

**City of Blountstown  
Blountstown, Florida**

**Financial Statements**

For year ended September 30, 2022

**City of Blountstown, Florida**  
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**September 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

# GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER  
FLORIDA INSTITUTE AND  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Blountstown  
Blountstown, Florida

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blountstown, Florida as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City of Blountstown, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blountstown, Florida, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis of Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Blountstown, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Blountstown, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Blountstown, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Blountstown, Florida's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4.1 through 4.8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistence with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Blountstown, Florida's basic financial statements. The accompanying schedule of state financial assistance projects, as required Chapter 10.550, Rules of the Auditor General are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied to 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 and individual nonmajor fund financial statements and the schedule of state projects are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards* we have issued our report dated October 31, 2023, on our consideration of the City of Blountstown, Florida's internal 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Blountstown, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Blountstown, Florida's internal control over financial reporting and compliance.

***Grimsley & Associates***

October 31, 2023  
Marianna, Florida

Grimsley & Associates, P.A.  
Certified Public Accountants

## MANAGEMENT'S DISCUSSION AND ANALYSIS



# **City of Blountstown, Florida**

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

### **CITY OF BLOUNTSTOWN MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

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

#### **FINANCIAL HIGHLIGHTS**

The assets of the City of Blountstown exceeded its liabilities at September 30, 2022 by \$26,495,501 (net assets). Of this amount, \$4,263,157 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net assets decreased by \$209,303 or (.78%).

As of September 30, 2022, the City of Blountstown governmental funds reported combined ending fund balances of \$1,348,377, a decrease of \$408,330 in comparison with the prior year. Approximately 97% of this amount, or \$1,312,021, is available for spending at the City's discretion (unreserved fund balance).

The City of Blountstown purchased property for the site of the Blountstown Wastewater Effluent Discharge Project. The City plans to have the property cleared in the coming year. Now that the location has been determined, the engineers can move forward with the design phase of the project. The City continues to search for funding sources for this project.

The construction of the Blountstown Police Department is nearing completion. The old Police Department was destroyed during Hurricane Michael, so the Department was forced to relocate until a new facility could be built.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

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

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The *Statement of Activities* presents information showing how the City's net assets changed during the 2020 fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is intended to summarize and simplify the user's analysis of cost of various governmental services. An increase or decrease in net assets is an indication of whether the City's financial health is improving or deteriorating.

Both of these financial statements present the functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, and parks and recreation. The business-type activities of the City consist of the electric, natural gas, water, sanitation and sewer systems.

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

## City of Blountstown, Florida Management's Discussion and Analysis

### FUND FINANCIAL STATEMENTS

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

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

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

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

### STATEMENT OF NET POSITION

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities (governmental and business-type activities) by over \$26 million at the close of the fiscal year ended September 30, 2022.

This was a decrease of \$209,303 over prior year net position.

## City of Blountstown, Florida Management's Discussion and Analysis

### STATEMENTS OF NET POSITION AS OF SEPTEMBER 30, 2022 AND 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 1,503,579	\$ 2,560,301	\$ 8,507,155	\$ 8,113,523	\$ 10,010,734	\$ 10,673,824
Non-current assets	7,321,176	5,826,074	14,907,266	15,109,589	22,228,442	20,935,663
Total assets	8,824,755	8,386,375	23,414,421	23,223,112	32,239,176	31,609,487
Deferred outflows of resources	582,770	533,194	412,518	385,029	995,288	918,223
Long-term liabilities	2,445,011	1,165,414	1,747,363	1,023,101	4,192,374	2,188,515
Other liabilities	155,202	803,593	661,501	578,370	816,703	1,381,963
Total liabilities	2,600,213	1,969,007	2,408,864	1,601,471	5,009,077	3,570,478
Deferred inflows of resources	250,456	1,368,684	1,479,430	883,744	1,729,886	2,252,428
Net position:						
Invested in Capital assets net of related debt	7,303,611	5,808,509	14,892,377	15,094,700	22,195,988	20,903,209
Restricted	36,356	36,203	-	-	36,356	36,203
Unrestricted	(783,111)	(262,834)	5,046,268	6,028,226	4,263,157	5,765,392
Total net position	\$ 6,556,856	\$ 5,581,878	\$ 19,938,645	\$ 21,122,926	\$ 26,495,501	\$ 26,704,804

A total of \$36,356 of the City's net position are subject to external restrictions on how they may be used. The balance of unrestricted net position \$4,263,157 may be used to meet the City's ongoing obligations to citizens and creditors.

At September 30, 2022, the City is able to report positive balances in all categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

