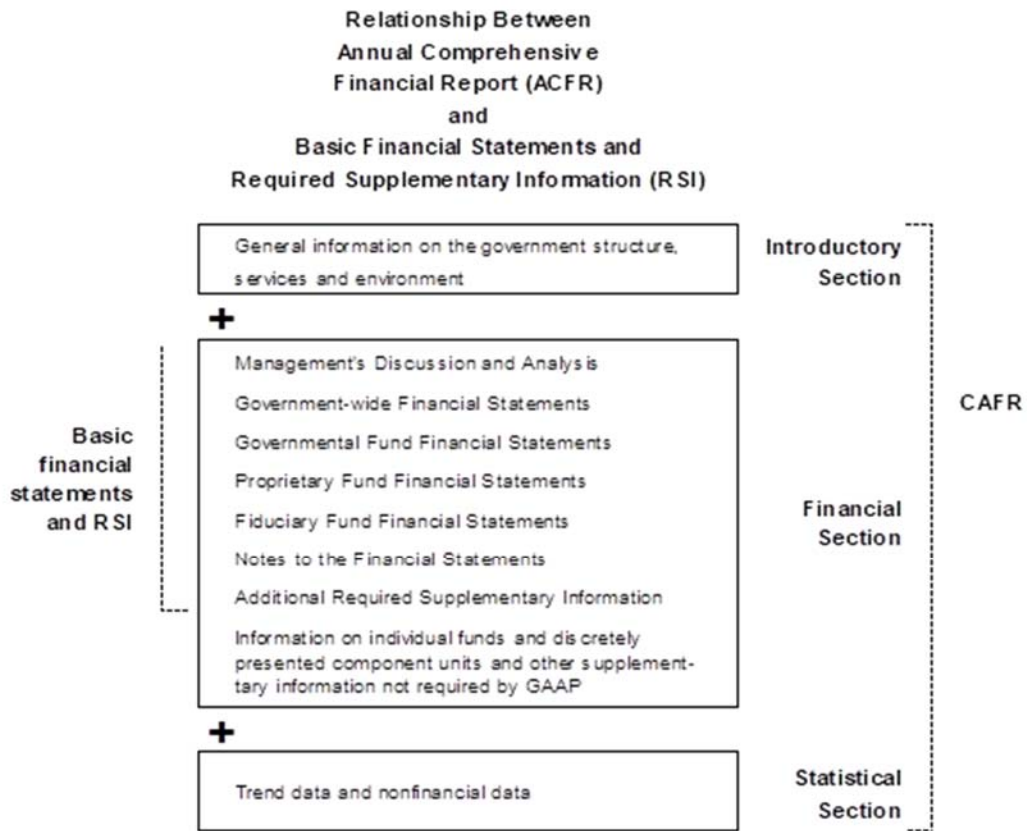
- At the close of the fiscal year the City's total assets and deferred outflows exceeded its liabilities and deferred inflows by \$33.6 million (net position). Of this amount, \$3.1 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by 13% during the current fiscal year.
- Net position of the City's business-type activities increased by approximately \$3.04 million and increased by approximately \$818 thousand for governmental activities. Capital contributions in governmental activities and business-type activities accounted mainly for the increase in net position
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$4.6 million, an increase of \$862 thousand in comparison with the prior year mainly due to a general fund, a building department, and a capital fund operating surplus. Approximately \$1.1 million, or 25%, of the ending fund balances amount, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the general fund was \$1.2 million or 18% of total general fund expenditures. The unassigned fund balance for the general fund was \$1.1 million or 18% of total general fund expenditures. The non-spendable fund balance was \$76 thousand (6.0% of general fund ending fund balance). These designations follow the Town's fund balance and financial policies as explained in the notes to the financial statements.
- The City's cash amount of \$9.6 million is held in two banks insured as government funds as per the State Statute.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, net position increased by \$3,865,254 compared to the last fiscal year.

The largest portion of the City's net position is \$28.7 million. They are the net investment in capital assets (e.g., land, buildings, machinery and equipment) used to acquire those assets that is still outstanding. The City of Perry uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. It should be noted that resources needed to repay any debt must be provided from other sources because the capital assets cannot be used to liquidate the liability.

An additional portion of the City of Perry's net position \$3.1 million, represents resources that are unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Net Position
As of September 30, 2021 and 2020

	Governmental Activities		Business- Type Activities		Total		Total % Change
	2021	2020	2021	2020	2021	2020	2020-21
Assets							
Current and other assets	\$5,053,780	\$4,166,249	\$ 5,329,879	\$ 6,293,883	\$10,383,659	\$10,460,132	-0.7%
Capital Assets	3,238,078	3,145,270	31,904,755	31,790,574	35,142,833	34,935,844	0.6%
Total Assets	8,291,858	7,311,519	37,234,634	38,084,457	45,526,492	45,395,976	0.3%
Deferred outflows	1,578,320	1,763,700	221,043	323,870	1,799,363	2,087,570	11.0%
Liabilities							
Long-term liabilities outstanding	2,966,865	4,259,243	7,191,809	11,095,212	10,158,674	15,354,455	-33.8%
Other liabilities	650,640	613,676	836,200	1,364,862	1,486,840	1,978,538	-24.9%
Total Liabilities	3,617,505	4,872,919	8,028,009	12,460,074	11,645,514	17,332,993	-32.8%
Deferred inflows	1,567,655	336,020	524,061	91,162	2,091,716	427,182	2.9%
Net Position							
Net investment in capital assets	3,238,078	3,145,270	25,452,470	22,050,481	28,690,548	25,195,751	13.9%
Restricted	1,673,437	1,784,002	-	645,864	1,673,437	2,429,866	-31.1%
Unrestricted	(226,497)	(1,062,992)	3,451,137	3,160,746	3,224,640	2,097,754	53.7%
Total Net Position	\$4,685,018	\$3,866,280	\$28,903,607	\$25,857,091	\$33,588,625	\$29,723,371	13.0%

The remaining balance of \$1.8 million, (5%), represents resources that are subject to external restrictions on how they may be used.

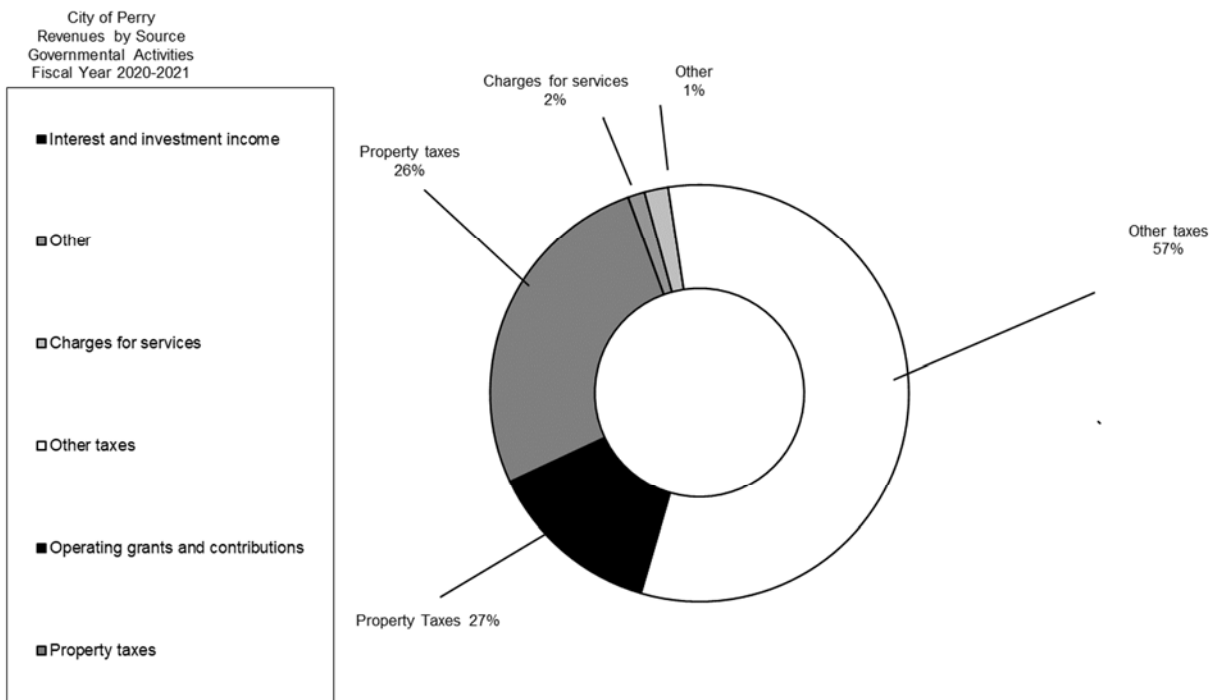
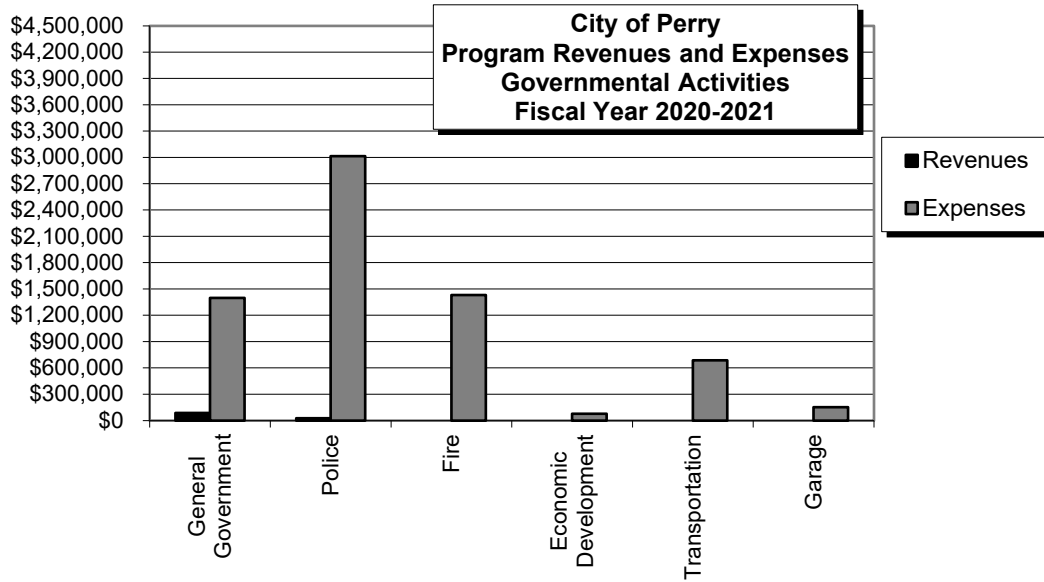
Analysis of Change in Net Position

The City's net position, overall, increased by \$3,865,254 during the current fiscal year. The increase in the government is 13%.

Statement of Changes in Net Position
Fiscal Years Ended
September 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total		Total % Change 2020-21
	2021	2020	2021	2020	2021	2020	
Revenues							
Program revenues:							
Charges for services	\$ 112,528	\$ 109,517	\$ 5,727,675	\$ 5,277,754	\$ 5,840,203	\$ 5,387,271	8.4%
Operating grants and contributions	503,984	437,690	-	-	503,984	437,690	100.0%
Capital grants and contributions	324,391	-	4,397,125	818,053	4,721,516	818,053	0.0%
General revenues:							
Property taxes	1,619,424	1,469,103	-	-	1,619,424	1,469,103	10.2%
Business taxes	957,645	960,048	-	-	957,645	960,048	-0.3%
Other taxes and revenues	2,530,873	2,429,263	-	-	2,530,873	2,429,263	4.2%
Interest and investment income	1,606	9,021	1,663	8,630	3,269	17,651	-81.5%
Other	79,294	125,697	66,636	128,853	145,930	254,550	-42.7%
Total revenues	6,129,745	5,540,339	10,193,099	6,233,290	16,322,844	11,773,629	38.6%
Expenses							
General Government	1,397,033	1,503,262	-	-	1,397,033	1,503,262	-7.1%
Garage	130,674	151,790	-	-	130,674	151,790	-13.9%
Public Safety	4,441,496	4,443,552	-	-	4,441,496	4,443,552	0.0%
Economic Development	43,610	77,394	-	-	43,610	77,394	-43.7%
Transportation	591,044	686,643	-	-	591,044	686,643	-13.9%
Recreation	-	-	343,955	345,850	343,955	345,850	-0.5%
Water	-	-	1,066,451	1,119,291	1,066,451	1,119,291	-4.7%
Gas	-	-	1,212,756	970,875	1,212,756	970,875	24.9%
Solid Waste	-	-	705,164	757,988	705,164	757,988	-7.0%
Sewer	-	-	2,167,327	2,238,196	2,167,327	2,238,196	-3.2%
Inventory	-	-	358,080	375,762	358,080	375,762	-4.7%
Total expenses	6,603,857	6,862,641	5,853,733	5,807,962	12,457,590	12,670,603	-1.7%
Increase (decrease) in net position before transfers	(474,112)	(1,322,302)	4,339,366	425,328	3,865,254	(896,974)	-530.9%
Transfers	1,292,850	960,000	(1,292,850)	(960,000)	-	-	0.0%
Change in net position	818,738	(362,302)	3,046,516	(534,672)	3,865,254	(896,974)	-530.9%
Net position at beginning of year	3,866,280	4,228,582	25,857,091	26,391,763	29,723,371	30,620,345	-2.9%
Net position at end of year	\$ 4,685,018	\$ 3,866,280	\$ 28,903,607	\$ 25,857,091	\$ 33,588,625	\$ 29,723,371	13.0%

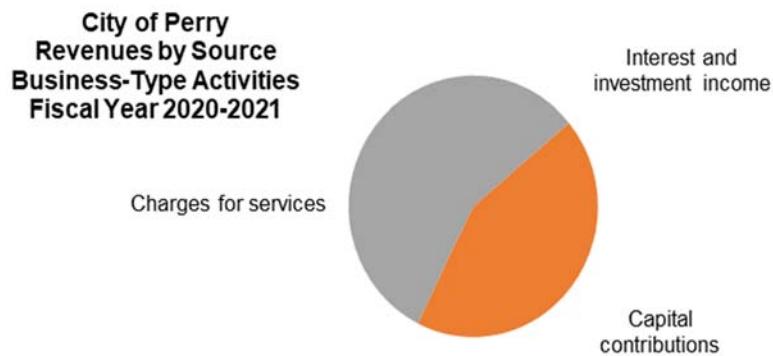
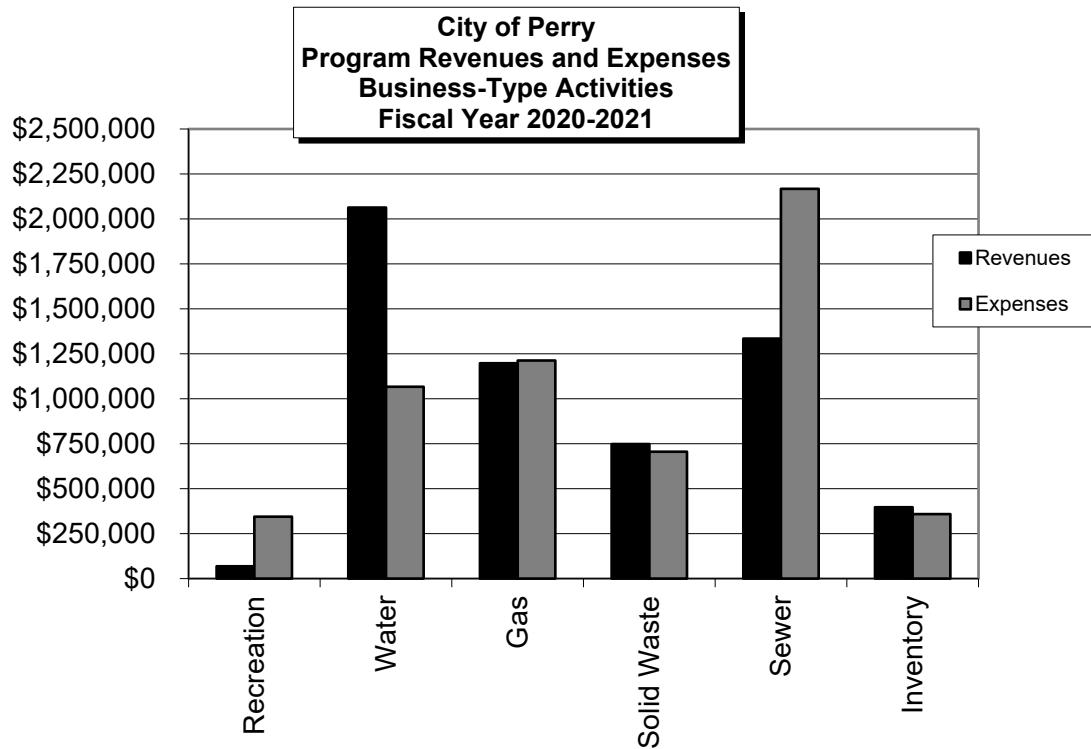
Governmental activities increased the City's net position by \$818,738. The Business-type activities had an increase of \$3,046,516 in the net position of the City. Key factors are as follows:
Total revenues for all of the governmental funds overall had a large increase from the previous year was due to other taxes and revenues.



The charts above illustrate the City’s governmental expenses and revenues by function, and its revenues by source. As shown, Police is the largest function in expense (44.60%), followed by Fire (21.16%) and then General Government (20.68%). General revenues such as property, business, and privilege taxes are not shown by program, but are effectively used to support program activities citywide. For governmental activities overall, without regard to program, Other taxes are the largest single source of funds (57%), followed by Property taxes (26%) and Operating grants and contribution (14%).

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

Before transfers, the business-type activities reported a increase in net position of \$3,914,038. Business-type activities generally set charges for services to cover the individual funds’ operating expenses and transfers to the general fund. In the Water Revenue Fund and Gas Fund, revenue is sufficient to cover the operating expenses and the transfers. Transfers totaled \$1,292,850.



As shown in the charts above, the sewer department reported the largest amount of expense, \$2.2 million (37.02%), followed by the gas department, \$1.2 million (20.72%), and the water department, \$1.07 million

(18.22%). Fees for water provided the largest amount of revenues \$2.1 million (35.52%), followed by sewer \$1.3 million (22.97%) and gas \$1.2 million (20.61%).