# City of Blountstown, Florida

## Management's Discussion and Analysis

### CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated			
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Charges for service	\$ 350,104	\$ 322,877	\$ 6,241,775	\$ 6,117,226	\$ 6,591,879	\$ 6,440,103
Grants and contributions	1,085,818	134,631	160,782	1,112,482	1,246,600	1,247,113
Property taxes	99,064	94,952	-	-	99,064	94,952
Intergovernmental	215,107	195,004	-	-	215,107	195,004
Other taxes	526,857	499,346	-	-	526,857	499,346
Investment earnings	2,348	4,439	12,041	27,419	14,389	31,858
Miscellaneous	135,189	153,668	68,755	155,563	203,944	309,231
Transfers	1,780,103	1,579,425	(1,780,103)	(1,579,725)	-	(300)
Total Revenues	<u>\$ 4,194,590</u>	<u>\$ 2,984,342</u>	<u>\$ 4,703,250</u>	<u>\$ 5,832,965</u>	<u>\$ 8,897,840</u>	<u>\$ 8,817,307</u>
<b>EXPENSES</b>						
General government	\$ 420,203	\$ 698,255	\$ -	\$ -	\$ 420,203	\$ 698,255
Public safety	1,992,413	1,624,103	-	-	1,992,413	1,624,103
Highways and streets	740,972	798,820	-	-	740,972	798,820
Culture and recreation	66,024	74,820	-	-	66,024	74,820
Business-type activities	-	-	5,887,531	5,111,872	5,887,531	5,111,872
Interest on long-term debt	-	-	-	-	-	-
Total Expenses	<u>\$ 3,219,612</u>	<u>\$ 3,195,998</u>	<u>\$ 5,887,531</u>	<u>\$ 5,111,872</u>	<u>\$ 9,107,143</u>	<u>\$ 8,307,870</u>
Net Increase (decrease)	<u>\$ 974,978</u>	<u>\$ (211,656)</u>	<u>\$ (1,184,281)</u>	<u>\$ 721,093</u>	<u>\$ (209,303)</u>	<u>\$ 509,437</u>
Net position, beginning	<u>\$ 5,581,878</u>	<u>\$ 5,793,234</u>	<u>\$ 21,122,926</u>	<u>\$ 20,401,833</u>	<u>\$ 26,704,804</u>	<u>\$ 26,195,067</u>
Net position, ending	<u>\$ 6,556,856</u>	<u>\$ 5,581,578</u>	<u>\$ 19,938,645</u>	<u>\$ 21,122,926</u>	<u>\$ 26,495,501</u>	<u>\$ 26,704,504</u>

## City of Blountstown, Florida Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

#### GOVERNMENTAL FUNDS

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

As of the end of fiscal year 2022, the City's governmental funds reported combined ending fund balances of \$1,348,377. Of this amount, *unreserved fund balance* is \$1,312,021, which is available for spending (depending on fund restrictions) at the City's discretion.

*General Fund Unrestricted/Undesignated Fund Balance.* The unrestricted/undesignated fund balances of the Board's General Fund (the general operating fund of the City) have decreased in the current year. This decrease is due to purchasing additional property for the site of the new City Hall.

*Budget Variances in General Fund.* Some budget variances occurred in General Fund during the 2022 fiscal year due to budgeted capital projects being postponed and un-received grant funds.

### MAJOR FUNDS

#### GOVERNMENTAL FUNDS

The General Fund is reported as major governmental funds.

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

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

## **City of Blountstown, Florida Management's Discussion and Analysis**

### **PROPRIETARY FUNDS**

There are five major proprietary (business-type) funds:

Electric Department  
Natural Gas Department  
Water Department  
Sewer Department  
Sanitation Department

### **LONG-TERM DEBT**

As of September 30, 2022, the City of Blountstown had various long-term debt in both the General Fund and the Proprietary Funds.

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

The City has a note with Florida Department of Transportation for the Waterline Replacement Project that was done along Highway 20. The City made the final payment on the note during the fiscal year.

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

### **CAPITAL ASSETS**

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

Approximately eighty-four percent (84%) of the City's net assets reflects its investment in capital assets (e.g., land, buildings, improvements, and vehicles and equipment, net of related debt). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

## City of Blountstown, Florida Management's Discussion and Analysis

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

- Purchase of additional property for new City Hall - \$427,924
- Purchase of 2 new Police Vehicles - \$87,900
- Renovations and Addition of new Bay at Fire Department - \$225,649
- Purchase of new Limb Truck - \$171,497
- Purchase of Street Department Truck - \$25,050
- Purchase of new Gas Department Truck - \$28,002
- Purchase of replacement Generator for Angle St. Lift Station - \$36,565
- Replaced SCADA at 6 Lift Stations - \$37,000
- Bar Screen Repairs and Replacement at WWTP - \$245,512
- Purchase of Property for Effluent Project Site - \$117,633

### SIGNIFICANT ECONOMIC FACTORS

### TAXABLE VALUE OF PROPERTY AND MILLAGE RATES

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

### NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when adopting the 2021/2022 budget. The City increased the customer charges for electric, water, sewer, and natural gas, while maintaining the same utility rates for those utilities in 2021/2022. The City increased residential sanitation rates beginning December 2021. This coupled with rising costs has made it necessary to balance budgets using reserves from prior years and continue to provide the level of service to customers as provided in the past. The City's contract with Southern Power expired in April 2022. The City negotiated a new electric supply contract with Florida Power & Light, which began May 2022 and expires in April 2027. Each year the City will review rates to determine if they need to be raised in order to offset the rising costs of electricity.

### REQUESTS FOR INFORMATION

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

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



## BASIC FINANCIAL STATEMENTS

**City of Blountstown, Florida**  
**Statement of Net Position**

*September 30, 2022*

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,409,992	\$ 3,596,073	\$ 5,006,065
Investments	239,763	2,113,544	2,353,307
Accounts receivable, net	31,124	781,373	812,497
Accrued interest receivable	380	3,359	3,739
Interfund balances	(1,133,616)	1,133,616	-
Due from other governments	921,090	500,326	1,421,416
Inventory	-	134,231	134,231
Restricted cash and cash equivalents	34,846	227,570	262,416
Other assets	-	17,063	17,063
Capital assets			
Nondepreciable	3,140,249	543,661	3,683,910
Depreciable, net	4,180,927	14,363,605	18,544,532
<b>Total assets</b>	<b>8,824,755</b>	<b>23,414,421</b>	<b>32,239,176</b>
<b>Deferred outflows of resources</b>			
Deferred outflows related to OPEB	29,177	31,176	60,353
Deferred outflows related to pension	553,593	381,342	934,935
<b>Total deferred outflows of resources</b>	<b>582,770</b>	<b>412,518</b>	<b>995,288</b>
<b>Liabilities</b>			
Accounts payable	99,682	395,223	494,905
Accrued expenses	55,520	39,158	94,678
Unearned revenues	-	1,223,586	1,223,586
Customer deposits	-	227,120	227,120
Long-term liabilities			
Due within one year			
Capital lease	13,127	-	13,127
Note payable	-	14,889	14,889
Accrued compensated absences	22,352	24,216	46,568
Due in more than one year			
Capital lease	4,438	-	4,438
Pension liability	2,050,447	1,340,729	3,391,176
Accrued compensated absences	86,177	72,652	158,829
Other post-employment benefit obligation	268,470	294,877	563,347
<b>Total liabilities</b>	<b>2,600,213</b>	<b>3,632,450</b>	<b>6,232,663</b>
<b>Deferred inflows of resources</b>			
Deferred inflows related to OPEB	156,127	150,067	306,194
Deferred inflows related to pension	94,329	105,777	200,106
<b>Total deferred inflows of resources</b>	<b>250,456</b>	<b>255,844</b>	<b>506,300</b>
<b>Net position</b>			
Invested in capital assets, net of related debt	7,303,611	14,892,377	22,195,988
Restricted for			
Law enforcement	17,250	-	17,250
Scholarship fund	16,215	-	16,215
Historic preservation	2,891	-	2,891
Unrestricted	(783,111)	5,046,268	4,263,157
<b>Total net position</b>	<b>\$ 6,556,856</b>	<b>\$ 19,938,645</b>	<b>\$ 26,495,501</b>

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

# City of Blountstown, Florida

## Statement of Activities

For the year ended September 30, 2022

Net (Expenses) Revenues and Changes in Net Position						
	Program Revenues			Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
<b>Functions / Programs</b>						
<b>Primary government</b>						
<b>Governmental activities</b>						
General government	\$ 420,203	\$ 171,406	\$ 647,554	\$ -	\$ 398,757	\$ -
Public safety	1,992,413	165,892	27,835	410,429	(1,388,257)	-
Highways and streets	740,972	12,806	-	-	(728,166)	-
Culture and recreation	66,024	-	-	-	(66,024)	-
Total governmental activities	3,219,612	350,104	675,389	410,429	(1,783,690)	-
<b>Business-type activities</b>						
Electric	3,046,378	4,042,716	-	-	-	996,338
Water	683,185	636,413	-	-	-	(46,772)
Sewer	1,123,543	750,837	38,594	122,188	-	(211,924)
Natural Gas	488,765	456,696	-	-	-	(32,069)
Sanitation	545,660	351,113	-	-	-	(194,547)
Cemetery	-	4,000	-	-	-	4,000
Total business-type activities	5,887,531	6,241,775	38,594	122,188	-	515,026
Total primary government	\$ 9,107,143	\$ 6,591,879	\$ 713,983	\$ 532,617	(1,783,690)	515,026
<b>General revenues</b>						
Taxes:						
Franchise and public service taxes					741,964	-
Property taxes, levied for general purposes					99,064	-
Miscellaneous					135,189	68,755
Interest earnings					2,348	12,041
Transfers					1,780,103	(1,780,103)
Total general revenues, interest and transfers					2,758,668	(1,699,307)
Change in net position					974,978	(1,184,281)
Net Position, beginning					5,581,878	21,122,926
Net position - ending					\$ 6,556,856	\$ 19,938,645

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

**City of Blountstown, Florida**  
**Balance Sheet**  
**Governmental Fund**

*September 30, 2022*

	<b>General</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,409,992
Investments	239,763
Accounts receivable, net	31,124
Interest receivable	380
Due from other funds	313,548
Due from other governments	921,090
Restricted cash and cash equivalents	34,846
<b>Total assets</b>	<b>\$ 2,950,743</b>
<b>Liabilities</b>	
Accounts payable	\$ 99,682
Accrued expenses	55,520
Due to other funds	1,447,164
<b>Total liabilities</b>	<b>1,602,366</b>
<b>Fund balances</b>	
Restricted for scholarship fund	16,215
Restricted for law enforcement	17,250
Restricted for historic preservation	2,891
Unassigned, reported in general fund	1,312,021
<b>Total fund balances</b>	<b>1,348,377</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,950,743</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balances - governmental funds	\$ 1,348,377
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,321,176
Long-term liabilities, including notes payable and compensated absences and pension liabilities and are not due and payable in current period, and therefore, are not reported in the funds.	(2,445,011)
Deferred outflows and inflows of resources related pensions are applicable to future periods and therefore, are not reported in the funds.	
Deferred outflows of resources	582,770
Deferred inflows of resource	(250,456)
<b>Net position of governmental activities</b>	<b>\$ 6,556,856</b>

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

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

*For the year ended September 30, 2022*

	<b>General</b>
<b>Revenues</b>	
Property taxes, levied for general purposes	\$ 99,064
Other taxes	526,857
Intergovernmental	731,227
Licenses and permits	51,557
Fines and forfeitures	17,380
Grants and contributions	735,817
Interest	2,348
Other fees and miscellaneous	449,437
<b>Total revenues</b>	<b>2,613,687</b>
<b>Expenditures</b>	
Current	
General government	537,799
Public safety	1,773,202
Highways and streets	493,119
Culture and recreation	22,876
Capital outlay	
General government	464,749
Public safety	1,233,526
Highways and streets	214,728
Culture and recreation	48,748
Debt service	
Principal	13,127
Interest and other charges	247
<b>Total expenditures</b>	<b>4,802,121</b>
<b>Excess of expenditures over revenues</b>	<b>(2,188,434)</b>
<b>Other financing sources (uses)</b>	
Transfers in	1,780,104
<b>Net other financing sources (uses)</b>	<b>1,780,104</b>
<b>Net change in fund balance</b>	<b>(408,330)</b>
<b>Fund balance - beginning</b>	<b>1,756,707</b>
<b>Fund balance - ending</b>	<b>\$ 1,348,377</b>

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

**City of Blountstown, Florida**  
**Reconciliation of the Statement of Revenue, Expenditures, and changes in**  
**Fund Balance of Governmental Fund to the Statement of Activities**