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4.6 million, an increase of \$862,429 in comparison with the prior year. This increase is primarily due to larger transfers than the previous year. Approximately 25% of this total amount, \$1,149,079 constitutes assigned unassigned fund balances, which are available for spending at the City's discretion (see pages 27 and 29). The remainder of the fund balance is restricted to indicate that it is not available for new spending because it is restricted for specific uses.

Revenues for governmental functions overall totaled \$6.1 million for the current fiscal year. Expenditures totaled \$6.5 million, which means that expenditures exceeded revenues before transfers by approximately \$430,000, or 7%.

The general fund is the chief operating fund of the City. At the close of the current fiscal year, the unassigned fund balance of the general fund was \$1,149,079, and total fund balance was \$4,638,975. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.64% of total general fund expenditures of \$6.5 million, while total fund balance represents 19% of that same amount.

The fund balance of the City's general fund increased by \$417,206 during the current fiscal year. This is mainly due to transfers.

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

The utility tax revenues are \$958,195, which is 16% of total governmental revenue which is used to supplement needs in other areas such as Sewer, Inventory, Solid Waste, and General funds; and the local option gas tax revenue is \$326,877, which is 5% of the total governmental revenue. The proceeds supported the street department and paving projects. Gas Tax is slightly higher than previous years.

The utility tax fund's fund balance increase by \$537,217 as a result of lesser interfund transfers and expenditures. The local option gas tax fund's fund balance increased by \$76,877 due to lesser interfund transfer.

The community redevelopment fund decreased by \$168,871 due to a transfer to General fund to purchase a building for future city hall.

Proprietary Funds

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

At the end of the fiscal year, the unrestricted net position for the Gas Fund was \$754,137, the Sewer Revenue Fund was \$146,309 the Water Revenue Fund was \$1.9 million, the Solid Waste Fund was \$11,533, the Recreation Fund was \$53,244 and the Inventory Fund was \$505,175.

The total change in net position for the enterprise funds was an increase of \$3,046,516.

Factors concerning the finances of these funds show the largest change was Sewer Funds where capital grant contribution was awarded. The equity in the funds remains healthy.

Fiduciary Fund

The City maintains fiduciary funds for the assets of the Police Officers' and Firefighters' Pension Funds. As of the end of the current fiscal year, the net position of the Police Officers' and Firefighters' Pension Funds totaled \$15.9 million, which represents an increase of \$2.6 million over the prior fiscal year. This increase is primarily due to a gain in the fair value of plan investments and large benefit payouts for both Police and Fire. The note sections 3 and 4 and RSI contain additional statements, clarifications and actuarial information on these funds.

General Fund budgetary highlights

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

During the year actual revenues and other resources were over budgetary estimates by \$114,831. Actual expenditures and other uses were over than budgetary estimates by \$76,003. The total of these two factors represents a favorable variance with the budget of \$38,828. The increased revenues from sales tax and intergovernmental contributed to the increase, also reduced expenses from most departments were the main contributors to the favorable budget variance. The expenses reported budgeted expenditures of \$6.44 million and actual expenditures of \$6.52 million, which represents a favorable variance of \$76,003.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2021, amount to \$35 million (net of accumulated depreciation). Capital assets include land, buildings, improvements, equipment, and infrastructure. The overall total increase in the City's capital assets (net of accumulated depreciation) for the current fiscal year was 0.39%, an 2.95% increase for governmental activities and 0.14% increase for business-type activities as shown in the table below.

Capital Assets, Net of Depreciation September 30, 2021

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Land	\$ 298,161	\$ 2,264,256	\$ 2,562,417
Buildings	380,290	139,155	519,445
Improvements	1,368,345	333,763	1,702,108
Equipment	1,191,282	1,331,174	2,522,456
Infrastructure	-	27,836,407	27,836,407
Total	\$ 3,238,078	\$ 31,904,755	\$ 35,142,833

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

Debt Administration

The following table below illustrates the City's outstanding debt as of September 30, 2021:

Outstanding Debt September 30, 2021

	Governmental	Business-Type	Total
	Activities	Activities	
SRF Pre Construction Loan	\$ -	\$ 170,771	\$ 170,771
SRF Sewer Loan	-	2,888,396	2,888,396
SRF Water Loan	-	512,118	512,118
USDA Bond Payable	-	2,881,000	2,881,000
Compensated Absences	350,614	65,579	416,193
OPEB Payable	966,433	497,556	1,463,989
Net Pension Liability	1,885,653	405,830	2,291,483
Total long-term liabilities	\$ 3,202,700	\$ 7,421,250	\$10,623,950

At the end of the current fiscal year, the City had total long-term obligations outstanding of approximately \$ 10.6 million. A pre-construction loan for the upcoming sewer plant is \$170,771 to develop engineering plans. Fiscal year 2018 the City closed on a USDA bond for \$2,926,000, this loan calls for payments of principal and interest yearly beginning September 13,2021. During the fiscal year 2020, the City closed on an SRF loan for sewer and water, the outstanding amount this fiscal year is \$3,400,514. The GASB requires the recording of a liability balance for future retiree benefits. This OPEB liability was actuarially determined and recorded in the amount of \$1,463,989. The GASB requires the recording of a liability for the estimated future unfunded balances of employee pension plans. This net pension liability was actuarially determined and recorded in the amount of \$2,291,483. The remainder consists of compensated absences in the amount of \$416,193.

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

Economic Factors and Next Year's Budget and Rates

Impact on governmental activities

Funding for the City's governmental activities comes from property and business taxes, and fees (franchise, occupational license). Some funding is also received from state-shared revenues and other intergovernmental revenues. During the 2020-2021 budget process the overall economy was looked at, and since things appeared to be sluggish we didn't want to raise any revenues for the public and was very conservative on expenditures and only necessary capital outlay was considered. Also, estimated revenues from the State may be on the low side due to decreased customer spending.

Impact on business-type activities

Revenues for the business-type activities come from user fees or service charges. The consumption of the City's utilities is impacted by local weather patterns, which are constantly changing. Due to a sluggish economy no rate increases were considered to help ease utility customer's situations.

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

Fiscal Year 2021's Budget and Rates

The City's operating budget for fiscal year 2021 totals \$11.5 million, \$6.4 million for the General Fund and \$5.1 million for the Enterprise Funds. The General Fund consists of general government activities as well as police, fire, economic development, transportation, and garage. The Enterprise Funds are expected to be self-supporting from user fees and charges for services. The Enterprise Funds consist of recreation, water, gas, sewer, solid waste, and inventory.

For the 2021 fiscal year, the millage rate is 6.7%. Ad valorem taxes provide 33% of total tax revenues for the City's General Fund.

Personnel expenditures account for 55% of the City's operating budget. The City had 80 full-time positions at the end of fiscal year 2021.

The City's Capital Outlay Budget totals \$2,082,500 with \$429,300 budgeted in the General Fund and \$1,653,200 in the Enterprise Funds. Some of the capital projects include miscellaneous items for building and street repair, police and fire equipment and water and sewer plant upgrades. The City will be getting a grants from federal and state to fund capital improvement projects. Also, the City will use capital improvement funds or unrestricted reserves. The City has a five-year plan for capital improvements for all projects through 2026 that totals \$13.5 million with appropriations of funding made on an annual basis.

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

REQUESTS FOR INFORMATION

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

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

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BASIC FINANCIAL STATEMENTS

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

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CITY OF PERRY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,507,410	\$ 4,311,142	\$ 6,818,552
Receivables (net of allowance for uncollectibles)	176,805	641,199	818,004
Due from other fund	135,000	-	135,000
Due from other governments	559,728	-	559,728
Inventories	-	377,538	377,538
Restricted cash, cash equivalents and investments	1,674,837	-	1,674,837
Capital Assets (net of accumulated depreciation:			
Non-depreciable	298,161	2,264,256	2,562,417
Depreciable - Net	2,939,917	29,640,499	32,580,416
Total Assets	<u>8,291,858</u>	<u>37,234,634</u>	<u>45,526,492</u>
DEFERRED OUTFLOWS	<u>1,578,320</u>	<u>221,043</u>	<u>1,799,363</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	384,694	217,924	602,618
Due to other fund	-	135,000	135,000
Customer deposits	1,400	253,835	255,235
Unearned revenue, grants	28,711	-	28,711
Noncurrent Liabilities:			
Due within one year:			
Compensated Absences	235,835	42,601	278,436
SRF Loan	-	125,196	125,196
USDA Loan	-	46,000	46,000
Preconstruction Loan	-	15,644	15,644
Due in more than one year:			
SRF Loan	-	3,275,318	3,275,318
Preconstruction Loan	-	155,127	155,127
USDA Loan	-	2,835,000	2,835,000
OPEB Payable	966,433	497,556	1,463,989
Compensated Absences	114,779	22,978	137,757
Net Pension Liability	1,885,653	405,830	2,291,483
Total liabilities	<u>3,617,505</u>	<u>8,028,009</u>	<u>11,645,514</u>
DEFERRED INFLOWS	<u>1,567,655</u>	<u>524,061</u>	<u>2,091,716</u>
<u>NET POSITION</u>			
Net investment in capital assets	3,238,078	25,452,470	28,690,548
Restricted for:			
Pay Station	3,948	-	3,948
Local Option Gas Tax	1,597,117	-	1,597,117
Law Enforcement	71,918	-	71,918
Revitalization	454	-	454
Unrestricted	(226,497)	3,451,137	3,224,640
Total net position	<u>\$ 4,685,018</u>	<u>\$ 28,903,607</u>	<u>\$ 33,588,625</u>

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

CITY OF PERRY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2021

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<u>Function/Program Activities</u>							
<u>Primary Government:</u>							
<u>Governmental Activities:</u>							
General Government	\$ 1,397,033	\$ 87,085	\$ 290,905	\$ -	\$ (1,019,043)	\$ -	\$ (1,019,043)
Public Works Transportation	591,044	-	79,263	324,391	(187,390)	-	(187,390)
Community Redevelopment	43,610	-	-	-	(43,610)	-	(43,610)
Public Safety	4,441,496	25,443	133,816	-	(4,282,237)	-	(4,282,237)
Public Works City Garage	130,674	-	-	-	(130,674)	-	(130,674)
<u>Total Governmental Activities</u>	<u>6,603,857</u>	<u>112,528</u>	<u>503,984</u>	<u>324,391</u>	<u>(5,662,954)</u>	<u>-</u>	<u>(5,662,954)</u>
<u>Business-type Activities:</u>							
Gas	1,212,756	1,196,939	-	-	-	(15,817)	(15,817)
Sewer	2,167,327	1,330,875	-	3,498,946	-	2,662,494	2,662,494
Water	1,066,451	2,050,761	-	898,179	-	1,882,489	1,882,489
Solid Waste	705,164	748,155	-	-	-	42,991	42,991
Recreation	343,955	4,101	-	-	-	(339,854)	(339,854)
Inventory	358,080	396,844	-	-	-	38,764	38,764
<u>Total business-type activities</u>	<u>5,853,733</u>	<u>5,727,675</u>	<u>-</u>	<u>4,397,125</u>	<u>-</u>	<u>4,271,067</u>	<u>4,271,067</u>
<u>Total Primary Government</u>	<u>\$ 12,457,590</u>	<u>\$ 5,840,203</u>	<u>\$ 503,984</u>	<u>\$ 4,721,516</u>	<u>(5,662,954)</u>	<u>4,271,067</u>	<u>(1,391,887)</u>
General Revenues							
Property Taxes					1,619,424	-	1,619,424
Discretionary Tax					827,461	-	827,461
Franchise Tax					572,420	-	572,420
Telecommunications Tax					229,325	-	229,325
Motor Fuel Tax					404,137	-	404,137
Sales Tax					497,530	-	497,530
Utility Taxes					957,645	-	957,645
Interest					1,606	1,663	3,269
Miscellaneous					79,294	66,636	145,930
Transfers					1,292,850	(1,292,850)	-
<u>Total Revenues & Transfers</u>					<u>6,481,692</u>	<u>(1,224,551)</u>	<u>5,257,141</u>
<u>Change in net position</u>					<u>818,738</u>	<u>3,046,516</u>	<u>3,865,254</u>
<u>Net Position - Beginning</u>					<u>3,866,280</u>	<u>25,857,091</u>	<u>29,723,371</u>
<u>Net Position - Ending</u>					<u>\$ 4,685,018</u>	<u>\$ 28,903,607</u>	<u>\$ 33,588,625</u>

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

CITY OF PERRY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021

	General	Community Redevelopment	Utility Tax Revenue	Local Option Gas Tax	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 989,432	\$ -	\$ 1,517,978	\$ -	\$ 2,507,410
Receivables (net of allowance for uncollectibles)	73,008	-	103,797	-	176,805
Due from other funds	-	-	135,000	-	135,000
Due from other governments	500,044	-	-	59,684	559,728
Cash - Restricted	75,866	1,854	-	1,597,117	1,674,837
<u>Total Assets</u>	<u>1,638,350</u>	<u>1,854</u>	<u>1,756,775</u>	<u>1,656,801</u>	<u>5,053,780</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	228,419	-	-	-	228,419
Accrued Liabilities	156,275	-	-	-	156,275
Deposits	-	1,400	-	-	1,400
Unearned revenues	28,711	-	-	-	28,711
<u>Total Liabilities</u>	<u>413,405</u>	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>414,805</u>
Fund Balances:					
Restricted	75,866	169,325	-	1,656,801	1,901,992
Assigned	-	-	1,756,775	-	1,756,775
Unassigned	1,149,079	(168,871)	-	-	980,208
<u>Total Fund Balances</u>	<u>1,224,945</u>	<u>454</u>	<u>1,756,775</u>	<u>1,656,801</u>	<u>4,638,975</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 1,638,350</u>	<u>\$ 1,854</u>	<u>\$ 1,756,775</u>	<u>\$ 1,656,801</u>	<u>\$ 5,053,780</u>

The accompanying notes are an integral part of these financial statements

CITY OF PERRY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2021

Fund Balances - Total governmental funds	\$ 4,638,975
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	3,238,078
Net Pension Liability (Police, Fire, FRS)	(1,885,653)
Deferred outflows (Police, Fire, FRS)	1,578,320
Deferred inflows (Police, Fire, FRS)	(1,567,655)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.	
OPEB Liability	(966,433)
Compensated absences	(350,614)
Net Position of governmental activities	<u>\$ 4,685,018</u>

The accompanying notes are an integral part of these financial statements

CITY OF PERRY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2021

	General	Community Redevelopment	Utility Tax Revenue	Local Option Gas Tax	Total Governmental Funds
<u>REVENUES</u>					
Taxes:					
Property	\$ 1,591,122	\$ 28,302	\$ -	\$ -	\$ 1,619,424
Discretionary Sales Tax	827,461	-	-	-	827,461
Telecommunications	229,325	-	-	-	229,325
Franchise	572,420	-	-	-	572,420
Motor Fuel	77,914	-	-	326,223	404,137
Utility	-	-	957,645	-	957,645
Sales Tax - 1/2 Cent	497,530	-	-	-	497,530
Licenses and permits	87,085	-	-	-	87,085
Intergovernmental	828,375	-	-	-	828,375
Fines and forfeitures	25,443	-	-	-	25,443
Interest	402	-	550	654	1,606
Miscellaneous	68,458	10,836	-	-	79,294
<u>Total Revenues</u>	<u>4,805,535</u>	<u>39,138</u>	<u>958,195</u>	<u>326,877</u>	<u>6,129,745</u>
<u>EXPENDITURES</u>					
Current:					
General Government	1,300,265	-	978	-	1,301,243
Garage	134,738	-	-	-	134,738
Police	2,562,639	-	-	-	2,562,639
Fire	1,368,960	-	-	-	1,368,960
Public Work Transportation	552,838	-	-	-	552,838
Economic Development	-	43,610	-	-	43,610
Capital Outlay	596,138	-	-	-	596,138
<u>Total Expenditures</u>	<u>6,515,578</u>	<u>43,610</u>	<u>978</u>	<u>-</u>	<u>6,560,166</u>
<u>Excess (deficiency) of revenues over (under) expenditures</u>	<u>(1,710,043)</u>	<u>(4,472)</u>	<u>957,217</u>	<u>326,877</u>	<u>(430,421)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	2,127,249	-	-	-	2,127,249
Transfers Out	-	(164,399)	(420,000)	(250,000)	(834,399)
<u>Total other financing sources and uses</u>	<u>2,127,249</u>	<u>(164,399)</u>	<u>(420,000)</u>	<u>(250,000)</u>	<u>1,292,850</u>
<u>Net change in fund balances</u>	<u>417,206</u>	<u>(168,871)</u>	<u>537,217</u>	<u>76,877</u>	<u>862,429</u>
<u>Fund balances - beginning</u>	<u>807,739</u>	<u>169,325</u>	<u>1,219,558</u>	<u>1,579,924</u>	<u>3,776,546</u>
<u>Fund balances - ending</u>	<u>\$ 1,224,945</u>	<u>\$ 454</u>	<u>\$ 1,756,775</u>	<u>\$ 1,656,801</u>	<u>\$ 4,638,975</u>

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

CITY OF PERRY, FLORIDA
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended September 30, 2021

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

Net change in fund balances -- total governmental funds	\$	862,429
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$596,138 was less depreciation of \$503,330 in the current period</p>		
		92,808
<p>Some revenues (expenses) reported in the statement of activities do not provide (require) the use of current financial resources, therefore, are not reported as revenues (expenditures) in governmental funds.</p>		
Net change in other post employment benefits (OPEB)		(201,295)
Net change in compensated absences		1,743
Net change in deferred inflows/outflows		(1,417,015)
Net change in pension liability		1,480,068
Change in net position of governmental activities	\$	818,738

The accompanying notes are an integral part of these financial statements

CITY OF PERRY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021
Business-type Activities Enterprise Funds

	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Recreation	Inventory	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 936,935	\$ 510,575	\$ 2,332,957	\$ 233,127	\$ 99,032	\$ 198,516	\$ 4,311,142
Accounts Receivable (Net)	139,635	285,325	128,872	84,653	-	2,714	641,199
Grants Receivable	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	377,538	377,538
Total Current Assets	1,076,570	795,900	2,461,829	317,780	99,032	578,768	5,329,879
Capital Assets:							
Land	-	547,530	1,505,410	-	211,316	-	2,264,256
Buildings and System	-	76,387	8,785	10,295	832,178	100,741	1,028,386
Machinery, Equipment, and Infrastructure	1,649,235	35,117,984	10,713,509	955,693	3,410,832	65,585	51,912,838
Less Accumulated Depreciation	(1,412,849)	(12,979,841)	(6,390,832)	(593,512)	(1,812,416)	(111,275)	(23,300,725)
Total Non-Current Assets	236,386	22,762,060	5,836,872	372,476	2,641,910	55,051	31,904,755
Total Assets	1,312,956	23,557,960	8,298,701	690,256	2,740,942	633,819	37,234,634
DEFERRED OUTFLOWS	35,670	77,785	57,936	33,944	6,098	9,610	221,043
LIABILITIES							
Current Liabilities:							
Accounts Payable	10,564	61,400	29,132	35,773	22,070	19,306	178,245
Due to Other Fund	-	135,000	-	-	-	-	135,000
Accrued Liabilities	6,456	15,667	10,195	4,480	846	2,035	39,679
Compensated Absences	11,742	26,798	-	2,269	1,041	751	42,601
SRF Loan	-	99,600	25,596	-	-	-	125,196
USDA Loan	-	46,000	-	-	-	-	46,000
Pre Construction loan	-	15,644	-	-	-	-	15,644
Utility Deposits	111,265	-	141,139	1,431	-	-	253,835
Total Current Liabilities	140,027	400,109	206,062	43,953	23,957	22,092	836,200
Non-Current Liabilities:							
Compensated Absences	-	7,935	11,442	-	-	3,601	22,978
SRF Loan	-	2,788,796	486,522	-	-	-	3,275,318
USDA Loan	-	2,835,000	-	-	-	-	2,835,000
Pre Construction Loan	-	155,127	-	-	-	-	155,127
OPEB Payables	68,016	153,348	103,391	153,438	2,273	17,090	497,556
Net Pension Liability	65,490	142,811	106,369	62,322	11,197	17,641	405,830
Total Non-Current Liabilities	133,506	6,083,017	707,724	215,760	13,470	38,332	7,191,809
Total Liabilities	273,533	6,483,126	913,786	259,713	37,427	60,424	8,028,009
DEFERRED INFLOWS	84,570	184,417	137,358	80,478	14,459	22,779	524,061
NET POSITION							
Net Investment Capital Assets	236,386	16,821,893	5,324,754	372,476	2,641,910	55,051	25,452,470
Restricted:							
Unrestricted	754,137	146,309	1,980,739	11,533	53,244	505,175	3,451,137
Total Net Position	\$ 990,523	\$ 16,968,202	\$ 7,305,493	\$ 384,009	\$ 2,695,154	\$ 560,226	\$ 28,903,607

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

CITY OF PERRY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30,2021

Business-type Activities Proprietary Funds

	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Recreation	Inventory	Total
Operating Revenues							
Charges for Sales and Services	\$ 1,196,939	\$ 1,330,875	\$ 2,050,761	\$ 748,155	\$ 4,101	\$ 396,844	\$ 5,727,675
Miscellaneous	-	2,500	-	-	64,136	-	66,636
Total Operating Revenues	1,196,939	1,333,375	2,050,761	748,155	68,237	396,844	5,794,311
Operating Expenses							
Personnel Services	238,617	522,004	385,018	205,984	23,140	54,347	1,429,110
Contractual Services	910	22,157	31,819	906	33,928	-	89,720
Supplies and Expenses	137,757	312,264	287,289	396,259	62,304	290,677	1,486,550
Utilities	2,939	186,238	73,346	2,541	28,126	5,846	299,036
Depreciation	27,405	1,038,602	288,493	99,474	196,457	7,210	1,657,641
Gas Resale Contract	805,128	-	-	-	-	-	805,128
Total Operating Expenses	1,212,756	2,081,265	1,065,965	705,164	343,955	358,080	5,767,185
Operating Income (Loss)	(15,817)	(747,890)	984,796	42,991	(275,718)	38,764	27,126
Non-Operating Revenues							
(Expenses)							
Interest Revenue	5	446	1,212	-	-	-	1,663
Interest Expense	-	(86,062)	(486)	-	-	-	(86,548)
Total Non-Operating Revenues (Expenses)	5	(85,616)	726	-	-	-	(84,885)
Income (Loss) Before Contributions and Transfers	(15,812)	(833,506)	985,522	42,991	(275,718)	38,764	(57,759)
Transfers In/(Out)	(143,353)	40,570	(1,288,420)	-	58,353	40,000	(1,292,850)
Total Transfers	(143,353)	40,570	(1,288,420)	-	58,353	40,000	(1,292,850)
Capital Contributions	-	3,498,946	898,179	-	-	-	4,397,125
Total Capital Contributions	-	3,498,946	898,179	-	-	-	4,397,125
Change in Net Position	(159,165)	2,706,010	595,281	42,991	(217,365)	78,764	3,046,516
Net Position - Beginning	1,149,688	14,262,192	6,710,212	341,018	2,912,519	481,462	25,857,091
Net Position - Ending	\$ 990,523	\$ 16,968,202	\$ 7,305,493	\$ 384,009	\$ 2,695,154	\$ 560,226	\$ 28,903,607

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

CITY OF PERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2021

	<u>Business-type Activities Proprietary Funds</u>						
	<u>Gas</u> <u>Revenue</u>	<u>Sewer</u> <u>Revenue</u>	<u>Water</u> <u>Revenue</u>	<u>Solid</u> <u>Waste</u>	<u>Recreation</u>	<u>Inventory</u>	<u>Total</u>
<u>Cash Flows from Operating Activities:</u>							
Receipts from Customers	\$1,144,991	\$1,167,521	\$2,180,134	\$ 725,600	\$ 77,182	\$397,050	\$5,692,478
Payments to Suppliers	(943,943)	(625,503)	(909,320)	(415,719)	(126,566)	(362,534)	(3,383,585)
Payments to Employees	(261,415)	(574,640)	(416,589)	(254,877)	(44,867)	(68,839)	(1,621,227)
<u>Net Cash Provided by (Used in) Operating Activities</u>	<u>(60,367)</u>	<u>(32,622)</u>	<u>854,225</u>	<u>55,004</u>	<u>(94,251)</u>	<u>(34,323)</u>	<u>687,666</u>
<u>Cash Flows from Noncapital Financing Activities:</u>							
Transfers (Out) In	(143,353)	40,570	(1,288,420)	-	58,353	40,000	(1,292,850)
Short-term loans to other funds	-	135,000	-	-	-	-	-
<u>Net Cash Flows Provided by (Used in) Noncapital Financing Activities</u>	<u>(143,353)</u>	<u>175,570</u>	<u>(1,288,420)</u>	<u>-</u>	<u>58,353</u>	<u>40,000</u>	<u>(1,292,850)</u>
<u>Cash Flows from Capital & Related Financing Activities</u>							
Capital Contributions & Grants	-	3,616,813	1,426,176	-	-	-	5,042,989
Loan proceeds	-	(3,698,092)	424,238	-	-	-	(3,273,854)
Additions to Property, Plant & Equipment	(37,679)	(274,728)	(1,368,896)	-	(89,820)	(699)	(1,771,822)
Principal Paid	-	(13,954)	-	-	-	-	(13,954)
Interest Paid	-	(86,062)	(486)	-	-	-	(86,548)
<u>Net Cash Flows Provided by (Used in) Capital and Related Financing Activities</u>	<u>(37,679)</u>	<u>(456,023)</u>	<u>481,032</u>	<u>-</u>	<u>(89,820)</u>	<u>(699)</u>	<u>(103,189)</u>
<u>Cash Flows From Investing Activities:</u>							
Earnings on Investments	5	446	1,212	-	-	-	1,663
<u>Net Cash Flows Provided by (Used in) Investing Activities</u>	<u>5</u>	<u>446</u>	<u>1,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,663</u>
<u>Net Increase (Decrease) in Cash & Cash Equivalents</u>	<u>(241,394)</u>	<u>(312,629)</u>	<u>48,049</u>	<u>55,004</u>	<u>(125,718)</u>	<u>4,978</u>	<u>(571,710)</u>
<u>Cash & Cash Equivalents at October 1, 2020</u>	<u>1,178,329</u>	<u>823,204</u>	<u>2,284,908</u>	<u>178,123</u>	<u>224,750</u>	<u>193,538</u>	<u>4,882,852</u>
<u>Cash & Cash Equivalents at September 30, 2021</u>	<u>\$ 936,935</u>	<u>\$ 510,575</u>	<u>\$2,332,957</u>	<u>\$ 233,127</u>	<u>\$ 99,032</u>	<u>\$198,516</u>	<u>\$4,311,142</u>

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

CITY OF PERRY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2021

Reconciliation of Operating Income (Loss) to Net Cash
Provided by (used in) Operating Activities

	<u>Business-type Activities Enterprise Funds</u>						Total
	Gas Revenue	Sewer Revenue	Water Revenue	Solid Waste	Recreation	Inventory	
Operating Income (Loss)	\$ (15,817)	\$ (747,890)	\$ 984,796	\$ 42,991	\$ (275,718)	\$ 38,764	\$ 27,126
Adjustments not affecting cash:							
Depreciation	27,405	1,038,602	288,493	99,474	196,457	7,210	1,657,641
Change in assets and liabilities:							
Decrease(Increase) in							
Inventory	-	-	-	-	-	(75,040)	(75,040)
Decrease (increase)							
Accounts Receivable	(62,932)	(191,679)	106,161	(34,376)	7,010	(2,714)	(178,530)
Decrease (increase) in							
Deferred Outflows	14,289	31,762	20,840	22,386	8,745	4,805	117,116
(Decrease) Increase in							
Accounts Payable	2,791	(104,844)	(516,866)	(16,013)	(2,208)	9,029	(625,320)
(Decrease) Increase in							
Customer Deposits	(355)	-	4,836	75	-	-	4,201
(Decrease) Increase in							
Accrued Payables	1,275	2,224	2,224	294	75	(326)	7,041
(Decrease) Increase in							
OPEB Payable	11,339	25,825	18,376	11,746	1,935	2,920	83,480
(Decrease) Increase in							
Compensated Absences	1,262	2,080	734	(497)	152	(4,683)	310
(Decrease) Increase in							
Net Pension Liability	(110,132)	(242,284)	(170,553)	(135,698)	(40,980)	(33,010)	(842,789)
(Decrease) Increase in							
Deferred Inflows	70,508	153,582	115,184	64,622	10,281	18,722	503,407
Total Adjustments	(44,550)	715,268	(130,571)	12,013	181,467	(73,087)	651,517
<u>Net Cash Provided by (Used in)</u>							
<u> Operating Activities</u>	<u>\$ (60,367)</u>	<u>\$ (32,622)</u>	<u>\$ 854,225</u>	<u>\$ 55,004</u>	<u>\$ (94,251)</u>	<u>\$ (34,323)</u>	<u>\$ 687,666</u>

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

**CITY OF PERRY, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	<u>Police Officers' and Firefighters Pension Funds</u>
<u>ASSETS</u>	
Cash and short-term investments	<u>\$ 148,226</u>
Receivables	
Employer	56,717
Plan Members	<u>3,308</u>
<u>Total Receivables</u>	<u>60,025</u>
Investments at fair value	
Equity	10,332,884
Fixed Income	4,369,673
Real Estate	<u>968,563</u>
<u>Total investments</u>	<u>15,671,120</u>
TOTAL ASSETS	<u>15,879,371</u>
 <u>LIABILITIES</u>	
Prepaid Contributions	9,624
Refunds of member contribution	4,076
Admin Expenses	3,400
Investment Expenses	<u>7,759</u>
TOTAL LIABILITIES	<u>24,859</u>
 <u>Net Position held in trust for pension benefits</u>	 <u><u>\$15,854,512</u></u>

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

CITY OF PERRY, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Police Officers' and Firefighters' Pension Funds</u>
<u>ADDITIONS</u>	
<u>Contributions</u>	
Employer	\$ 582,011
State	112,535
Plan Member	<u>42,650</u>
<u>Total Contributions</u>	<u>737,196</u>
<u>Investment Income</u>	
Unrealized Gains or Losses	2,306,581
Interest and Dividends	490,132
Less Investment Expense	<u>(54,672)</u>
<u>Net investment income</u>	<u>2,742,041</u>
Total additions	<u>3,479,237</u>
<u>DEDUCTIONS</u>	
Benefits	802,136
Refunds of Member Contributions	12,570
Administrative Expense	<u>86,284</u>
Total deductions	<u>900,990</u>
<u>Net Increase</u>	<u>2,578,247</u>
<u>Net Position held in trust for pension benefits</u>	
<u>October 1, 2020</u>	<u>13,276,265</u>
<u>September 30, 2021</u>	<u>\$ 15,854,512</u>

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

Note 1 – Summary of Significant Accounting Policies

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

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

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

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

(A) Reporting Entity

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

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

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

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

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

Blended Component Units:

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

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

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

The City did not participate in any joint ventures during fiscal year 2020-21.

(B) Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

The City reports the following major funds:

1. Governmental Funds:

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

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

2. Proprietary Funds:

The focus of Proprietary Fund measurement is upon determination of operating income, changes in fund net position, financial position, and cash flows, which is similar to businesses.

The following is a description of the major Proprietary Funds of the City:

- a. Gas Revenue Fund accounts for the operating activities of the natural gas system owned and operated by the City.

- b. Sewer Revenue Fund accounts for the operating activities of the City's Sewer Utility system.
- c. Water Revenue Fund accounts for the operating activities of the City's Water Utility system.
- d. Solid Waste Fund accounts for the activities of the City's residential collection system.
- e. Recreation Fund accounts for the activities of the City's recreation programs.
- f. Inventory Fund accounts for the activities of the City's warehouse system.

3. The City also reports the following fiduciary funds:

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

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

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

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

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

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

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

Property taxes, franchise taxes, utility taxes, interest revenue and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as

revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

1. Deposits and Investments:

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

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

2. Interfund Receivables and Payables

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

3. Accounts Receivable:

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

4. Inventories:

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

5. Restricted Assets:

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

Applicable year to year, certain proceeds of the City's enterprise funds revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they

are maintained in separate bank accounts and their use is limited by applicable bond covenants. The revenue bond current debt service account is used to segregate resources accumulated for debt service payments over the next twelve months. The plant expansion account is used to report resources to be used for water and wastewater expansion projects.

6. Capital Assets:

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

Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most general capital assets.

Examples of such assets are roads, bridges, sidewalks, paved paths, utility systems, storm water drainage systems, traffic control and lighting systems. The capitalization threshold for infrastructure assets has been set at \$5,000.

Capital assets are recorded at historical cost when purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed. Interest is capitalized during the construction phase of capital assets of business type activities acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

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

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

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

7. Net Position Flow Assumption

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

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

8. Fund Balance Flow Assumptions

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

9. Compensated Absences

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

10. Long-term Obligations

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

11. Fund Equity

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

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

Deferred Inflows of resources and Deferred Outflows of resources related to pensions that are derived from the difference between project and actual earnings on the respective pension plan investments are amortized to pension expense over a closed five-year period. Deferred Inflows of resources and Deferred Outflows of resources related to pensions that are derived from differences between expected and actual experience with regard to economic or demographic factors (difference between expected and actual

experience) in the measurement of the respective pension plan's total pension liability are amortized to pension expense over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the pension plan (active and inactive employees) determined as of the beginning of the measurement period. Contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions. This contribution is included as an increase in the respective pension plan fiduciary net position in the subsequent fiscal year.

13. Use of Estimates

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

14. New Accounting Pronouncements

In October 2021, the GASB issued Statement No. 98, "the Annual Comprehensive Financial Report". The statement addresses references in authoritative literature to the term comprehensive annual financial report. The statement replaces an existing term but does not otherwise establish new accounting and financial reporting requirements. Comprehensive annual financial report has been replaced with annual comprehensive financial report (ACFR). The requirements of this statement are effective for fiscal years ending after December 15, 2021 with earlier application encouraged. The City has implemented GASB 98 in this annual report.

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

Note 2 – Stewardship, Compliance and Accountability

A. BUDGETARY INFORMATION

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

1. Prior to August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings and workshops are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.

4. The Council, by resolution, may provide that at any time during the fiscal year the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office or agency. Upon written request by the City Manager, the Council may, by resolution, transfer part or all of any unencumbered appropriation balance from one department, office or agency to another.
5. The Council adopts the budget resolution for all governmental funds including special revenue funds of the City. Annual budgets are adopted on a basis consistent with GAAP. The appropriated budget is prepared by fund, function and department. The City Manager may make transfers of appropriations within a department. Expenditures may not legally exceed appropriations for each individual department.
6. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. The effect of these revisions was to reallocate funds within the budget, which did not cause an overall increase in the total budget. Appropriations, except open project appropriations, lapse at the end of the fiscal year. The City does not use the encumbrance method.

B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

C. DEFICIT FUND EQUITY – FUND BALANCE OF INDIVIDUAL FUNDS

The City has no deficit fund equity

Note 3 – Detail Notes – All Funds

A. Cash and Cash Equivalents

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

B. Deposits and Investments

Custodial credit risk – deposits. At year-end, the book balance of the City’s deposits was \$8,493,389 and the bank balance was \$9,575,931. The difference between the book balance and bank balance is due to outstanding checks and deposits in transit. The bank balance is insured by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida’s Public Deposits Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

The deposits held by the Police Officers' Retirement Trust at September 30, 2021 consist of the following:

	Fair Value
Cash with trustees Salem Trust	<u>\$ 82,530</u>

The investments held by the Police Officers' Retirement Trust at September 30, 2021 consist of the following:

	Fair Value
Equity	\$ 6,977,958
Fixed Income	2,851,236
Real Estate	<u>968,563</u>
	<u>\$ 10,797,757</u>

The deposits held by the Firefighters' Pension Trust at September 30, 2021 consist of the following:

	Fair Value
Cash with trustees Salem Trust	<u>\$ 65,696</u>

The investments held by the Firefighters' Pension Trust at September 30, 2021 consist of the following:

	Fair Value
Equity	\$ 3,354,926
Fixed Income	<u>1,518,437</u>
	<u>\$ 4,873,363</u>

C. Receivables

Receivables at September 30, 2021 were as follows:

	<u>Accounts</u>	<u>Intergovernmental</u>	<u>Total</u>
Governmental Activities by Fund:			
General	\$ 73,008	\$ 500,044	\$ 573,052
Community Redevelopment	-	-	-
Utility Tax	103,797	-	103,797
Gas Tax	-	59,684	59,684
	<u>\$ 176,805</u>	<u>\$ 559,728</u>	<u>\$ 736,533</u>
	<u>Accounts</u>	<u>Intergovernmental</u>	<u>Total</u>
Business-type Activities by Fund:			
Gas Revenue	\$ 139,635	\$ -	\$ 139,635
Sewer Revenue	285,325	-	285,325
Water Revenue	128,872	-	128,872
Solid Waste	84,653	-	84,653
Inventory	2,714	-	2,714
	<u>\$ 641,199</u>	<u>\$ -</u>	<u>\$ 641,199</u>
	<u>Accounts</u>	<u>Interest</u>	<u>Total</u>
Fiduciary Funds:			
Fund:			
Police Officers' Pension	\$ 34,743	\$ -	\$ 34,743
Firefighters' Pension	25,282	-	25,282
	<u>\$ 60,025</u>	<u>\$ -</u>	<u>\$ 60,025</u>

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

D. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for fiscal year ended September 30, 2021 was 6.6744 mills.