*For the year ended September 30, 2022*

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

Net change in fund balance - total governmental fund		\$ (408,330)
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the statement of net position.		1,961,500
Depreciation expense on governmental capital assets is included in the governmental activities in the statement of activities.		(466,399)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(19,121)
Net pension liability expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:		
Net Pension Liability	(1,295,862)	
Deferred outflow of resources - pensions	53,669	
Deferred inflow of resources - pensions	1,185,239	(56,954)
OPEB liability expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:		
OPEB Liability	35,386	
Deferred outflow of resources - OPEB	(4,093)	
Deferred inflow of resources - OPEB	(67,011)	(35,718)
Change in net position of governmental activities (page 6)		\$ 974,978

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

**City of Blountstown, Florida**  
**Statement of Revenue, Expenses and Changes in Fund Balances –**  
**Budget to Actual – General Fund**

*For the year ended September 30, 2022*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget- Positive (Negative)</b>
<b>Revenues</b>				
Property taxes, levied for general purposes	\$ 96,604	\$ 96,604	\$ 99,064	\$ 2,460
Other taxes	492,013	492,013	526,857	34,844
Intergovernmental	206,473	206,473	731,227	524,754
Licenses and permits	11,200	11,200	51,557	40,357
Fines and forfeitures	11,500	11,500	17,380	5,880
Grants and contributions	1,135,685	1,135,685	735,817	(399,868)
Interest	5,000	5,000	2,348	(2,652)
Other fees and miscellaneous	203,958	203,958	449,437	245,479
Reserves	828,347	828,347	-	(828,347)
<b>Total revenues</b>	<b>2,990,780</b>	<b>2,990,780</b>	<b>2,613,687</b>	<b>(377,093)</b>
<b>Expenditures</b>				
Current				
General government	560,894	560,894	537,799	23,095
Public safety	1,634,236	1,634,236	1,773,202	(138,966)
Highways and streets	503,163	503,163	493,119	10,044
Culture and recreation	48,068	48,068	22,876	25,192
Capital outlay	2,023,622	2,379,291	1,961,751	417,540
Debt service				
Principal	-	-	13,127	(13,127)
Interest and other charges	-	-	247	(247)
<b>Total expenditures</b>	<b>4,769,983</b>	<b>5,125,652</b>	<b>4,802,121</b>	<b>323,531</b>
Excess of revenues over (under)				
expenditures	(1,779,203)	(2,134,872)	(2,188,434)	(53,562)
Other financing sources (uses)				
Transfers in	1,780,103	1,780,103	1,780,104	1
<b>Total other financing sources (uses)</b>	<b>1,780,103</b>	<b>1,780,103</b>	<b>1,780,104</b>	<b>1</b>
<b>Net change in fund balances</b>	<b>900</b>	<b>(354,769)</b>	<b>(408,330)</b>	<b>(53,561)</b>
Fund balances - beginning	1,756,707	1,756,707	1,756,707	-
<b>Fund balances - ending</b>	<b>\$ 1,757,607</b>	<b>\$ 1,401,938</b>	<b>\$ 1,348,377</b>	<b>\$ (53,561)</b>

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

**City of Blountstown, Florida**  
**Statement of Net Position**  
**Proprietary Funds**

September 30, 2022

	Business-type Activities / Enterprise Funds					
	Electric	Water	Sewer	Sanitation	Non-major Funds	Total
<b>Assets</b>						
Current assets						
Cash and cash equivalents	\$ 1,291,644	\$ 551,334	\$ 1,263,684	\$ 267,700	\$ 221,711	\$ 3,596,073
Investments	186,373	739,490	1,178,885	-	8,796	2,113,544
Accounts receivable, net	513,715	78,678	86,964	41,649	60,367	781,373
Accrued interest receivable	297	1,175	1,873	-	14	3,359
Due from other funds	529,335	396,348	890,663	28,025	1,347	1,845,718
Due from other governments	17,714	-	449,906	32,706	-	500,326
Inventory	116,347	5,535	9,774	-	2,575	134,231
<b>Total current assets</b>	<b>2,655,425</b>	<b>1,772,560</b>	<b>3,881,749</b>	<b>370,080</b>	<b>294,810</b>	<b>8,974,624</b>
Noncurrent assets						
Restricted cash and cash equivalents	219,180	6,100	-	450	1,840	227,570
Other assets	-	-	-	-	17,063	17,063
Capital assets						
Nondepreciable	-	6,989	521,672	-	15,000	543,661
Depreciable, net	1,774,890	2,568,504	9,801,983	77,501	140,727	14,363,605
<b>Total noncurrent assets</b>	<b>1,994,070</b>	<b>2,581,593</b>	<b>10,323,655</b>	<b>77,951</b>	<b>174,630</b>	<b>15,151,899</b>
<b>Total assets</b>	<b>4,649,495</b>	<b>4,354,153</b>	<b>14,205,404</b>	<b>448,031</b>	<b>469,440</b>	<b>24,126,523</b>
<b>Deferred outflows of resources</b>						
Deferred outflows related to OPEB	8,886	6,793	6,504	5,134	3,859	31,176
Deferred outflows related to pension	88,101	88,496	86,609	59,012	59,124	381,342
<b>Total deferred outflows of resources</b>	<b>96,987</b>	<b>95,289</b>	<b>93,113</b>	<b>64,146</b>	<b>62,983</b>	<b>412,518</b>
<b>Liabilities</b>						
Current liabilities						
Accounts payable	304,439	4,139	63,235	8,398	15,012	395,223
Accrued expenses	8,897	8,771	9,487	8,559	3,444	39,158
Due to other funds	-	547,102	155,834	-	9,166	712,102
Unavailable Revenue	-	-	1,223,586	-	-	1,223,586
Compensated absences payable	4,442	6,592	6,592	4,372	2,218	24,216
Notes payable - current	-	14,889	-	-	-	14,889
Customer Deposits	219,180	6,100	-	-	1,840	227,120
<b>Total current liabilities</b>	<b>536,958</b>	<b>587,593</b>	<b>1,458,734</b>	<b>21,329</b>	<b>31,680</b>	<b>2,636,294</b>
Noncurrent liabilities						
Accrued compensated absences	13,327	19,777	19,777	13,116	6,655	72,652
Other post-employment benefits	85,624	63,926	60,673	47,448	37,206	294,877
Pension liability	305,695	312,199	314,933	222,361	185,541	1,340,729
<b>Total noncurrent liabilities</b>	<b>404,646</b>	<b>395,902</b>	<b>395,383</b>	<b>282,925</b>	<b>229,402</b>	<b>1,708,258</b>
<b>Total liabilities</b>	<b>941,604</b>	<b>983,495</b>	<b>1,854,117</b>	<b>304,254</b>	<b>261,082</b>	<b>4,344,552</b>
<b>Deferred inflows of resources</b>						
Deferred inflows related to OPEB	40,098	40,087	33,565	20,499	15,818	150,067
Deferred inflows related to pension	36,328	14,666	11,728	14,448	28,607	105,777
<b>Total deferred inflows of resources</b>	<b>76,426</b>	<b>54,753</b>	<b>45,293</b>	<b>34,947</b>	<b>44,425</b>	<b>255,844</b>
<b>Net position</b>						
Invested in capital assets, net of related debt	1,774,890	2,560,604	10,323,655	77,501	155,727	14,892,377
Unrestricted	1,953,562	850,590	2,075,452	95,475	71,189	5,046,268
<b>Total net position</b>	<b>\$ 3,728,452</b>	<b>\$ 3,411,194</b>	<b>\$ 12,399,107</b>	<b>\$ 172,976</b>	<b>\$ 226,916</b>	<b>\$ 19,938,645</b>