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

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

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

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

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

E. Capital Assets

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

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 298,161	\$ -	\$ -	\$ 298,161
Depreciable Assets:				
Buildings	1,029,282	176,325	-	1,205,607
Equipment	3,212,125	122,782	(136,144)	3,198,763
Improvements other than building	2,269,920	297,031	-	2,566,951
	<u>6,809,488</u>	<u>596,138</u>	<u>(136,144)</u>	<u>7,269,482</u>
Less accumulated depreciation for:				
Buildings	(795,395)	(29,922)	-	(825,317)
Equipment	(1,814,791)	(328,834)	136,144	(2,007,481)
Improvements other than building	(1,054,032)	(144,574)	-	(1,198,606)
	<u>(3,664,218)</u>	<u>(503,330)</u>	<u>136,144</u>	<u>(4,031,404)</u>
Governmental activities capital assets, net	<u>\$ 3,145,270</u>	<u>\$ 92,808</u>	<u>\$ -</u>	<u>\$ 3,238,078</u>
Business-type Activities				
Non-Depreciable Assets				
Land	\$ 2,264,256	\$ -	\$ -	\$ 2,264,256
Depreciable Assets:				
Buildings	1,026,918	2,000	(533)	1,028,385
Equipment	3,549,362	152,789	(249,190)	3,452,961
Improvements other than building	813,729	18,400	-	832,129
Infrastructure	46,037,017	1,598,632	(7,900)	47,627,749
	<u>53,691,282</u>	<u>1,771,821</u>	<u>(257,623)</u>	<u>55,205,480</u>
Less Non-Depreciable Assets				
Land	7,180	-	-	7,180
Less accumulated depreciation for:				
Buildings	(857,943)	(39,000)	533	(896,410)
Equipment	(2,140,668)	(230,309)	249,190	(2,121,787)
Improvements other than building	(449,723)	(48,643)	-	(498,366)
Infrastructure	(18,459,554)	(1,339,688)	7,900	(19,791,342)
	<u>(21,900,708)</u>	<u>(1,657,640)</u>	<u>257,623</u>	<u>(23,300,725)</u>
Business-type activities capital assets, net	<u>\$ 31,790,574</u>	<u>\$ 114,181</u>	<u>\$ -</u>	<u>\$ 31,904,755</u>

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

Government Activities:	
General Government	\$ 167,826
Police	248,875
Fire	53,257
Garage	4,664
Street/Transportation	28,708
Total depreciation expense - governmental activities	<u>\$ 503,330</u>
Business-type Activities	
Recreation	\$ 196,457
Water	288,493
Gas	27,405
Solid Waste	99,474
Sewer	1,038,601
Inventory	7,210
Total depreciation expense - business-type activities	<u>\$ 1,657,640</u>

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

Computers, garage tools, Fire air packs, Police got SUV's, wearable cameras, Street got mower.

Public Works:

Sewer lift stations

Recreation replaced a mower and grounds equipment.

Solid waste purchased garbage cans and boom truck.

Gas bought truck.

Water purchased plant upgrade and big meters.

F. Capitalization of Interest

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For fiscal year ended September 30, 2021, no interest was capitalized.

G. Interfund Transfers

Transfers are indicative of funding for capital projects or subsidies to various funds as needed to provide the budgeted level of service. Several utilities and taxes have enough revenue to generally support other funds that have virtually no revenue. This covers everything from payroll to operations

to capital outlay. The Gas Tax does specifically cover the road improvements, street and garage departments.
 At September 30, 2021, interfund transfers were as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
General	\$ 2,127,249	\$ -
Utility Tax	-	420,000
Local Option Gas Tax	-	250,000
Community Redevelopment	-	164,399
Recreation	58,353	-
Water	-	1,288,420
Gas	-	143,353
Inventory	40,000	-
Sewer	40,570	-
	<u>\$ 2,266,172</u>	<u>\$ 2,266,172</u>

H. Lease Commitments

The City of Perry has no lease commitments at September 30, 2021

Note 4 – Other Information

A. Risk Management

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

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

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

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

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

PGIT is a non-assessable trust fund and should a deficit develop in the trust fund, after excess reinsurance recoveries, whereby claims or other expenses cannot be paid, each

individual Member shall assume liability for the cost of claims brought against that Member as if such Member were individually self-insured without an obligation to, or a right of contribution from, other Members. The City is not aware of any loss contingency that would have a material effect on the financial statements.

B. Single Employer Pension Plans

The City maintains two separate single employer pension plans for firefighters and police officers, which are maintained as Pension Trust Funds. Pension Trust Funds covering firefighters and police officers are contributory. Firemen and police officers contribute 1% and 3.1% respectively, of their gross salary to each of the trust funds. The State of Florida requires the City to contribute a minimum of 5% of firemen's and police officers' gross salaries to the firefighters' and police officers' pension trust funds. The normal entry age actuarial cost method is used for both Pension Funds. A copy of the Annual Financial Reports is available upon request.

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

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

Firefighters' Pension

The Firefighters' Pension Trust Fund of the City of Perry, Florida, has been established to conform to the Retirement Trust Fund provisions of Chapter 175 of the Florida Statutes. This is a defined benefit pension plan, which is administered by the Firefighters' Pension Trust Fund Board of Trustees, which is made up of two firefighters, two residents of the City, who are appointed by the City Council; and a fifth member elected by the other four members, and covers substantially all full-time firemen. The fiscal year ending September 30, 2021, contributions totaling \$288,277, \$281,411 from the employer and \$6,866 from the employees were made to the Firefighters' Pension Trust Fund. The on-behalf payments of fringe benefits and salaries for the employees were recognized as revenues and expenditures during this period. Employer contributions represented 39.7% of covered payroll for the fiscal year ended September 30, 2021. The percentage of annual pension cost contributed was 99.88%. The State of Florida's contribution to the pension plan for the year ended amounted to \$43,751.

A firefighter may retire after completing ten or more years of creditable service as a firefighter and attains age 55, or completes 25 years of creditable service as a firefighter and attains age 52. Firefighters separating from municipal employment prior to attaining ten years of service receive no benefits, but do receive a refund of member contributions. The Trust Fund also provides death and disability benefits. The State's contribution represents a 1.85% tax on all fire insurance premiums collected within the city limits.

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

The components of the net pension liability of the sponsor to be reported on September 30, 2021 were as follows:

Total Pension Liability	\$4,838,715
Plan Fiduciary Net Position	<u>(4,130,828)</u>
Sponsor's Net Pension Liability	<u>\$ 707,887</u>
Plan Fiduciary Net Position as a percentage of total Pension Liability	85.37%

At September 30, 2021, the City reported a liability of \$707,887 for its Pension Plan's net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2020 and reported on September 30, 2021 using the following actuarial assumptions applied to all measurement periods.

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

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

Discount Rate:

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

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(a)-(b)	(a)-(b)
Balances at September 30, 2020	\$ 4,704,568	\$ 3,730,991	\$ 973,577
Changes for a Year:			
Service Cost	149,168	-	149,168
Interest	330,230	-	330,230
Share Plan Allocation	-	-	-
Differences between Expected and Actual Experience	69,143	-	69,143
Changes of assumptions	(142,052)	-	(142,052)
Changes of benefit terms	-	-	-
Contributions- Employer	-	265,534	(265,534)
Contributions - State	-	32,683	(32,683)
Contributions - Employee	-	6,441	(6,441)
Net Investment Income	-	399,488	(399,488)
Benefit Payments, including Refunds of Employee Contributor	(272,342)	(272,342)	-
Administrative Expense	-	(31,967)	31,967
Net Changes	134,147	399,837	(265,690)
Balances at September 30, 2021	4,838,715	4,130,828	\$ 707,887

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 1,251,172	\$ 707,887	\$ 251,069

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2021 the City will recognize a pension expense of \$360,591. On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 51,858	\$ 41,240
Changes of assumptions	88,200	106,539
Net difference between projected and actual earnings on pension plan investments	-	77,614
Pension plan contributions subsequent to the measurement date	332,189	-
Total	\$ 472,247	\$ 225,393

The deferred outflows of resources related to the Pension Plan, totaling \$332,189, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Contributions made after the measurement date of the net pension liability but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2022	\$ (20,756)
2023	(11,423)
2024	(25,495)
2025	(27,661)
2026	-
Thereafter	-
	\$ (85,335)

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	13
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	12
Active Plan Members	12
	<u>37</u>

Investments:

Investment Policy:

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	15%
Broad Market Fixed Income	30%
Fixed Income (Non-Core)	2.5%
Global Fixed Income	2.5%
	<u>100%</u>

Concentrations:

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

Rate of Return:

For the year ended September 30, 2021 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 19.81 percent.

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

Deferred Retirement Option Program:

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Period not to exceed 60 months.

Rate of Return: At Participants election:

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

The DROP balance at September 30, 2021 is \$105,802.

Police Pension

The Police Officers' Retirement Fund was established to conform to the Retirement Trust Fund provisions of Chapter 185 of the Florida Statutes. This is a defined benefit pension plan which is administered by the Police Officers' Retirement Fund Board of Trustees, which is made up of two police officers, two residents of the City, who are appointed by the City Council and a fifth member elected by the other four members, and covers substantially all full-time police officers. The amortization periods used are closed. The fiscal year ended September 30, 2021, contributions—totaling \$336,384, \$300,600 from employer and \$35,784 from employees—were made to the Police Officers' Retirement Fund. The on-behalf payments of fringe benefits and salaries for the employees were recognized as revenues and expenditures during this period. Employer contributions represented 31.99% of covered payroll for the fiscal year ended September 30, 2021. The percentage of annual pension cost contributed was 100.4%. The State of Florida's contribution to the pension plan for year ended amounted to \$68,784.

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

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

The components of the net pension liability of the sponsor to be reported on September 30, 2021 were as follows:

Total Pension Liability	\$ 9,675,438
Plan Fiduciary Net Position	<u>(9,148,140)</u>
Sponsor's Net Pension Liability	<u>\$ 527,298</u>
Plan Fiduciary Net Position as a percentage of total Pension Liability	94.55%

At September 30, 2021, the City reported a liability of \$527,298 for its Pension Plan's net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021.

Actuarial Assumptions:

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

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

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

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

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

Discount Rate:

The discount rate used to measure the total pension liability was 7.50 percent.

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position	Net Pension Liability (a)-(b)
Balances at September 30, 2020	\$ 9,488,137	\$ 8,502,747	\$ 985,390
Changes for a Year:			
Service Cost	246,666	-	246,666
Interest	711,299	-	711,299
Share Plan Allocation	-	-	-
Differences between Expected and Actual Experience	(98,395)	-	(98,395)
Changes of assumptions	(170,644)	-	(170,644)
Changes of benefit terms	-	-	-
Contributions- Employer	-	215,673	(215,673)
Contributions - State	-	60,041	(60,041)
Contributions - Employee	-	33,942	(33,942)
Net Investment Income	-	869,567	(869,567)
Benefit Payments, including Refunds of Employee Contributions	(501,625)	(501,625)	-
Administrative Expense	-	(32,205)	32,205
Net Changes	<u>187,301</u>	<u>645,393</u>	<u>(458,092)</u>
Balances at September 30, 2021	<u>9,675,438</u>	<u>9,148,140</u>	<u>\$ 527,298</u>

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

	Current Discount		
	1% Decrease 6.50%	Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension Liability	\$ 1,582,733	\$ 527,298	\$ (358,889)

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2021 the City recognized a pension expense of \$360,606. On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 57,912	\$ 77,524
Changes of assumptions	119,820	127,983
Net difference between projected and actual earnings on pension plan investments	-	92,001
Pension plan contributions subsequent to the measurement date	369,272	-
Total	\$ 547,004	\$ 297,508

The deferred outflows of resources related to the Pension Plan, totaling \$369,272, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2022	\$ 1,203
2023	(5,152)
2024	(67,774)
2025	(48,053)
2026	-
Thereafter	-
	\$(119,776)

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit	16
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	10
Active Plan Members	19
	45

Investments:

Investment Policy:

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	15%
Broad Market Fixed Income	20%
Fixed Income (Non-Core)	2.5%
Global Fixed Income	2.5%
Real Estate	10.0%
	<u>100%</u>

Concentrations:

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

Rate of Return:

For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 21.37 percent.

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

Deferred Retirement Option Program:

Eligibility: Satisfaction of Normal Retirement Requirements.

Participation: Not to exceed 60 months.

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

The DROP balance as of September 30, 2021 is \$0.

C. Multiple Employer Cost Sharing Pension Plans

General Information:

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

benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

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

Florida Retirement System - Pension Plan

Plan Description:

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

Benefits Provided:

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

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

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

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

Contributions:

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively, were as follows: Regular—10.00% and 10.82%; Special Risk Administrative Support—35.84% and 37.76%; Special Risk—24.45% and 25.89%; Senior Management Service—27.29% and 29.01%; Elected Officers'—39.73% and 40.91%; and DROP participants—16.98% and 18.34%. These employer contribution rates include a 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively.

The City's contributions to the Pension Plan totaled \$189,963 for the fiscal year ended September 30, 2021.

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

At September 30, 2021, the City reported a liability of \$349,274 for its proportionate share of the Pension Plan's net pension liability. 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 July 1, 2021. The City's proportionate share of the net pension liability was based on the City's 2020-21 fiscal year contributions relative to the 2019-20 fiscal year contributions

of all participating members. At June 30, 2021, the City's proportionate share was 0.004623785 percent, which was an increase (decrease) of 8.74% percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2021, the City recognized pension income of \$11,836. Contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 59,866	\$ -
Changes in assumptions	238,991	-
Net difference between projected and actual earnings on Pension Plan investments	-	1,218,531
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	107,850	82,620
Town Pension Plan contributions subsequent to the measurement date	<u>52,450</u>	<u>-</u>
Total	<u>\$ 459,157</u>	<u>\$ 1,301,151</u>

The deferred outflows of resources related to the Pension Plan, totaling \$52,450 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2022	\$ (157,534)
2023	(183,699)
2024	(243,331)
2025	(311,811)
2026	1,931
Thereafter	<u>-</u>
	<u>\$ (894,444)</u>

Actuarial Assumptions:

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

Inflation	2.40 %
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation
Discount Rate	6.80%

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

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

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	2.10%	2.10%	1.10%
Fixed Income	20.00%	3.80%	3.70%	3.30%
Global Equity	54.20%	8.20%	6.70%	17.80%
Real Estate	10.30%	7.10%	6.20%	13.80%
Private Equity	10.80%	11.70%	8.50%	26.40%
Strategic Investments	<u>3.70%</u>	5.70%	5.40%	8.40%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.20%

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

Discount Rate:

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

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

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City’s proportionate share of the net pension liability would be

if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City's proportionate share of the net pension liability	<u>\$ 1,561,977</u>	<u>\$ 349,274</u>	<u>\$ (664,410)</u>

Pension Plan Fiduciary Net Position:

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

Payables to the Pension Plan:

At September 30, 2021, the City had \$19,591 payables to report for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2021.

Florida Retirement System - Health Insurance Subsidy (HIS)

Plan Description:

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

Benefits Provided:

For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include medicare.

Contributions:

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution for the period October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021 was 1.66% and 1.66%, respectively. The City contributed 100% of its statutorily required contributions for the current and

preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized.

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

The City’s contributions to the HIS Plan totaled \$36,537 for the fiscal year ended September 30, 2021. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At September 30, 2020, the City reported a liability of \$707,024 for its proportionate share of the HIS Plan’s net pension liability. 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 July 1, 2021. The City’s proportionate share of the net pension liability was based on the City’s 2020-21 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the City's proportionate share was 0.005763863 percent, which was an increase (decrease) of 0.21 percent from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$47,182. Contributions made after the measurement date of the net pension liability but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,659	\$ 296
Changes in assumptions	55,556	29,131
Net difference between projected and actual earnings on HIS Plan investments	737	-
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	27,169	33,455
Town HIS Plan contributions subsequent to the measurement date	9,052	-
Total	<u>\$ 116,173</u>	<u>\$ 62,882</u>

The deferred outflows of resources related to the HIS Plan, totaling \$9,052 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred

outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2022	\$ 12,185
2023	3,882
2024	8,009
2025	10,631
2026	7,951
Thereafter	<u>1,581</u>
	<u>\$ 44,239</u>

Actuarial Assumptions:

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

Inflation	2.40 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.16 %

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

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through September 30, 2018.

Discount Rate:

The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
Towns's proportionate share of the net pension liability	<u>\$ 817,388</u>	<u>\$ 707,024</u>	<u>\$ 616,605</u>

Pension Plan Fiduciary Net Position:

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

Payables to the Pension Plan:

At September 30, 2021, the City had \$3,768 payables to report for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2021.

Investment Plan

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

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2020-21 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and City Elected Officers class 11.34%. Each of these member classes pays 3.00% of the contribution.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City did not have any participants in the Investment Plan for the fiscal year ended September 30, 2021.

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

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

Plan Description:

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

Employees Covered by Benefit Terms:

At September 30, 2020, the following employees were covered by the benefit terms:

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

Funding Policy:

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

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

Currently, the City's subsidy to OPEB benefits is unfunded. There are no separate Trust Funds or equivalent arrangements into which the City makes contributions to advance-fund the OPEB obligations, as it does for its retiree pension plans. The City's cost of the OPEB benefits, funded on a pay-as-you-go basis, was an increase of \$273,438 for the year ended September 30, 2021.

The ultimate implicit and explicit subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to its current investment policy. The City selected an interest discount rate of 2.14% per annum, which is the long-range expected return on such short-term fixed income instruments, to calculate the present values and costs of the OPEB. This is consistent with GASB Statement No. 45 guidelines.

Basis Accounting:

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

Annual OPEB cost and Net OPEB Obligation:

The Annual OPEB Cost is the amount that was expensed for the fiscal year. For the year ended September 30, 2021, the City recognized an OPEB expense of \$338,146. Since the City's OPEB plan is currently unfunded, the offset to that expense comes from subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the Employer Contribution and equals the total age-adjusted premiums paid by the City for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year). The cumulative difference between the Annual OPEB Cost for the year and the Employer Contribution for the year is called the Net OPEB Obligation. The Net OPEB Obligation is reflected as a liability in the statement of net position.

Total OPEB Liability

The measurement date is September 30, 2020

The measurement period of the OPEB expense was October 1, 2019 to September 30, 2020.

The reporting period is October 1, 2020 through September 30, 2021.

The City's Total OPEB Liability was measured as of September 30, 2020.

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

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	2.14%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	54

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

Discount Rate:

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.14%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices as of the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. eligible bonds must be rated at least AA by the Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used

Changes in the Total OPEB Liability (Unaudited):

	<u>Increases and (Decreases) in Total OPEB Liability</u>
Reporting Period Ending September 30, 2020	\$ 1,190,551
Changes for a Year:	
Service Cost	42,863
Interest	43,081
Differences Between Expected and Actual Experience	-
Changes of Assumptions	248,102
Changes of Benefit Terms	-
Contributions - Employer	-
Benefit Payments	(60,608)
Other Changes	-
Net Changes	<u>273,438</u>
Reporting Period Ending September 30, 2021	<u>\$ 1,463,989</u>

Changes of assumptions reflect a change in the discount rate from 3.58% for the fiscal year ending September 30, 2020 to 2.14% for the fiscal year ending September 30, 2021.

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

The following table presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.14%) or 1-percentage-point higher (3.14%) than the current discount rate.

Total OPEB Liability (Asset)	1% Decrease	Current Discount	1% Increase
	1.14%	Rate 2.14%	3.14%
	\$ 1,681,889	\$ 1,463,989	\$ 1,284,721

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

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

Total OPEB Liability (Asset)	1% Decrease	Healthcare Cost	1% Increase
	3.00% - 6.00%	Trend Rates 4.00% - 7.00%	5.00% - 8.00%
	\$ 1,271,967	\$ 1,463,989	\$ 1,697,091

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the City reported an amount of \$1,463,989 for its OPEB liability

For the fiscal year ended September 30, 2021, the City recognized OPEB expense of \$338,146. Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense.

Fiscal Year Ending	9/30/2021
Service Cost	\$ 42,863
Interest	43,081
Recognition of Changes in Total OPEB Liability	248,102
Administrative Expenses	4,100
Total OPEB Expense	<u>\$ 338,146</u>

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

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

Deferred outflows	Retirement Plan				Total
	FRS	HIS	Firefighters	Police	
Difference between expected and actual experience	\$ 59,866	\$ 23,659	\$ 51,858	\$ 57,912	\$ 193,295
Changes in assumptions	238,991	55,556	88,200	119,820	502,567
Net difference between projected and actual earnings on Pension Plan investments	-	737	-	-	737
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	107,850	27,169	-	-	135,019
City Pension Plan contributions subsequent to the measurement date	52,450	9,052	332,189	369,272	762,963
Total	\$ 459,157	\$ 116,173	\$ 472,247	\$ 547,004	\$ 1,594,581

Deferred inflows	FRS	HIS	Firefighters	Police	Total
Difference between expected and actual experience	\$ -	\$ 296	\$ 41,240	\$ 77,524	\$ 119,060
Changes in assumptions	-	29,131	106,539	127,983	263,653
Net difference between projected and actual earnings on Pension Plan investments	1,218,531	-	77,614	92,001	1,388,146
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	82,620	33,455	-	-	116,075
City Pension Plan contributions subsequent to the measurement date	-	-	-	-	-
Total	\$ 1,301,151	\$ 62,882	\$ 225,393	\$ 297,508	\$ 1,886,934

Pension Expense (Income)	\$ (11,836)	\$ 47,182	\$ 360,591	\$ 360,606	\$ 756,543
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Note 5 – Summary Disclosure of significant contingencies

A. Litigation.

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

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

B. Grants

The City has ongoing major initiatives partially funded by grants that are subject to compliance requirements. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected may constitute a

liability of the applicable funds. In the opinion of management, the City has complied with grant requirements and future disallowance of grant expenditures, if any, would no have a material adverse effect on the City’s financial condition.

C. Long-term Debt

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

The State of Florida Department of Environmental Protection Revolving Fund loans above all contain provisions that in the event of default are subject to the rights of superior liens on the pledged revenues, the lender may request a court to appoint a receiver to manage the water and sewer systems, intercept the delinquent amount from any unobligated funds due to the City under any revenue or tax sharing fund established by the State of Florida, impose a penalty in the amount not to exceed a rate of 18 percent per annum on the amount due, notify financial market credit rating agencies and potential creditors, sue for payment of amounts due and may accelerate the repayment schedule or increase the interest rate on the unpaid principal on the loan.

Description of Long-Term Debt – Summarized below are the City’s long-term debt issues, which are outstanding at September 30, 2021.

A. STATE REVOLVING FUND LOAN

1. State Revolving Loan (Pre Construction Loan)

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

Fiscal Year Ended September	Principal	Interest	Total
2022	15,644	1,468	17,112
2023	15,782	1,330	17,112
2024	15,921	1,191	17,112
2025	16,061	1,051	17,112
2026	16,203	909	17,112
Thereafter	91,160	2,411	93,571
	<u>170,771</u>	<u>8,360</u>	<u>179,131</u>

2. Construction Loan Agreement (WW570011)

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

Fiscal Year Ended September	Principal	Interest	Total
2022	99,600	-	99,600
2023	99,600	-	99,600
2024	99,600	-	99,600
2025	99,600	-	99,600
2026	99,600	-	99,600
Thereafter	2,390,396	-	2,390,396
	<u>2,888,396</u>	<u>-</u>	<u>2,888,396</u>

3. Construction Loan Agreement (DW620201)

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

Fiscal Year Ended September	Principal	Interest	Total
2022	4,420	461	4,881
2023	4,444	437	4,881
2024	4,469	412	4,881
2025	4,494	387	4,881
2026	4,520	361	4,881
Thereafter	61,136	2,339	63,475
	<u>83,483</u>	<u>4,397</u>	<u>87,880</u>

4. Construction Loan Agreement (DW620250)

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

Fiscal Year Ended September	Principal	Interest	Total
2022	21,176	508	21,684
2023	21,202	483	21,685
2024	21,227	457	21,684
2025	21,253	432	21,685
2026	21,278	406	21,684
Thereafter	322,499	3,010	325,509
	<u>428,635</u>	<u>5,296</u>	<u>433,931</u>

B. USDA BOND PAYABLE

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

YEAR	BEGINNING BALANCE	INTEREST	PRINCIPAL	ENDING BALANCE	TOTAL PAYMENTS
2022	2,881,000	79,228	46,000	2,835,000	125,228
2023	2,835,000	77,963	47,000	2,788,000	124,963
2024	2,788,000	76,670	48,000	2,740,000	124,670
2025	2,740,000	75,350	50,000	2,690,000	125,350
2026	2,690,000	73,975	51,000	2,639,000	124,975
2027	2,639,000	72,573	53,000	2,586,000	125,573
2028	2,586,000	71,115	54,000	2,532,000	125,115
2029	2,532,000	69,630	55,000	2,477,000	124,630
2030	2,477,000	68,118	57,000	2,420,000	125,118
2031	2,420,000	66,550	59,000	2,361,000	125,550
2032	2,361,000	64,928	60,000	2,301,000	124,928
2033	2,301,000	63,278	62,000	2,239,000	125,278
2034	2,239,000	61,573	64,000	2,175,000	125,573
2035	2,175,000	59,813	65,000	2,110,000	124,813
2036	2,110,000	58,025	67,000	2,043,000	125,025
2037	2,043,000	56,183	69,000	1,974,000	125,183
2038	1,974,000	54,285	71,000	1,903,000	125,285
2039	1,903,000	52,333	73,000	1,830,000	125,333
2040	1,830,000	50,325	75,000	1,755,000	125,325
2041	1,755,000	48,263	77,000	1,678,000	125,263
2042	1,678,000	46,145	79,000	1,599,000	125,145
2043	1,599,000	43,973	81,000	1,518,000	124,973
2044	1,518,000	41,745	83,000	1,435,000	124,745
2045	1,435,000	39,463	86,000	1,349,000	125,463
2046	1,349,000	37,098	88,000	1,261,000	125,098
2047	1,261,000	34,678	90,000	1,171,000	124,678
2048	1,171,000	32,203	93,000	1,078,000	125,203
2049	1,078,000	29,645	95,000	983,000	124,645
2050	983,000	27,033	98,000	885,000	125,033
2051	885,000	24,338	101,000	784,000	125,338
2052	784,000	21,560	104,000	680,000	125,560
2053	680,000	18,700	106,000	574,000	124,700
2054	574,000	15,785	109,000	465,000	124,785
2055	465,000	12,788	112,000	353,000	124,788
2056	353,000	9,708	115,000	238,000	124,708
2057	238,000	6,545	119,000	119,000	125,545
2058	119,000	3,273	119,000	-	122,273
		<u>1,744,848</u>	<u>2,881,000</u>		

Changes in long-term liabilities:

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

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 352,358	\$ 174,252	\$ (175,996)	\$ 350,614	\$ 235,835
OPEB Payable	765,137	201,296	-	966,433	-
Net Pension Liability	3,365,721		(1,480,068)	1,885,653	-
Governmental Activities Total	\$ 4,483,216	\$ 375,548	\$ (1,656,064)	\$ 3,202,700	\$ 235,835
Long-term Liabilities					
Business-type Activities:					
SRF Pre Construction Loan	\$ 184,725	\$ -	\$ (13,954)	\$ 170,771	\$ 15,644
SRF Sewer Loan	6,541,488	-	(3,653,092)	2,888,396	99,600
SRF Water Loan	87,880	424,238	-	512,118	25,596
USDA Bond Payable	2,926,000	-	(45,000)	2,881,000	46,000
Compensated Absences	66,531	45,426	(46,378)	65,579	42,601
OPEB Payable	425,415	72,141	-	497,556	-
Net Pension Liability	1,138,487	-	(732,657)	405,830	-
Business-type Activities Total	\$ 11,370,526	\$ 541,805	\$ (4,491,081)	\$ 7,421,250	\$ 229,441

Note 6 – Fund Balances of Governmental Funds

As of September 30, 2021, fund balances of the governmental funds are classified as follows:

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

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

Unassigned – all other spendable amounts.

<u>Fund</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
General			
Law enforcement	\$ 71,918	\$ -	\$ -
Other	3,948	-	1,149,079
Community redevelopment	454	-	-
Utility Tax Revenue			
Reserves	-	1,756,775	-
Local Option Gas Tax			
Transportation	1,656,801	-	-
	<u>\$1,733,121</u>	<u>\$1,756,775</u>	<u>\$1,149,079</u>

Note 7 – Risks and Uncertainties

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

REQUIRED SUPPLEMENTAL INFORMATION

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

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CITY OF PERRY, FLORIDA
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes:				
Property	\$ 1,719,288	\$ 1,719,288	\$1,591,122	\$ (128,166)
Discretionary Sales Tax	645,342	645,342	827,461	182,119
Communication service tax	212,414	212,414	229,325	16,911
Franchise	550,000	550,000	572,420	22,420
Motor Fuel	-	-	77,914	77,914
Licenses & permits	74,500	74,500	87,085	12,585
Intergovernmental	507,181	507,181	828,375	321,194
Fines & Forfeitures	14,120	14,120	25,443	11,323
Sales Tax - 1/2 Cent	403,937	403,937	497,530	93,593
Interest	-	-	402	402
Miscellaneous	23,600	23,600	68,458	44,858
Total Revenues	<u>4,150,382</u>	<u>4,150,382</u>	<u>4,805,535</u>	<u>655,153</u>
EXPENDITURES				
Current:				
Legislative (Council)	92,040	92,040	95,843	(3,803)
Administration	544,916	544,916	463,677	81,239
Finance	504,368	504,368	488,224	16,144
Legal	32,000	32,000	20,982	11,018
Comprehensive Planning	64,072	64,072	60,127	3,945
Garage	137,732	137,732	134,738	2,994
Police	2,515,702	2,515,702	2,562,639	(46,937)
Fire	1,377,037	1,377,037	1,368,960	8,077
Protective Inspections	200,810	200,810	171,412	29,398
Transportation (Street)	541,598	541,598	552,838	(11,240)
Capital Outlay	429,300	429,300	596,138	(166,838)
Total Expenditures	<u>6,439,575</u>	<u>6,439,575</u>	<u>6,515,578</u>	<u>(76,003)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,289,193)</u>	<u>(2,289,193)</u>	<u>(1,710,043)</u>	<u>579,150</u>
OTHER FINANCING SOURCES - USES				
Transfers In	<u>2,667,571</u>	<u>2,667,571</u>	<u>2,127,249</u>	<u>(540,322)</u>
Total other financing sources & uses	<u>2,667,571</u>	<u>2,667,571</u>	<u>2,127,249</u>	<u>(540,322)</u>
Net change in fund balances	378,378	378,378	417,206	38,828
Fund balances - beginning	<u>(2,434,956)</u>	<u>(1,475,576)</u>	<u>807,739</u>	<u>1,566,778</u>
Fund balances - ending	<u><u>\$(2,056,578)</u></u>	<u><u>\$(1,097,198)</u></u>	<u><u>\$1,224,945</u></u>	<u><u>\$ 1,605,606</u></u>

CITY OF PERRY, FLORIDA
 Budgetary Comparison Schedule
 Community Redevelopment Fund
 For the Fiscal Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes:				
County	\$ 14,872	\$ 14,872	\$ 15,282	\$ 410
City	13,705	13,705	13,020	(685)
Depot Rental	7,200	7,200	10,836	3,636
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total Revenues	<u>35,777</u>	<u>35,777</u>	<u>39,138</u>	<u>3,361</u>
EXPENDITURES				
Current:				
Expenses	<u>\$ 35,777</u>	<u>\$ 35,777</u>	<u>\$ 43,610</u>	<u>\$ (7,833)</u>
Total Expenditures	<u>35,777</u>	<u>35,777</u>	<u>43,610</u>	<u>(7,833)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(4,472)</u>	<u>(4,472)</u>
OTHER FINANCING SOURCES-USES				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>(164,399)</u>	<u>(164,399)</u>
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>(164,399)</u>	<u>(164,399)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(168,871)</u>	<u>(168,871)</u>
Fund balances-beginning	<u>136,041</u>	<u>136,042</u>	<u>169,325</u>	<u>2,349</u>
Fund balances-ending	<u>\$ 136,041</u>	<u>\$ 136,042</u>	<u>\$ 454</u>	<u>\$ (166,522)</u>

CITY OF PERRY, FLORIDA
 Budgetary Comparison Schedule
 Utility Tax Revenue Fund
 For the Fiscal Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Electric	\$ 650,000	\$ 650,000	\$ 743,018	\$ 93,018
Water	110,000	110,000	116,445	6,445
Propane/Natural Gas	100,000	100,000	95,659	(4,341)
Fines & Forfeitures	1,800	1,800	2,523	723
Interest	1,200	1,200	550	(650)
Total Revenues	<u>863,000</u>	<u>863,000</u>	<u>958,195</u>	<u>95,195</u>
EXPENDITURES				
Current:				
Total Expenditures	<u>1,200</u>	<u>1,700</u>	<u>978</u>	<u>722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>861,800</u>	<u>861,300</u>	<u>957,217</u>	<u>95,917</u>
OTHER FINANCING SOURCES-USES				
Transfers In (Out)	<u>(821,800)</u>	<u>(821,800)</u>	<u>(420,000)</u>	<u>401,800</u>
Total other financing sources & uses	<u>(821,800)</u>	<u>(821,800)</u>	<u>(420,000)</u>	<u>401,800</u>
Net change in fund balances	40,000	39,500	537,217	497,717
Fund balances-beginning	<u>863,528</u>	<u>863,028</u>	<u>1,219,558</u>	<u>356,530</u>
Fund balances-ending	<u><u>\$ 903,528</u></u>	<u><u>\$ 902,528</u></u>	<u><u>\$1,756,775</u></u>	<u><u>\$ 854,247</u></u>

CITY OF PERRY, FLORIDA
 Budgetary Comparison Schedule
 Local Option Gas Tax Fund
 For the Fiscal Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes:				
Motor Fuel	\$ 313,218	\$ 313,218	\$ 326,223	\$ 13,005
Interest	4,500	4,500	654	(3,846)
Total Revenues	<u>317,718</u>	<u>317,718</u>	<u>326,877</u>	<u>9,159</u>
EXPENDITURES				
Current:				
Miscellaneous	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>317,718</u>	<u>317,718</u>	<u>326,877</u>	<u>9,159</u>
OTHER FINANCING SOURCES-USES				
Transfers In (Out)	<u>(317,718)</u>	<u>(317,718)</u>	<u>(250,000)</u>	<u>67,718</u>
Total other financing sources & uses	<u>(317,718)</u>	<u>(317,718)</u>	<u>(250,000)</u>	<u>67,718</u>
Net change in fund balances	-	-	76,877	76,877
Fund balances - beginning	<u>1,341,335</u>	<u>1,356,071</u>	<u>1,579,924</u>	<u>223,853</u>
Fund balances - ending	<u>\$ 1,341,335</u>	<u>\$ 1,356,071</u>	<u>\$ 1,656,801</u>	<u>\$ 300,730</u>