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



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

*For the year ended September 30, 2022*

	<b>Business-type Activities / Enterprise Funds</b>					
	<b>Electric</b>	<b>Water</b>	<b>Sewer</b>	<b>Sanitation</b>	<b>Non-major Funds</b>	<b>Total</b>
<b>Operating revenues</b>						
Charges for services	\$ 4,042,716	\$ 636,413	\$ 750,837	\$ 351,113	\$ 460,696	\$ 6,241,775
Total operating revenues	4,042,716	636,413	750,837	351,113	460,696	6,241,775
<b>Operating expenses</b>						
Personal services	381,086	366,344	381,569	318,671	138,059	1,585,729
Purchased energy	2,312,106	-	-	-	271,530	2,583,636
Services and supplies	154,524	8,829	100,665	80,950	12,751	357,719
Heat, light and power	17,985	16,646	48,357	-	503	83,491
Insurance	12,166	11,622	34,606	-	7,226	65,620
Repairs and maintenance	17,379	23,443	13,152	26,265	463	80,702
Other operating expenses	13,772	85,802	88,170	74,195	37,323	299,262
Depreciation / amortization	137,360	170,499	457,024	45,579	20,910	831,372
Total operating expenses	3,046,378	683,185	1,123,543	545,660	488,765	5,887,531
Net operating income (loss)	996,338	(46,772)	(372,706)	(194,547)	(28,069)	354,244
<b>Nonoperating revenues (expenses)</b>						
Interest income	1,438	4,183	5,272	577	571	12,041
Miscellaneous revenue	48,963	160	18,151	-	1,481	68,755
Net nonoperating revenues (expenses)	50,401	4,343	23,423	577	2,052	80,796
Income (loss) before contributions and transfers	1,046,739	(42,429)	(349,283)	(193,970)	(26,017)	435,040
Capital contributions	-	-	160,782	-	-	160,782
Transfers, net	(1,527,343)	(97,019)	(155,741)	-	-	(1,780,103)
<b>Change in net position</b>	(480,604)	(139,448)	(344,242)	(193,970)	(26,017)	(1,184,281)
<b>Net position - beginning</b>	4,209,056	3,550,642	12,743,349	366,946	252,933	21,122,926
<b>Net position - ending</b>	\$ 3,728,452	\$ 3,411,194	\$ 12,399,107	\$ 172,976	\$ 226,916	\$ 19,938,645

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

**City of Blountstown, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**

*For the year ended September 30, 2022*

	Business-type Activities / Enterprise Funds					Total
	Electric	Water	Sewer	Sanitation	Non-major Funds	
<b>Operating activities</b>						
Receipts from customers and users	\$ 4,112,702	\$ 628,500	\$ 786,045	\$ 347,882	\$ 436,761	\$ 6,311,890
Payments to suppliers	(2,429,750)	(148,228)	(299,815)	(191,690)	(342,878)	(3,412,361)
Payments to employees	(362,395)	(347,588)	(361,339)	(302,110)	(130,312)	(1,503,744)
Net cash provided by (used for) operating activities	1,320,557	132,684	124,891	(145,918)	(36,429)	1,395,785
<b>Noncapital financing activities</b>						
Other receipts (payments)	48,963	160	18,151	-	1,482	68,756
Transfers to/from other funds	(1,527,343)	(97,019)	(155,741)	-	-	(1,780,103)
Net cash provided by (used for) noncapital financing activities	(1,478,380)	(96,859)	(137,590)	-	1,482	(1,711,347)
<b>Capital and related financing activities</b>						
Capital contributions	-	-	1,384,368	-	-	1,384,368
Purchase of capital assets	(7,519)	(2,995)	(580,940)	(9,594)	(28,003)	(629,051)
Net cash provided by (used for) capital and related financing activities	(7,519)	(2,995)	803,428	(9,594)	(28,003)	755,317
<b>Investing activities</b>						
Purchase of investments	(744)	(2,951)	(4,704)	-	(35)	(8,434)
Interest received	1,732	5,349	7,130	578	585	15,374
Net cash provided by (used for) investing activities	988	2,398	2,426	578	550	6,940
<b>Net increase (decrease) in cash and cash equivalents</b>	(164,354)	35,228	793,155	(154,934)	(62,400)	446,695
<b>Cash and cash equivalents - beginning</b>	1,675,178	522,206	470,529	423,084	285,951	3,376,948
<b>Cash and cash equivalents - ending</b>	\$ 1,510,824	\$ 557,434	\$ 1,263,684	\$ 268,150	\$ 223,551	\$ 3,823,643
<b>Classified as</b>						
Current assets - cash and cash equivalents	\$ 1,291,644	\$ 551,334	\$ 1,263,684	\$ 267,700	\$ 221,711	\$ 3,596,073
Restricted assets - cash and cash equivalents	219,180	6,100	-	450	1,840	227,570
	\$ 1,510,824	\$ 557,434	\$ 1,263,684	\$ 268,150	\$ 223,551	\$ 3,823,643