CITY OF PERRY, FLORIDA
Notes to Required Supplementary Information on Budgetary Comparison Schedules
For the Fiscal Year Ended September 30, 2021

Budgetary Accounting

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

Budget Requirements

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

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

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

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

Reporting Period Ending Measurement Date	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total Pension Liability								
Service Cost	\$ 153,198	\$ 149,168	\$ 139,074	\$ 128,341	\$ 118,446	\$ 102,147	\$ 68,009	\$ 76,529
Interest	339,699	330,230	331,056	329,241	317,117	309,146	302,674	293,950
Share Plan Allocation	1,097	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	(191)	-	-	-	-	-
Differences Between Expected and Actual Experience	57,211	69,143	(63,746)	(37,464)	(25,456)	(189,134)	(79,654)	-
Changes of Assumptions	166,975	(142,052)	120,283	112,233	111,855	223,700	-	-
Benefit Payments, Including Refunds of Employee Contributions	(278,153)	(272,342)	(498,642)	(234,324)	(233,295)	(236,004)	(252,512)	(253,304)
Net Change in Total Pension Liability	440,027	134,147	27,834	298,027	288,667	209,855	38,517	117,175
Total Pension Liability - Beginning	4,838,715	4,704,568	4,676,734	4,378,707	4,090,040	3,880,185	3,841,668	3,724,493
Total Pension Liability - Ending	\$ 5,278,742	\$ 4,838,715	\$ 4,704,568	\$ 4,676,734	\$ 4,378,707	\$ 4,090,040	\$ 3,880,185	\$ 3,841,668
Plan Fiduciary Net Position								
Contributions - Employer	\$ 288,438	\$ 265,534	\$ 236,821	\$ 195,748	\$ 192,146	\$ 281,438	\$ 176,554	\$ 202,954
Contributions - State	43,751	32,683	41,083	36,114	39,613	38,522	49,773	51,276
Contributions - Employee	6,870	6,441	6,819	6,098	6,019	5,703	4,115	3,852
Net Investment Income	812,628	399,488	165,671	267,505	387,624	158,924	(32,885)	304,425
Benefit Payments, Including Refunds of Employee Contributions	(278,153)	(272,342)	(498,642)	(234,324)	(233,295)	(236,004)	(252,512)	(253,304)
Administrative Expense	(43,295)	(31,967)	(38,551)	(28,303)	(16,895)	(16,976)	(15,607)	(7,967)
Net Change in Plan Fiduciary Net Position	830,239	399,837	(86,799)	242,838	375,212	231,607	(70,562)	301,236
Plan Fiduciary Net Position - Beginning	4,130,828	3,730,991	3,817,790	3,574,952	3,199,740	2,968,133	3,038,695	2,737,459
Plan Fiduciary Net Position - Ending	\$ 4,961,067	\$ 4,130,828	\$ 3,730,991	\$ 3,817,790	\$ 3,574,952	\$ 3,199,740	\$ 2,968,133	\$ 3,038,695
Net Pension Liability - Ending (a) - (b)	\$ 317,675	\$ 707,887	\$ 973,577	\$ 858,944	\$ 803,755	\$ 890,300	\$ 912,052	\$ 802,973
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.99%	85.37%	79.31%	81.63%	81.64%	78.23%	76.49%	79.10%
Covered Payroll	\$ 686,580	\$ 644,045	\$ 681,942	\$ 610,905	\$ 601,947	\$ 570,338	\$ 468,196	\$ 385,197
Net Position Liability as a Percentage of Covered Payroll	46.24%	109.91%	142.77%	140.60%	133.53%	156.10%	194.80%	208.46%

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

SCHEDULE OF CONTRIBUTIONS FOR FIREFIGHTERS' PENSION FUND

Last 10 Fiscal Years

	<u>9/29/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	\$324,065	\$295,625	\$278,233	\$232,144	\$231,148	\$319,960	\$226,327	\$254,230
Contributions in Relation to the Actuarially Determined Contribution	331,092	298,217	277,904	231,862	231,759	319,960	226,327	254,230
	<u>\$ (7,027)</u>	<u>\$ (2,592)</u>	<u>\$ 329</u>	<u>\$ 282</u>	<u>\$ (611)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$686,580	\$644,065	\$681,942	\$610,905	\$601,947	\$570,338	\$468,196	\$385,197
Contributions as a Percentage of Covered Payroll	48.22%	46.30%	40.75%	37.95%	38.50%	56.10%	48.34%	66.00%

SCHEDULE OF FIREFIGHTERS' PENSION FUND INVESTMENT RETURNS

Last 10 Fiscal Years

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

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

Notes to RSI for Firefighters' Pension

Valuation Date: 10/01/2019

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

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.
 Amortization Method: Level dollar, closed.
 Remaining Amortization Period: 20 Years (as of 10/01/2018).
 Mortality: All rates are projected generationally with Mortality Improvement Scale MP-2018.
 Interest Rate: 7.00% per year, compounded annually, net of investment-related expenses. This assumption is in line with the national average utilized for public pension programs, and reasonable based on the target asset allocation.
 Retirement Age: Earlier of age 55 and 10 years of service or 25 years of service, regardless of age. Also any Member who has reached Normal Retirement is assumed to continue employment for one additional year.
 Early Retirement: Commencing with the earliest Early Retirement Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
 Disability Rates: See table below.
 Termination Rates: See table below.
 Salary Increase: 5.5% per year until the assumed retirement age.
 Payroll Growth: None.
 Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Termination and Disability Rate Table:

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

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

Reporting Period Ending Measurement Date	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total Pension Liability								
Service Cost	\$ 210,241	\$ 246,666	\$ 245,631	\$ 201,904	\$ 223,106	\$ 201,527	\$ 211,890	\$ 205,037
Interest	721,305	711,299	684,451	642,122	589,625	592,602	582,837	559,230
Change in Excess State Money	-	-	-	-	(27,217)	-	-	-
Share Plan Allocation	-	-	(13,608)	-	13,608	-	-	-
Changes of Benefit Terms	-	-	136,411	-	-	-	-	-
Differences Between Expected and Actual Experience	(463,345)	(98,395)	8,874	(14,909)	267,370	(286,364)	(20,807)	-
Changes of Assumptions	282,712	(170,644)	239,641	-	-	187,750	-	-
Contributions - Buy Back	-	-	-	-	-	5,729	-	-
Benefit Payments, Including Refunds of Employee Contributions	(536,553)	(501,625)	(525,686)	(400,461)	(389,811)	(654,738)	(628,255)	(323,810)
Net Change in Total Pension Liability	214,360	187,301	775,714	428,656	676,681	46,506	145,665	440,457
Total Pension Liability - Beginning	9,675,438	9,488,137	8,712,423	8,283,767	7,607,086	7,560,580	7,414,915	6,974,458
Total Pension Liability - Ending	<u>\$ 9,889,798</u>	<u>\$9,675,438</u>	<u>\$9,488,137</u>	<u>\$8,712,423</u>	<u>\$8,283,767</u>	<u>\$7,607,086</u>	<u>\$7,560,580</u>	<u>\$7,414,915</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 300,488	\$ 215,673	\$ 235,783	\$ 214,135	\$ 209,331	\$ 392,928	\$ 363,840	\$ 365,109
Contributions - State	68,784	60,041	67,550	57,494	52,972	40,967	52,719	50,821
Contributions - Employee	35,784	33,942	35,584	21,351	21,429	20,961	18,978	18,363
Contributions - Buy Back	-	-	-	-	-	5,729	-	-
Net Investment Income	1,929,216	869,567	398,725	601,006	771,054	392,453	(55,592)	739,095
Benefit Payments, Including Refunds of Employee Contributions	(536,553)	(501,625)	(525,686)	(400,461)	(389,811)	(654,738)	(628,255)	(323,810)
Administrative Expense	(42,989)	(32,205)	(28,971)	(28,436)	(25,830)	(30,495)	(26,275)	(14,392)
Net Change in Plan Fiduciary Net Position	1,754,730	645,393	182,985	465,089	639,145	167,805	(274,585)	835,186
Plan Fiduciary Net Position - Beginning	9,148,140	8,502,747	8,319,762	7,854,673	7,215,528	7,047,723	7,322,308	6,487,122
Plan Fiduciary Net Position - Ending	<u>\$10,902,870</u>	<u>\$9,148,140</u>	<u>\$8,502,747</u>	<u>\$8,319,762</u>	<u>\$7,854,673</u>	<u>\$7,215,528</u>	<u>\$7,047,723</u>	<u>\$7,322,308</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (1,013,072)</u>	<u>\$ 527,298</u>	<u>\$ 985,390</u>	<u>\$ 392,661</u>	<u>\$ 429,094</u>	<u>\$ 391,558</u>	<u>\$ 512,857</u>	<u>\$ 92,607</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	110.24%	94.55%	89.61%	95.49%	94.82%	94.85%	93.22%	98.75%
Covered Payroll	\$ 1,154,325	\$1,094,916	\$1,147,872	\$1,067,547	\$1,071,441	\$1,048,055	\$ 975,095	\$ 918,167
Net Position Liability as a Percentage of Covered Payroll	-87.76%	48.16%	85.84%	36.78%	40.05%	37.36%	52.60%	10.09%

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

SCHEDULE OF CONTRIBUTIONS FOR POLICE OFFICERS' PENSION FUND

Last 10 Fiscal Years

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

SCHEDULE OF POLICE OFFICERS' PENSION FUND INVESTMENT RETURNS

Last 10 Fiscal Years

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

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

Notes to RSI for Police Officers' Pension

Valuation Date: 10/01/2020
 Presentation: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

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

Termination and Disability Rate Table:

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

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

	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the FRS net pension liability	0.004623785%	0.004252204%	0.004592558%	0.004485714%	0.004789156%	0.004770012%	0.005339440%	0.005372006%
City's proportionate share of the FRS net pension	\$ 349,274	\$ 1,842,968	\$ 1,581,613	\$ 1,351,120	\$ 1,416,600	\$ 1,204,432	\$ 689,660	\$ 327,771
City's proportion of the HIS net pension liability	0.005763863%	0.005751697%	0.005966489%	0.005604617%	0.005934001%	0.005796838%	0.005914848%	0.005999943%
City's proportionate share of the HIS net pension	707,024	702,273	667,590	593,199	634,491	675,597	603,221	561,009
City's proportionate share of the total net pension liability (asset)	\$ 1,056,298	\$ 2,545,241	\$ 2,249,203	\$ 1,944,319	\$ 2,051,091	\$ 1,880,029	\$ 1,292,881	\$ 888,780
City's covered employee payroll	\$ 2,041,203	\$ 2,025,904	\$ 1,991,770	\$ 1,935,700	\$ 1,875,622	\$ 1,901,125	\$ 1,741,507	\$ 1,714,990
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.75%	125.63%	112.92%	100.45%	109.36%	98.89%	74.24%	51.82%
Plan fiduciary net position as a percentage of the total pension liability	91.09%	74.46%	78.22%	79.86%	79.30%	79.30%	86.53%	90.67%

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

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

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

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

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
THE CITY OF PERRY'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY AND REQUIRED CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
For the Fiscal Year Ended September 30, 2021**

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2021, are shown below:

	FRS	HIS
Total pension liability	\$ 209,636,046	\$ 12,719,121
Plan fiduciary net position	(202,082,183)	(452,618)
	\$ 7,553,863	\$ 12,266,503
 Plan fiduciary net position as a percentage of the total pension liability	96.40%	3.56%

The total pension liability for the FRS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2021. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The total pension liability for the HIS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2021. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal years ended June 30, 2013, through June 30, 2021, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years ended June 30, 2015, through June 30, 2021, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's ACFR for that fiscal year.

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

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

Actuarial Methods and Assumptions

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table (refer to the valuation reports for more information – see Note 5).

The following changes in actuarial assumptions occurred in 2020:

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

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

CITY OF PERRY, FLORIDA
SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended September 30, 2021

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

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

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

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

Notes to the RSI for Total OPEB Liability and Related Ratios

Changes of assumptions.

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

Fiscal Year Ending September 30, 2020	2.14%
Fiscal Year Ending September 30, 2019	3.58%
Fiscal Year Ending September 30, 2018	4.18%
Fiscal Year Ending September 30, 2017	3.64%
Fiscal Year Ending September 30, 2016	3.06%

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

<u>Program</u>	<u>Pre-65 Cost</u>
Medical Insurance	\$15,406

Blended Annual Premium Amounts

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

Member Statistical Data

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

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

Actuarial Assumptions and Funding Methods

Valuation Date	9/30/2019
Measurement Date	9/30/2020
Fiscal Year End	9/30/2021
Actuarial Value of Assets	Market Value
Mortality Rate	RP-2000 Combined Health Mortality Table projected to the valuation date using Scale AA.
Discount Rate	2.4%. Based on the September 30, 2020 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices
Retirement Rates	100% at Normal Retirement Eligibility
Inflation	2.50% per year.
Salary Increase Rate	2.50% per year.
Marital Status	100% assumed married, with male spouses 3 years older than female spouses.
Health Care Participation	25% participation assumed, with 50% electing spouse coverage.
Health Care Inflation	Initial rate of 7.00% in fiscal 2020, grading down to the ultimate trend rate of 4.00% in fiscal 2074
Termination Rates	Selected rates for various ages listed below:
	% Remaining Employed
	<u>Age</u> <u>Until Assumed Retirement Age</u>
	20 29.60%
	30 59.30%
	40 84.10%
	50 100.00%
Disability Rates	None Assumed
Funding Method	Entry Age Cost Method (Level % of Pay)

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OTHER INFORMATION

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

CITY OF PERRY, FLORIDA
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2021

	Police Officers' Pension Fund	Firefighters' Pension Fund	Total
<u>ASSETS</u>			
Cash and short-term investments	\$ 82,530	\$ 65,696	\$ 148,226
Receivables			
Employer	32,018	24,699	56,717
Plan Member	2,725	583	3,308
<u>Total Receivables</u>	34,743	25,282	60,025
Investments at fair value			
Equity	6,977,958	3,354,926	10,332,884
Fixed Income	2,851,236	1,518,437	4,369,673
Real Estate	968,563	-	968,563
<u>Total investments</u>	10,797,757	4,873,363	15,671,120
Total Assets	10,915,030	4,964,341	15,879,371
<u>LIABILITIES</u>			
Payables:			
Refunds of member contributions	4,076	-	4,076
Investment expenses	6,384	1,375	7,759
Administrative Expenses	1,700	1,700	3,400
Prepaid member contribution	-	5	5
Prepaid city contribution	-	9,619	9,619
Total Liabilities	12,160	12,699	24,859
<u>Net Position restricted for pension benefits</u>	\$ 10,902,870	\$ 4,951,642	\$15,854,512

CITY OF PERRY, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2021

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions			
Employer	\$ 300,600	\$ 281,411	\$ 582,011
State	68,784	43,751	112,535
Plan Member	<u>35,784</u>	<u>6,866</u>	<u>42,650</u>
<u>Total Contributions</u>	<u>405,168</u>	<u>332,028</u>	<u>737,196</u>
<u>Investment Income</u>			
Net Increase in Fair Value of Investments	1,640,261	666,320	2,306,581
Interest and Dividends	325,709	164,423	490,132
Less Investment Expense	<u>(36,755)</u>	<u>(17,917)</u>	<u>(54,672)</u>
<u>Total investment income</u>	<u>1,929,215</u>	<u>812,826</u>	<u>2,742,041</u>
Total Additions	<u>2,334,383</u>	<u>1,144,854</u>	<u>3,479,237</u>
<u>DEDUCTIONS</u>			
Benefits	529,794	272,342	802,136
Refunds of Member Contributions	6,759	5,811	12,570
DROP Plan Payments	-	-	-
Investment Expense	-	-	-
Administrative Expense	<u>42,989</u>	<u>43,295</u>	<u>86,284</u>
Total deductions	<u>579,542</u>	<u>321,448</u>	<u>900,990</u>
<u>Net Increase</u>	<u>1,754,841</u>	<u>823,406</u>	<u>2,578,247</u>
<u>Net Position restricted for pension benefits</u>			
<u>October 1, 2020</u>	<u>9,148,029</u>	<u>4,128,236</u>	<u>13,276,265</u>
<u>September 30, 2021</u>	<u>\$ 10,902,870</u>	<u>\$ 4,951,642</u>	<u>\$ 15,854,512</u>

CITY OF PERRY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	<u>Firefighters' Pension Fund</u>
<u>ASSETS</u>	
Cash and short-term investments	<u>\$65,696</u>
Receivables	
Employer	24,699
Plan Members	<u>583</u>
<u>Total Receivables</u>	<u>25,282</u>
Investments at fair value	
Equity	3,354,926
Fixed Income	<u>1,518,438</u>
<u>Total investments</u>	<u>4,873,364</u>
TOTAL ASSETS	<u>4,964,342</u>
<u>LIABILITIES</u>	
Investment Expenses	1,375
Administrative Expenses	1,700
Prepaid member contribution	5
Prepaid city contribution	<u>9,619</u>
TOTAL LIABILITIES	<u>12,699</u>
<u>Net Position held in trust for pension benefits</u>	<u><u>\$4,951,643</u></u>

CITY OF PERRY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Firefighters' Pension Fund</u>
<u>ADDITIONS</u>	
Contributions	
Employer	\$281,411
State	43,751
Plan Member	6,866
<u>Total Contributions</u>	<u>332,028</u>
<u>Investment Income</u>	
Net Increase in Fair Value of Investments	666,320
Interest and Dividends	164,423
Less Investment Expense	<u>(17,917)</u>
<u>Net investment income</u>	812,826
Total additions	<u>1,144,854</u>
<u>DEDUCTIONS</u>	
Benefits	272,342
Administrative Expense	43,295
Refunds of Member Contributions	<u>5,811.00</u>
Total deductions	<u>321,448</u>
<u>Net Increase</u>	<u>823,406</u>
<u>Net Position held in trust for pension benefits</u>	
October 1, 2020	<u>4,128,236</u>
September 30, 2021	<u><u>\$4,951,642</u></u>