(Continued)

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

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

*For the year ended September 30, 2022*

	Business-type Activities / Enterprise Funds					Total
	Electric	Water	Sewer	Sanitation	Non-major Funds	
<b>Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities</b>						
Net operating income (loss)	\$ 996,338	\$ (46,772)	\$ (372,706)	\$ (194,547)	\$ (28,069)	\$ 354,244
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization	137,360	170,499	457,024	45,579	20,910	831,372
(Increase) decrease in accounts receivable	51,776	(7,619)	4,098	(3,231)	(22,790)	22,234
(Increase) decrease in inventory	15,953	780	-	(28)	-	16,705
(Increase) decrease in due from other funds	(6,464)	(7,193)	(6,038)	-	-	(19,695)
(Increase) decrease in other assets	-	-	31,110	-	(4,052)	27,058
Increase (decrease) in accounts payable and accrued expenses	107,384	19,006	5,449	6,309	(2,915)	135,233
Increase (decrease) in due to other funds	-	4,277	5,954	-	1,632	11,863
Increase (decrease) in customer deposits	18,210	(294)	-	-	(1,145)	16,771
 Net cash provided by (used for) operating activities	 \$ 1,320,557	 \$ 132,684	 \$ 124,891	 \$ (145,918)	 \$ (36,429)	 \$ 1,395,785

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

## NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - REPORTING ENTITY**

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

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

The principal criteria for classifying a potential component unit include the legal separateness of the organization, the financial accountability of the primary government for the potential component unit resulting from either the primary government's ability to impose its will on the potential component unit, or the potential component unit's fiscal dependency on the primary government. In applying the above criteria, the Blountstown Community Redevelopment Agency (the Agency) is considered a component unit and is blended in the financial statements of the City. The agency was established by City Resolution 90-4. There was no financial activity for the entity for 2022.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-wide and Fund Financial Statements**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-wide and Fund Financial Statements, *continued***

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

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

The City reports the following major governmental fund:

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

The City reports the following major proprietary funds:

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

**Enterprise Activities**

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

**Budgets and Budgetary Accounting**

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

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

**Investments**

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

**Receivables**

Customer accounts receivable are recorded in the enterprise funds at their net realizable value, reduced by an allowance for uncollectible accounts, where applicable. The allowance at September 30, 2022 was \$8,000.

**Due From (To) Other Funds**

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

**Inventories**

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



**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

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

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

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

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

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

**Compensated Absences**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences, *continued***

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

**Property Taxes**

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills for general operations. The City's millage rate for the year ended September 30, 2022, was 1.5 mills.

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

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

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

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

**Fund Balance Reporting and Governmental Fund-Type Definitions**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

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

**Use of Restricted Assets**

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

**Encumbrances**

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

**Subsequent Events**

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

**Deferred Outflows of Resources**

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

**Deferred Inflows of Resources**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Impact of Recently Issued Accounting Pronouncements**

**New Accounting Standards Adopted**

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

**Recently Issued But Not Yet Effective**

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

<b>Statement No.</b>	<b>GASB Accounting Standard</b>	<b>GASB Effective Fiscal Year</b>
91	<i>Conduit Debt Obligations</i>	2023
92	<i>Omnibus 2020</i>	2023
93	<i>Replacement of Interbank Offered Rates</i>	2022
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2024
96	<i>Subscription-Based Information Technology Arrangements</i>	2024
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	2023

**NOTE 3 - CASH AND INVESTMENTS**

At September 30, 2022, the carrying amount of the City's cash and cash equivalents and restricted cash was \$5,268,481 and the bank balance was \$5,322,714. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

The City invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2022, the net realizable value and the carrying value of these funds was \$32,945. The funds are carried as a cash equivalent on the balance sheet at September 30, 2022 (See Note 2 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at [www.prime.sbafla.com](http://www.prime.sbafla.com)

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

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

**Credit Risk**

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

As of September 30, 2022, the City's investment in the Florida PRIME is rated by Standard and Poors and the current rating is AAAm.

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2022, is 21 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2022, is 72 days.

**Custodial Credit Risk**

At September 30, 2022, the City did not hold any deposits or investments that were considered to have custodial risk.

**Concentration of Credit Risk**

At September 30, 2022, the City did not hold any investments that were considered to have concentration of credit risk.

**Foreign Currency Risk**

At September 30, 2022, the City did not hold any investments that were considered to have foreign currency risk.

**Fair Value Measurement and Application**

Governmental entities are required to record investments at fair value unless an exception applies and disclose the fair value measurement and hierarchy. Paragraph 69 of GASB 72 lists several investments that should be measured as described in GASB Statement 31 which includes investments in nonparticipating interest-earning investment contracts (certificates of deposit) and money market investments that have a maturity at the time of purchase of one year or less. At September 30, 2022, the City's investments consisted of non-negotiable certificates of deposits which are recorded at cost and are excluded from fair value measurement.