FINAL COMPONENTS OF PENSION EXPENSE – FIREFIGHTERS’ PENSION

	<u>Net Pension Liability</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Pension Expense</u>
Beginning balance	\$ 973,577	\$129,143	\$570,369	\$ -
Employer contributions made after September 30, 2020	-	-	332,189	-
Total pension liability factors:				
Service cost	149,168	-	-	149,168
Interest	330,230	-	-	330,230
Share plan allocation	-	-	-	-
Change IN Excess State Money	-	-	-	-
Contributions - buy back	-	-	-	-
Differences between expected and actual experience with regard to economic or demographic assumptions	69,143	-	69,143	-
Current year amortization of experience difference	-	(31,667)	(17,285)	(14,382)
Change in assumptions about future economic or demographic factors or other inputs	(142,052)	142,052	-	-
Current year amortization of change in assumptions	-	(35,513)	(86,093)	50,580
Benefit payments	<u>(272,342)</u>	-	-	-
Net change	<u>134,147</u>	<u>74,872</u>	<u>297,954</u>	<u>515,596</u>
Plan fiduciary net position:				
Contributions - employer	265,534	-	(265,534)	-
Contributions - state	32,683	-	(32,683)	-
Contributions - employee	6,441	-	-	(6,441)
Contributions - buy back	-	-	-	-
Net investment income	261,182	-	-	(261,182)
Difference between projected and actual earnings on pension plan investments	138,306	138,306	-	-
Current year amortization	-	(55,749)	(36,680)	(19,069)
Benefit payments	(272,342)	-	-	-
Administrative expenses	<u>(31,967)</u>	-	-	31,967
Net change	<u>399,837</u>	<u>82,557</u>	<u>(334,897)</u>	<u>(254,725)</u>
Ending balance	<u>\$ 707,887</u>	<u>\$286,572</u>	<u>\$533,426</u>	<u>\$260,871</u>

CITY OF PERRY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	<u>Police Officers' Pension Fund</u>
<u>ASSETS</u>	
Cash and short-term investments	<u>\$82,530</u>
Receivables	
Employer	32,018
Plan Members	<u>2,725</u>
<u>Total Receivables</u>	<u>34,743</u>
Investments at fair value	
Equity	6,977,958
Fixed Income	2,851,236
Real Estate	<u>968,563</u>
<u>Total investments</u>	<u>10,797,757</u>
TOTAL ASSETS	<u>10,915,030</u>
<u>LIABILITIES</u>	
Refunds of member contributions	4,076
Investment Expenses	6,384
Admin Expenses	<u>1,700</u>
TOTAL LIABILITIES	<u>12,160</u>
<u>Net Position held in trust for pension benefits</u>	<u><u>\$10,902,870</u></u>

CITY OF PERRY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Police Officers' Pension Fund
<u>ADDITIONS</u>	
<u>Contributions</u>	
Employer	\$300,600
State	68,784
Plan Member	35,784
<u>Total Contributions</u>	405,168
 <u>Investment Income</u>	
Net Increase in Fair Value of Investments	1,640,261
Interest and Dividends	325,709
Less Investment Expense	(36,755)
<u>Net investment income</u>	1,929,215
 Total additions	 2,334,383
 <u>DEDUCTIONS</u>	
Benefits	529,794
Refunds of Member Contributions	6,759
Administrative Expense	42,989
Total deductions	579,542
<u>Net Increase</u>	1,754,841
 <u>Net Position held in trust for pension benefits</u>	
<u>October 1, 2020</u>	<u>9,148,029</u>
<u>September 30, 2021</u>	<u>\$10,902,870</u>

FINAL COMPONENTS OF PENSION EXPENSE – POLICE OFFICERS’ PENSION

	<u>Net Pension Liability</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Pension Expense</u>
Beginning balance	\$ 985,390	\$ 94,238	\$793,160	\$ -
Employer contributions made after September 30, 2020	-	-	369,272	-
Total pension liability factors:				
Service cost	246,666	-	-	246,666
Interest	711,299	-	-	711,299
Share plan allocation	-	-	-	-
Change In benefit terms	-	-	-	-
Contributions - buy back	-	-	-	-
Differences between expected and actual experience with regard to economic or demographic assumptions	(98,395)	98,395	-	-
Current year amortization of experience difference	-	-	(55,693)	27,368
Change in assumptions about future economic or demographic factors or other inputs	(170,644)	170,644	-	-
Current year amortization of change in assumptions	-	(42,661)	(59,910)	17,249
Benefit payments	<u>(501,625)</u>	-	-	-
Net change	<u>187,301</u>	<u>198,053</u>	<u>253,669</u>	<u>1,002,582</u>
Plan fiduciary net position:				
Contributions - employer	215,673	-	(215,673)	-
Contributions - state	60,041	-	(60,041)	-
Contributions - employee	33,942	-	-	(33,942)
Contributions - buy back	-	-	-	-
Net investment income	629,300	-	-	(629,300)
Difference between projected and actual earnings on pension plan investments	240,267	240,267	-	-
Current year amortization	-	(91,447)	(80,508)	(10,939)
Benefit payments	(501,625)	-	-	-
Administrative expenses	<u>(32,205)</u>	-	-	32,205
Net change	<u>645,393</u>	<u>148,820</u>	<u>(356,222)</u>	<u>(641,976)</u>
Ending balance	<u>\$ 527,298</u>	<u>\$441,111</u>	<u>\$690,607</u>	<u>\$ 360,606</u>

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STATISTICAL SECTION

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

	Page
Financial Trend Data These schedules contain trend information to help the reader understand how the government’s financial performance and well being have changed over time.....	130
Information on Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax	136
Debt Capacity Information These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	142
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.....	144
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs	147

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 2,219	\$ 2,396	\$ 2,507	\$ 2,612	\$ 2,415	\$ 2,317	\$ 3,221	\$ 3,225	\$ 3,145	\$ 3,238
Restricted	1,667	1,571	1,578	1,517	1,560	1,660	1,722	1,873	1,784	1,673
Unrestricted	2,561	2,131	1,925	670	253	(12)	(674)	(870)	(1,063)	(226)
Total governmental activities net position	6,447	6,098	6,010	4,799	4,228	3,965	4,269	4,228	3,866	4,685
Business-type activities										
Net investment in capital assets	15,289	19,260	18,532	18,520	21,185	21,197	25,467	22,401	22,050	25,452
Restricted	4,426	4,173	2,996	5,660	644	1,115	912	594	646	-
Unrestricted	7,331	6,388	7,978	4,120	6,830	2,703	(346)	3,397	3,161	3,451
Total business-type activities net position	27,046	29,821	29,506	28,300	28,659	25,015	26,033	26,392	25,857	28,903
Primary Government										
Net investment in capital assets	17,508	21,656	21,036	21,132	23,600	23,514	28,688	25,626	25,195	28,690
Restricted	6,093	5,744	4,579	7,177	2,204	2,775	2,634	2,467	2,430	1,673
Unrestricted	9,892	8,519	9,902	4,790	7,083	2,691	(1,020)	2,527	2,098	3,225
Total primary government net position	\$33,493	\$35,919	\$35,517	\$33,099	\$32,887	\$28,980	\$30,302	\$30,620	\$29,723	33,588

CITY OF PERRY, FLORIDA
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)
 Fiscal Year Ending September 30, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES										
Governmental activities										
General Government	\$1,299	\$1,036	\$1,128	\$1,189	\$1,106	\$ 1,666	\$ 1,665	\$ 1,374	\$ 1,503	\$1,397
Transportation	498	635	510	539	541	487	638	552	687	591
Economic Development	6	164	1	6	39	22	10	38	77	44
Police	2,004	2,162	2,412	2,191	2,339	2,435	2,437	2,668	2,985	3,011
Fire	778	855	884	1,096	955	1,135	1,134	1,290	1,459	1,430
Garage	114	97	112	130	134	131	222	137	158	131
Total governmental activities expenses	\$4,699	\$4,949	\$5,047	\$5,151	\$5,114	\$ 5,876	\$ 6,106	\$ 6,059	\$ 6,869	\$6,604
Business-type activities										
Recreation	\$ 123	\$ 167	\$ 251	\$ 198	\$ 226	\$ 269	\$ 394	\$ 431	\$ 346	\$ 344
Water	805	778	851	858	919	1,568	1,011	1,050	1,119	1,066
Gas	717	783	907	957	776	1,615	711	855	971	1,213
Sanitation	699	691	695	651	727	722	654	654	758	705
Sewer	1,386	1,419	1,429	1,496	1,505	2,847	1,808	2,189	2,238	2,167
Warehouse	364	390	381	313	342	321	390	401	376	358
Total business-type activities expenses	4,094	4,228	4,514	4,473	4,495	7,342	4,968	5,580	5,808	5,853
Total primary government expenses	\$8,793	\$9,177	\$9,561	\$9,624	\$9,609	\$13,218	\$11,074	\$11,639	\$12,677	12,457

CITY OF PERRY, FLORIDA
 CHANGES IN NET POSITION
 (continued)
 Fiscal Year Ended September 30, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities										
Taxes										
Property Taxes	\$1,018	\$1,006	\$1,011	\$1,291	\$1,285	\$1,288	\$1,360	\$1,376	\$1,469	\$ 1,619
Discretionary Sales Tax	-	-	-	-	-	-	569	687	767	827
Sales Taxes	350	361	381	358	374	395	408	469	465	498
Franchise Taxes	576	556	599	590	533	520	560	633	586	572
Motor Fuel Taxes	350	351	353	372	368	377	394	436	380	404
Utility taxes	714	733	851	762	799	876	749	878	960	958
Telecommunications Taxes	316	298	308	317	247	242	234	227	231	229
State Revenue Sharing	411	475	484	398	494	618	3	561	547	941
Investment Earnings	11	8	4	5	3	5	17	35	9	2
Miscellaneous	79	77	41	28	51	212	745	56	126	80
Transfers	630	642	780	1,246	389	1,075	1,274	562	960	1,293
Total governmental activities	4,455	4,507	4,812	5,367	4,543	5,608	6,313	5,920	6,500	7,423
Business-type activities										
Investment Earnings	58	40	21	76	44	19	31	33	8	2
Charges for Services & Miscellaneous	2	33	46	-	81	78	144	110	6,225	10,191
Transfers	(630)	(642)	(780)	(1,246)	(389)	(1,075)	(1,274)	(562)	(960)	(1,293)
Total business-type activities	(570)	(569)	(713)	(1,170)	(264)	(978)	(1,099)	(419)	5,273	8,900
Total primary gov't revenues	\$3,885	\$3,938	\$4,099	4,197	\$4,279	\$4,630	\$5,214	5,501	11,773	16,323
CHANGES IN NET POSITION										
Governmental activities	\$ (14)	\$ (349)	(\$174)	\$339	(\$890)	(\$263)	\$749	(\$41)	(\$362)	\$ 819
Business-type activities	2,216	2,776	(34)	(587)	360	(3,644)	1,017	359	(\$534)	3,046
Total primary gov't revenues	\$2,202	\$2,427	(\$208)	(\$248)	(\$530)	(\$3,907)	\$1,766	\$318	(\$896)	\$ 3,865

CITY OF PERRY, FLORIDA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (amounts expressed in thousands)
 Fiscal Year Ended September 30, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 96	\$ 72	\$ 53	\$ 41	\$ 51	\$ 65	\$ 3	\$ 80	\$ 57	\$ 76
Unassigned	2,208	1,881	1,467	1,616	781	459	854	540	751	1,149
Total general fund	<u>\$2,304</u>	<u>\$1,953</u>	<u>\$1,520</u>	<u>\$ 1,657</u>	<u>\$ 832</u>	<u>\$ 524</u>	<u>\$ 857</u>	<u>\$ 620</u>	<u>\$ 808</u>	<u>\$1,225</u>
All Other Governmental Funds										
Restricted	\$1,493	\$1,397	\$1,448	\$ 1,477	\$1,510	\$1,456	\$1,694	\$1,824	\$1,786	\$2,111
Assigned	670	644	830	826	727	972	661	753	1,220	1,757
Unreserved:										
Special revenue funds	-	-	-	-	-	166	514	-	(37)	-
Total governmental funds	<u>\$2,163</u>	<u>\$2,041</u>	<u>\$2,278</u>	<u>\$ 2,303</u>	<u>\$2,237</u>	<u>\$2,594</u>	<u>\$2,869</u>	<u>\$2,577</u>	<u>\$2,969</u>	<u>\$3,868</u>

CITY OF PERRY, FLORIDA
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (amounts expressed in thousands)
 Fiscal Year Ended September 30, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Taxes:										
Property	\$1,019	\$1,006	\$1,011	\$1,291	\$1,285	\$1,289	\$1,361	\$1,377	\$1,469	\$1,619
Discretionary Sales Tax	-	-	-	-	-	-	569	687	767	828
Telecommunications	316	298	308	317	247	243	234	227	231	229
Franchise	576	556	599	590	533	520	560	633	586	572
Motor Fuel	350	351	353	372	368	377	394	436	380	404
Utility	714	732	851	762	799	877	749	878	960	958
Sales Tax 1/2 Cent	350	361	381	358	374	395	408	469	465	498
Licenses & Permits	85	93	79	80	81	78	77	78	82	87
Intergovernmental	448	475	512	398	389	507	418	562	438	828
Fines & Forfeitures	72	42	41	29	22	36	48	17	28	26
Interest	11	8	4	5	4	5	17	35	9	2
Miscellaneous	79	35	41	44	52	212	746	56	126	79
Total Revenues	4,020	3,957	\$4,180	\$4,246	\$4,154	\$4,539	\$5,581	\$5,455	\$5,541	\$6,130
EXPENDITURES										
General Government	934	1042	1,039	1,121	1,300	1,249	1,316	1,285	1,356	1,301
Transportation	449	460	470	492	508	450	626	551	489	553
Economic Development	2	3	1	5	40	22	11	38	77	44
Police	2082	2218	2,309	2,273	2,200	2,194	2,278	2,450	2,315	2,563
Fire	737	808	847	926	1,108	1,136	1,128	1,270	1,251	1,369
Garage	118	98	108	113	121	118	134	129	128	135
Capital Outlay	140	431	383	400	156	397	1,187	391	305	596
Total Expenditures	4,462	5,060	\$5,157	\$5,330	\$5,433	\$5,566	\$6,680	\$6,114	\$5,921	\$6,561
Excess of revenues over (under) expenditures	(442)	(1,103)	(977)	(1,084)	(1,279)	(1,027)	(1,099)	(659)	(380)	(431)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
OTHER FINANCING SOURCES										
(USES)										
Transfers In	\$1,617	\$1,657	\$1,667	\$2,285	\$1,566	\$1,931	\$2,638	\$1,563	\$1,750	\$2,127
Transfers Out	(987)	(1,015)	(887)	(1,040)	(1,177)	(855)	(1,364)	(1,001)	(790)	(834)
Total other financing sources (uses)	\$ 630	\$ 642	\$ 780	\$1,245	\$ 389	\$1,076	\$1,274	\$ 562	\$ 960	\$ 1,293
Net Change in fund balances	\$ 188	\$(462)	\$(197)	\$ 161	\$(890)	\$ 49	\$ 174	\$(95)	\$ 579	\$ 862
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	CENTRALLY ASSESSED PROPERTY	TOTAL ASSESSED VALUE	EXEMPTIONS	ASSESSED VALUE FOR OPERATIONS	ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE	ASSESSED VALUE AS A % ESTIMATED ACTUAL
2012	\$ 186,194,689	\$ 38,540,917	\$ 211,243	\$ 224,946,849	\$ (2,924,080)	\$ 227,870,929	\$ 224,946,849	4.5000	100.00%
2013	\$ 186,154,945	\$ 37,844,112	\$ 208,955	\$ 244,208,012	\$ 20,334,887	\$ 223,873,125	\$ 244,208,012	4.5000	100.00%
2014	\$ 187,554,892	\$ 39,004,706	\$ 278,368	\$ 226,837,966	\$ 2,753,804	\$ 224,084,162	\$ 226,837,966	5.7474	100.00%
2015	\$ 187,494,142	\$ 39,843,631	\$ 261,471	\$ 227,599,244	\$ 1,760,869	\$ 225,838,375	\$ 227,599,244	5.7474	100.00%
2016	\$ 185,984,977	\$ 42,434,511	\$ 257,559	\$ 228,677,047	\$ 506,184	\$ 228,170,863	\$ 228,677,047	5.7474	100.00%
2017	\$ 183,949,813	\$ 42,692,687	\$ 302,613	\$ 226,945,113	\$ 1,533,200	\$ 225,411,913	\$ 226,945,113	6.1200	100.00%
2018	\$ 182,834,746	\$ 47,087,661	\$ 303,788	\$ 230,226,195	\$ 2,746,572	\$ 227,479,623	\$ 229,087,885	6.0716	100.00%
2019	\$ 185,351,403	\$ 42,532,325	\$ 1,298,002	\$ 229,181,730	\$ -	\$ 229,181,730	\$ 228,548,284	6.5300	100.00%
2020	\$ 184,663,145	\$ 73,587,266	\$ 1,397,352	\$ 259,647,763	\$ -	\$ 259,647,763	\$ 234,206,500	6.6744	100.00%
2021	\$ 195,690,599	\$ 80,731,484	\$ 1,406,542	\$ 277,828,625	\$ -	\$ 277,828,625	\$ 276,282,801	6.5473	100.00%

*residential & commercial distinction not available

Source: Taylor County Property Appraiser

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

Fiscal Year	CITY OF PERRY			TAYLOR COUNTY			SCHOOLS			WATER MGMT		Millage Grand Total
	Operating Millage	Debt Service Millage	Total Operating Millage	Operating Millage	Debt Service Millage	MSTU Millage	County Millage	Operating Millage	Debt Service Millage	Total Operating Millage	Total SRWMD Millage	
2012	4.5	0.0000	4.5000	7.0113	0.0000	1.1215	8.1328	7.694	0.0000	7.694	0.4143	20.7411
2013	4.5	0.0000	4.5000	7.0113	0.0000	1.1215	8.1328	7.513	0.0000	7.513	0.4143	20.5601
2014	5.7474	0.0000	5.7474	7.0113	0.0000	1.1215	8.1328	7.513	0.0000	7.513	0.4143	21.8075
2015	5.7474	0.0000	5.7474	7.0113	0.0000	1.1215	8.1328	7.513	0.0000	7.513	0.4104	21.8036
2016	5.7474	0.0000	5.7474	7.011	0.0000	1.122	8.1328	7.041	0.0000	7.041	0.4104	21.3316
2017	6.1200	0.0000	6.1200	7.243	0.0000	1.168	8.410	6.787	0.0000	6.787	0.403	21.720
2018	6.0716	0.0000	6.0716	7.243	0.0000	1.168	8.410	6.663	0.0000	6.663	0.395	21.540
2019	6.5300	0.0000	6.5300	7.243	0.0000	1.225	8.468	6.397	0.0000	6.663	0.038	21.699
2020	6.6744	0.0000	6.6744	7.243	0.0000	1.225	8.468	6.152	0.0000	6.152	0.037	21.331
2021	6.5473	0.0000	6.5473	7.243	0.0000	1.225	8.468	6.080	0.0000	6.152	0.362	21.331