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

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

**City of Blountstown, Florida**  
**Notes to Financial Statements**

**NOTE 4 - RECEIVABLES**

Receivables at September 30, 2022 consist primarily of charges to utility customers for water, sewer, gas, electric and sanitation services provided by the City. The City grants credit to customers, substantially all of whom are local residents.

	<b>General Fund</b>	<b>Business-type Activities</b>	<b>Total</b>
Utility charges-billed	\$ -	\$ 543,350	\$ 543,350
Utility charges-unbilled	-	245,293	245,293
Other	31,124	730	31,854
Less allowance for bad debts	-	(8,000)	(8,000)
Accounts receivable total	\$ 31,124	\$ 781,373	\$ 812,497

**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers at September 30, 2022, consisted of the following:

<b>TRANSFERS OUT</b>	<b>TRANSFERS IN</b>	
	<b>General</b>	<b>TOTAL</b>
Electric	\$ 1,527,343	\$ 1,527,343
Water	97,018	97,018
Sewer	155,742	155,742
	\$ 1,780,103	\$ 1,780,103

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

**City of Blountstown, Florida**  
**Notes to Financial Statements**

**NOTE 5 - INTERFUND TRANSFERS (CONTINUED)**

Balances due to/from other funds at September 30, 2022 are as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General fund	\$ 313,548	\$ 1,447,164
Business-type funds		
Electric	1,241,670	712,335
Water	396,348	547,102
Sewer	890,663	155,834
Natural Gas	521	9,687
Sanitation	28,025	-
Cemetery	16,515	15,168
<b>Total</b>	<b>\$ 2,887,290</b>	<b>\$ 2,887,290</b>

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



**City of Blountstown, Florida**  
**Notes to Financial Statements**

**NOTE 6 - CAPITAL ASSETS**

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

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,442,996	\$ 427,924	\$ -	\$ 1,870,920
Construction in progress	391,463	1,092,594	(214,728)	1,269,329
 Total capital assets, not being depreciated	 1,834,459	 1,520,518	 (214,728)	 3,140,249
 Capital assets, being depreciated:				
Buildings	660,084	-	-	660,084
Machinery and equipment	7,579,449	655,711	(62,652)	8,172,508
 Total capital assets, being depreciated	 8,239,533	 655,711	 (62,652)	 8,832,592
 Less: accumulated depreciation for:				
Buildings	381,257	14,986	-	396,243
Machinery and equipment	3,866,661	451,413	(62,652)	4,255,422
 Total accumulated depreciation	 4,247,918	 466,399	 (62,652)	 4,651,665
 Total capital assets, being depreciated, net	 3,991,615	 189,312	 -	 4,180,927
 Governmental activities capital assets, net	 \$ 5,826,074	 \$ 1,709,830	 \$ (214,728)	 \$ 7,321,176

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

<b>Governmental activities</b>	
General government	\$ 45,838
Public safety	142,013
Highways and streets	235,400
Culture and recreation	43,148
 <b>Total depreciation expense-governmental activities</b>	 <b>\$ 466,399</b>

**City of Blountstown, Florida**  
**Notes to Financial Statements**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 51,723	\$ 117,634	\$ -	\$ 169,357
Construction in progress	291,898	122,188	(39,782)	374,304
 Total capital assets, not being depreciated	 343,621	 239,822	 (39,782)	 543,661
 Capital assets, being depreciated:				
Utility systems	24,439,890	245,512	-	24,685,402
Other property, plant and equipment	2,165,205	183,496	(5,307)	2,343,394
 Total capital assets, being depreciated	 26,605,095	 429,008	 (5,307)	 27,028,796
 Less: accumulated depreciation for:				
Utility systems	10,170,256	638,342	-	10,808,598
Other property, plant and equipment	1,668,871	193,029	(5,307)	1,856,593
 Total accumulated depreciation	 11,839,127	 831,371	 (5,307)	 12,665,191
 Total capital assets, being depreciated, net	 14,765,968	 (402,363)	 -	 14,363,605
 Utility capital assets, net	 \$ 15,109,589	 \$ (162,541)	 \$ (39,782)	 \$ 14,907,266

Depreciation/amortization expense was charged to business-type activities of the primary government as follows:

<b>Business-type activities</b>	
Electric fund	\$ 137,360
Water fund	170,498
Sewer fund	457,023
Natural gas fund	20,910
Sanitation fund	45,580
 <b>Total depreciation expense-business-type activities</b>	 <b>\$ 831,371</b>

**City of Blountstown, Florida**  
**Notes to Financial Statements**

**NOTE 7 - LONG-TERM DEBT AND BONDS PAYABLE**

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

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
<b>Governmental activities:</b>					
Compensated absences	\$ 89,408	\$ 59,355	\$ 40,234	\$ 108,529	\$ 22,352
Notes/lease payable	32,530	-	14,965	17,565	13,127
	121,938	59,355	55,199	126,094	35,479
<b>Business-type activities:</b>					
Compensated absences	92,622	45,926	41,680	96,868	24,216
Notes payable	29,778	-	14,889	14,889	14,889
	122,400	45,926	56,569	111,757	39,105
Total	\$ 244,338	\$ 105,281	\$ 111,768	\$ 237,851	\$ 74,584

Debt service requirements on long-term debt at September 30, 2022 are as follows:

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES	
	NOTES PAYABLE	
	PRINCIPAL	INTEREST
2023	13,127	247
2024	4,438	20
Total	\$ 17,565	\$ 267
FISCAL YEAR ENDING SEPTEMBER 30,	BUSINESS-TYPE ACTIVITIES	
	NOTES PAYABLE	
	PRINCIPAL	INTEREST
2023	14,889	-
Total	\$ 14,889	\$ -

**City of Blountstown, Florida**  
**Notes to Financial Statements**

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

**Governmental Activities**

**Note payable**

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

Total notes payable \$ 17,565

**Business-Type Activities**

**Note payable**

State of Florida, Department of Transportation, payable in annual installments of \$14,889, unsecured, non-interest bearing \$ 14,889