CITY OF PERRY, FLORIDA
 PRINCIPAL PROPERTY TAXPAYERS
 FOR TAX LEVY OF FY 2021

TAXPAYERS	2021			2011		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE
West Fraser/Perry Sawmill	\$24,943,017	1	26.29%			
Super-Pufft Snacks/Lance Drive Properties	22,314,719	2	23.52%			
Duke Energy Florida	17,988,208	3	18.96%			
Walmart	9,708,746	4	10.23%			
GTC Inc	4,156,228	5	4.38%			
Trio Perry LLC	3,915,980	6	4.13%			
MP Florida Hospitality	3,531,660	7	3.72%			
Vystar Credit Union	2,850,133	8	3.00%			
1809 Byron Butler Corp	2,826,250	9	2.98%			
Comcast of Perry	2,655,766	10	2.80%			
	\$94,890,707		100.00%	\$0		0.00%

Not Available

Source: Taylor County Property Appraiser

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

FISCAL YEAR	ASSESSED VALUE FOR OPERATION	TOTAL TAX LEVY	TOTAL COLLECTION TO DATE	PERCENTAGE IN FISCAL YEAR OF LEVY	COLLECTIONS OF DELINQUENT TAXES	COLLECTED TO DATE
2012	\$ 227,871	\$ 1,011	\$ 998	98.7%	\$9	\$1,007 99.6%
2013	\$ 223,558	\$ 931	\$ 971	104.3%	\$42	\$1,013 108.8%
2014	\$ 226,285	\$ 996	\$ 979	98.3%	\$0	\$979 98.3%
2015	\$ 261,471	\$ 1,284	\$ 1,237	96.3%	\$18	\$1,255 97.7%
2016	\$ 257,559	\$ 1,287	\$ 1,113	86.5%	\$137	\$1,250 97.1%
2017	\$ 302,613	\$ 1,388	\$ 1,246	89.8%	\$6	\$1,252 90.2%
2018	\$ 230,226	\$ 1,398	\$ 1,324	94.7%	\$3	\$1,327 94.9%
2019	\$ 229,181	\$ 1,517	\$ 1,340	88.3%	\$2	\$1,342 88.5%
2020	\$ 259,647	\$ 1,733	\$ 1,432	82.6%	\$6	\$1,438 83.0%
2021	\$ 277,828	\$ 1,819	\$ 1,536	84.4%	\$54	\$1,590 87.4%

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

Note: Taylor County Tax Collector

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

Source: Taylor County Tax Collector

CITY OF PERRY, FLORIDA
PRINCIPAL GAS CUSTOMERS
FOR TAX 2021

GAS CUSTOMERS	2020			2011		
	TOTAL GAS PURCHASED	RANK	% OF TOP GAS REVENUE	TOTAL GAS PURCHASED	RANK	% OF TOTAL GAS REVENUE
Doctor's Memorial Hospital	\$ 140,671	1	33.59%	Not Available		
Curt Manufacturing	\$ 106,297	2	25.38%			
Anderson Columbia	\$ 39,674	3	9.47%			
American Aluminum	\$ 25,163	4	6.01%			
Marshall Health & Rehab	\$ 23,381	5	5.58%			
Taylor Sheriff Office	\$ 22,598	6	5.40%			
Perrytown Apts	\$ 19,449	7	4.64%			
Country Wide Laundry	\$ 14,746	8	3.52%			
Walmart	\$ 13,424	9	3.21%			
D1 Dept Transportation	\$ 13,379	10	3.19%			
	<u>\$ 418,782</u>		<u>100.00%</u>	<u>\$ -</u>		<u>0.00%</u>

Source: City of Perry Gas Department

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

FISCAL YEAR	Residential		Schools		Commercial		Business		Number of Customers	
	Volume	Dollars	Volume	Dollars	Volume	Dollars	Volume	Dollars	Residential	Commercial
2012	28,063,900	\$403,169	2,040,200	\$23,404	50,897,800	\$585,526	3,826,300	\$ 53,982	1,838	36
2013	13,500,600	\$118,792	1,951,000	\$14,437	14,641,500	\$153,722	3,901,300	\$ 48,692	1,816	35
2014	32,222,560	\$439,167	2,841,000	\$28,156	50,641,400	\$489,305	9,670,960	\$ 62,631	1,619	35
2015	29,661,564	\$449,025	2,260,800	\$25,449	52,588,000	\$537,268	4,166,900	\$ 60,870	1,571	35
2016	23,842,720	\$337,878	1,311,900	\$13,768	49,704,700	\$563,260	3,665,000	\$ 50,854	1,527	38
2017	20,599,020	\$298,355	956,400	\$10,344	43,208,000	\$476,376	3,329,880	\$ 51,667	1,468	36
2018	27,447,311	\$396,909	1,598,200	\$18,747	43,771,600	\$475,994	5,405,900	\$ 75,057	1,472	36
2019	22,641,980	\$354,980	2,644,600	\$32,140	75,250,900	\$635,822	7,209,300	\$109,038	1,469	37
2020	20,059,980	\$281,713	1,408,500	\$15,036	149,662,000	\$753,014	7,348,000	\$101,562	1,432	37
2021	22,801,300	\$355,069	1,285,500	\$15,459	47,293,200	\$557,577	6,268,300	\$ 91,583	1,408	37

Source: City of Perry Gas Department

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Governm't	Taxable Property Value	% of Taxable Property Value	Population	Per Capita	Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	(-) Debt Service	Water & Sewer Bonds	Capital Leases	(-) Debt Service							
2011	\$ -	\$ -	\$ -	1,215	\$ -	\$ 310	\$ 905	\$ 227,004	0.40%	7,017	\$ 0.13	\$ 31,415	\$0.03
2012	\$ -	\$ -	\$ -	581	\$ -	\$ 310	\$ 271	\$ 224,946	0.12%	7,037	\$ 0.04	\$ 37,468	\$0.01
2013	\$ -	\$ -	\$ -	557	\$ -	\$ 310	\$ 247	\$ 244,208	0.10%	7,031	\$ 0.04	\$ 30,953	\$0.01
2014							N/A						
2015							N/A						
2016							N/A						
2017							N/A						
2018							N/A						
2019							N/A						
2020							N/A						
2021							N/A						

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

Fiscal Year	Water & Sewer Bonds					Special Assessment Bonds				
	Water Revenues	Less Water Operating Expenses	Sewer Revenues	Less Sewer Operating Expenses	Debt Service		Coverage	Special Assessment Collections	Principal & Interest	Coverage
					Principal	Interest				
2012	\$1,572	\$587	\$856	\$805	\$300	\$10	3.35	-	-	-
2013	\$1,419	\$773	\$828	\$1,404	\$301	\$9	0.23	-	-	-
2014				N/A				-	-	-
2015				N/A				-	-	-
2016				N/A				-	-	-
2017				N/A				-	-	-
2018				N/A				-	-	-
2019				N/A				-	-	-
2020				N/A				-	-	-
2021	\$2,018	\$777	\$1,279	\$1,042	\$187	\$79	5.56			

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

Fiscal Year	City Population	County Personal Income (in thousands)	County Per Capita Personal Income	Median Age	Education Level of Formal Schooling	School Enrollment	Unemployment Rate
2012	7,037		37,468	36	12.53	3,447	12.40%
2013	7,031	Not	30,953	39.2	12.53	3,178	7.90%
2014	7,073	Available	31,789	35.4	12.8	2,758	6.90%
2015	7,017		30,953	39	11.6	3,400	6.50%
2016	7,017		30,354	37.6	11.8	3,160	5.50%
2017	7,045		31,277	42.0	13.2	3,044	10.90%
2018	7,017		31,536	47.0	13.30	3,123	3.30%
2019	7,039		29,602	37.3	13.30	2,739	8.80%
2020	6,932		32,997	40.6	13.30	2,359	6.70%
2021	6,898		34,788	37.3	13.30	3,112	5.60%

Source: Online

CITY OF PERRY, FLORIDA
 PRINCIPAL EMPLOYERS
 LAST TEN FISCAL YEARS

Employer	2021		2012			
	Numbers of Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Doctor's Memorial Hosp	250-499	1				
Wal-Mart	250-499	2				
West Fraiser	100-249	3				Not Available
Super Pufft Snacks	100-249	4				
Marshall Health/Rehab	100-249	5	Not available			
Waco Food Stores	50-99	6				
Winn Dixie	50-99	6				
McDonalds	1-49	7				
Hardees	1-49	8				
Vystar Credit Union	1-49	9				
Buckeye Credit Union	1-49	10				

Source: Career Source

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	19	19	19	19	19	19	19	19	19	19
Public safety										
Police										
Officers	22	22	22	22	22	20	21	21	21	21
Civilians	3	3	0	2	2	2	2	2	2	2
Fire										
Firefighters and officers	9	9	9	13	13	12	13	13	13	13
Highways and Streets	5	5	5	5	5	5	5	5	5	5
Sanitation	9	9	9	8	10	10	8	8	8	8
Water	7	7	7	6	6	8	6	6	6	6
Sewer	7	7	7	8	7	7	8	8	8	8
Gas	5	5	5	5	5	4	4	4	4	4
Rec	-	-	-	-	-	-	1	1	1	1
Total	67	67	64	69	70	68	68	68	68	68

Source: City of Perry

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrests	944	-	785	682	721	556	626	788	548	579
Written reports by officers	1,735	-	1,337	1,377	1,462	1,529	1,460	1,508	2,055	2,813
Traffic violations	1,038	-	605	373	568	496	635	2,795	1,965	1,885
Total events reported	21,183	-	19,216	19,316	18,115	19,727	18,552	15,529	10,542	10,694
Fire										
Number of calls answered	1,014	1,005	1,043	1,015	1,116	1,091	1,076	1,012	552	440
Inspections	68	63	49	53	45	39	36	64	57	51
Building Inspections										
Number of permits	398	294	250	301	268	299	305	266	320	278
Permit value (in thousands)	4,929	5,650	4,187	4,306	2,851	5,938	7,150	6,557	20,210	34,185
Highways & streets										
Streets resurfaced (miles)	3.4	-	1	1	-	-	5	3	3	1
Potholes repaired (tons)	59.48	41.56	47	24	48	48	99	48	48	110
Sanitation										
Tons collected per day (avg)	12.5	11.4	11.5	10.7	10.6	10.67	8.85	8.39	10.16	10.79

Source: City of Perry

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

Function	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	19	19	19	19	19	17	17	17	17	17
Public safety										
Police										
Officers	22	22	22	22	22	20	21	21	21	21
Civilians	3	3	0	2	2	2	2	2	2	2
Fire										
Firefighters and officers	9	9	9	13	13	12	13	13	13	13
Highways & streets	5	5	5	5	5	5	5	5	5	5
Sanitation	9	9	9	8	10	10	8	8	8	8
Water	7	7	7	6	6	8	6	6	6	6
Sewer	7	7	7	8	7	7	8	8	8	8
Gas	5	5	5	5	5	4	4	4	4	4
Rec	0	0	0	0	0	0	1	1	1	1
Total	<u>86</u>	<u>86</u>	<u>83</u>	<u>88</u>	<u>89</u>	<u>85</u>	<u>85</u>	<u>85</u>	<u>85</u>	<u>85</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water										
New Customers	35	10	10	8	35	16	18	19	19	17
Water Main Breaks	-	-	-	-	-	-	-	-	-	-
Average daily consumption	1.67M	1.67M	1.67M	0.0	1.5M	1.5M	1.5M	1.5M	1.5M	1.5
Sewer										
Daily sewage treatment (avg)	0.97	0.879	1.093	0.783	1.089	0.64	1.011	1.5	1.5	1.5
Gas										
New Customers	-7	16	10	11	10	15	12	15	15	11
Line leaks	-	-	-	-	-	-	-	-	-	-

Source: City of Perry

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	15	15	15	15	15	15	15	15	15
Fire stations	1	1	1	1	1	1	1	1	1	1
Highways & streets										
Streets (miles)	72	72	72	72	72	72	72	72	72	72
Street lights	1063	1063	1,063	1,063	1,063	1,079	1,079	1,079	1,079	1084
Traffic signals	15	15	15	15	15	15	15	15	15	15
Recreation										
Parks acreage	87	99	99	100	110	110	110	110	110	110
Parks	11	13	13	13	13	13	13	13	13	13
Splash Pads	1	2	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains	91	91	91	91	91	91	91	91	91	91
Fire hydrants	383	383	384	384	384	384	384	384	384	384
Millions gallons per day	3	3	3	3	3	3	3	3	3	3
Sewer										
Miles of sewer	50	50	50	50	50	50	50	50	50	50
Millions gallons per day	1.2	1.2	1.2	1.2	1.2	1.2	1	1	1	1
Gas										
Miles of line	94	94	94	94	94	94	94	94	94	94
Sanitation										
Number of trucks (trash)	4	4	4	4	4	4	4	4	4	4
Number of trucks (garbage)	3	3	3	3	3	3	3	3	3	3

Source: City of Perry

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COMPLIANCE SECTION

Schedule of Expenditures of Federal and State Awards

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

Independent auditor's report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance required by the *OMB uniform guidance*

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

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CITY OF PERRY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2021

<u>Program Titles and Grant Numbers</u>	<u>CFDA/CSFA</u>	<u>Award Number</u>	<u>Award/Contract Amount</u>	<u>Revenue/Loan Proceeds Recognized in Prior Year</u>	<u>Revenue/Loan Proceeds Recognized in Current Year</u>	<u>Program Expenses</u>
Federal Awards						
<i>U.S. Department of Justice</i>						
<i>passed through Florida Department of Law Enforcement</i>						
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-TAYL-1-5R-138	\$ 18,536	\$ -	\$ 18,536	\$ 18,536
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGD-TAYL-1-4R-049	2,744	-	2,744	2,744
 <i>U.S. Environmental Protection Agency (EPA)</i>						
<i>passed through Florida Department of Environmental Protection</i>						
Capitalization Grants for Drinking Water State Revolving Fund	66.468	DW620250	2,538,600	700,186	1,326,814	1,326,814
Total Federal Awards			<u>\$ 2,559,880</u>	<u>\$ 700,186</u>	<u>\$ 1,348,094</u>	<u>\$ 1,348,094</u>
 State Awards						
<i>State of Florida Department of Environmental Protection</i>						
Wastewater Treatment Facility Construction	37.077	WW570011	\$ 8,210,145	\$ 6,659,355	\$ -	\$ -
<i>State of Florida Department of Transportation</i>						
Small County Outreach Program	55.009	G1G09	590,000	-	324,391	324,391
Total State Awards			<u>\$ 8,800,145</u>	<u>\$ 6,659,355</u>	<u>\$ 324,391</u>	<u>\$ 324,391</u>

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

CITY OF PERRY, FLORIDA
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE

For the Fiscal Year Ended September 30, 2021

I. Basis of Presentation

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

II. Indirect Cost Rate

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

III. Summary of Significant Accounting Policies

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

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Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of Perry, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Perry, Florida's basic financial statements, and have issued our report thereon dated April 25, 2022.

Internal Control Over Financial Reporting

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

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

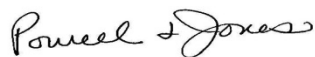
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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



POWELL & JONES

Certified Public Accountants

April 25, 2022

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Perry's compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Perry's major federal programs for the year ended September 30, 2021. City of Perry's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of City of Perry, Florida and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Perry, Florida's compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Perry, Florida's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Perry, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of City of Perry, Florida’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Perry, Florida’s internal control over compliance. Accordingly, no such opinion is expressed.

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

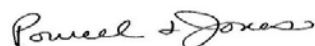
Report on Internal Control Over Compliance

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

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

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

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



POWELL & JONES
Certified Public Accountants
Lake City, Florida
April 25, 2022

CITY OF PERRY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting

- Material weakness(es) identified? No
- Significant deficiencies identified not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiencies identified not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Rule 10.656, *Rules of the Auditor General*? No

Identification of major programs:

CFDA Number/Grant Number
66.468

Name of Program or Cluster
U.S. Environmental Protection Agency
Capitalization Grants for Drinking Water S

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Audity qualified as low-risk auditee? Yes

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None



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Certified Public Accountants

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

Honorable Mayor and City Council
City of Perry, Florida

We have audited the basic financial statements of the City of Perry, Florida (City) as of and for the year ended September 30, 2021, and have issued our report thereon dated April 25, 2022, which is unmodified.

We have issued our Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated April 25, 2022. Disclosures in these reports, if any, should be considered in conjunction with this management letter.

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

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

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

FINANCIAL COMPLIANCE MATTERS

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

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

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

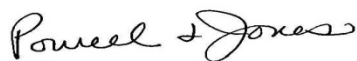
Data Element	Reference	Comment
The total number of CRA employees compensated in the last pay period of the CRA's fiscal year being reported	Section 218.32(1)(e)(2)(a)	The CRA has no employees
the total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA' fiscal year being reported.	Section 218.32(1)(e)(2)(b)	0
All compensation earned by or awarded to the CRA employees, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(c)	The CRA has no employees
All compensation earned by or awarded to CRA nonemployee, independent contractors whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(d)	\$208,009
Budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amended a final adopted budget under Section 189.016(6), Florida Statutes.	Section 218.32(1)(e)(3)	See page 101 of this annual financial report.
Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.	Section 218.32(1)(e)(2)(e)	None

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

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

CONCLUSION

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



POWELL & JONES

April 25, 2022



Powell & Jones
Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and City Council
City of Perry, Florida

We have examined the City of Perry, Florida's (the City) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2021. We also examined the City's compliance with Sections 163.387(6) and (7), *Florida Statutes* regarding the Perry Community Redevelopment Agency during the year ended September 30, 2021. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

POWELL & JONES
April 25, 2022