Total notes payable 14,889

Total business-type activities \$ 14,889

**NOTE 8 – STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY**

**Defined Benefit Plans**

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

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

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

**Benefits Provided**

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

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

**City of Blountstown, Florida**  
**Notes to Financial Statements**

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

**Contributions**

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2022, were as follows:

	FRS	HIS
Florida Retirement System:		
Regular	10.25%	1.66%
Senior Management Service Class	29.91%	1.66%
Special Risk	26.17%	1.66%
DROP	16.94%	1.66%

The employer's contributions for the year ended September 30, 2022, were \$318,406 to the FRS and \$38,019 to the HIS.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2022, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2022. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability at June 30, 2022	\$ 2,725,991	\$ 665,185
Proportion at:		
Current measurement date	0.0073%	0.0063%
Prior measurement date	0.0074%	0.0064%
Pension expense (benefit)	\$ 398,183	\$ 48,218

**City of Blountstown, Florida**  
**Notes to Financial Statements**

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

**Deferred Outflows/Inflows of Resources Related to Pensions**

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>FRS</b>		<b>HIS</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 129,469	\$ -	\$ 20,190	\$ (2,927)
Changes of assumptions	335,717	-	38,129	(102,904)
Net difference between projected and actual earnings on pension plan investments	179,997	-	963	-
employer contributions	86,235	(79,701)	59,285	(14,574)
City contributions subsequent to the measurement date	76,324	-	8,626	-
<b>Total</b>	<b>\$ 807,742</b>	<b>\$ (79,701)</b>	<b>\$ 127,193</b>	<b>\$ (120,405)</b>

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

<b>Fiscal Year Ending June 30,</b>	<b>FRS</b>		<b>HIS</b>	
2023	\$ 120,920	\$	2,955	
2024	53,384		8,968	
2025	(39,614)		9,382	
2026	315,201		(580)	
2027	21,828		(14,659)	
Thereafter	-		(7,438)	
<b>Total</b>	<b>\$ 471,719</b>	<b>\$</b>	<b>(1,372)</b>	

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

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2022. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2022, rolled-forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.54%

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

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

The following changes in key actuarial assumptions occurred in 2022:

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

HIS: The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838; The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience; The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%.

The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20%, which is consistent with the 4.38% real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2022 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary both components and the overall 6.70% return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70% reported investment return assumption is the same as the investment return assumption chose by the 2022 FRS Actuarial Assumption Conference for funding policy purposes.



**City of Blountstown, Florida**  
**Notes to Financial Statements**

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

<b>Asset Class</b>	<b>Target Allocation (1)</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
<b>Total</b>	<b>100.00%</b>			

**Discount Rate**

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.7%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**Sensitivity Analysis**

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

	FRS Net Pension Liability		
	Current		
	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
Governmental Employer's proportionate share of the net pension liability	\$ 2,984,224	\$ 1,725,552	\$ 673,153
Business-Type Employer's proportionate share of the net pension liability	\$ 1,730,190	\$ 1,000,439	\$ 390,280

**City of Blountstown, Florida**  
**Notes to Financial Statements**

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

**Sensitivity Analysis (Continued)**

	HIS Net Pension Liability		
	<b>Current</b>		
	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(2.54%)</b>	<b>(3.54%)</b>	<b>(4.54%)</b>
Governmental Employer's proportionate share of the net pension liability	\$ 481,729	\$ 421,062	\$ 370,861
Business-Type Employer's proportionate share of the net pension liability	\$ 279,297	\$ 244,123	\$ 215,017

**Pension Plans' Fiduciary Net Position**

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

**Defined Contribution Plan**

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2022, totaled \$15,161.

**NOTE 9 - RISK MANAGEMENT**

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

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

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

**NOTE 10 - GRANTS**

The City participates in several state and federal grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for, or including, the year ended September 30, 2022, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the City's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined, although the City expects such amounts, if any, to be immaterial.

**NOTE 11 - FUND BALANCE**

**Reserved Fund Balance**

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. Spendable fund balances are classified based on a hierarchy of the City's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2022, the City reports net assets as restricted, assigned and unassigned. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the City's intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

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

<b>Fund</b>	<b>Purpose</b>	<b>Amount</b>
General Fund	Police education	\$ 17,250
General Fund	Scholarship fund	16,215
General Fund	Historic preservation	2,891
<b>Total restricted fund balance</b>		<b>\$ 36,356</b>

**NOTE 12 - MAJOR SUPPLIER**

Florida Gas Utilities (FGU) acts as the agent for the City on all natural gas purchases. Purchases totaled \$271,530 for the year ended September 30, 2022. The City has placed a deposit totaling \$17,063 with FGU to satisfy the credit requirements of the supplier.

All electricity sold by the City was purchased from Florida Power and Light. Purchases totaled \$2,312,106 for the year ended September 30, 2022.

**NOTE 13 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

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

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

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

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

**Membership** – At September 30, 2022, there were no terminated employees entitled to benefits by not yet receiving them. The membership of the Plan consisted of:

Active employees	45
Retirees and beneficiaries currently receiving benefits	-
Total Membership	45
<hr/>	
Participating employers	1

**City of Blountstown, Florida**  
**Notes to Financial Statements**

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

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

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

**Net OPEB Liability, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB** - At September 30, 2022, the City reported a liability of \$563,347 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2022, and was determined by an actuarial valuation as of October 1, 2021. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2022, the City recognized OPEB expense of \$67,310. At September 30, 2022, the City reported deferred outflows of resources or deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Balance at October 1, 2021	68,066	179,913
Amortization payments	\$ (7,713)	\$ (35,053)
Demographic gain/loss	-	92,283
Assumption changes	-	69,051
Total	\$ 60,353	\$ 306,194

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

Year ended September 30,	Deferred Outflows	Deferred Inflows
2023	\$ 7,713	\$ 35,053
2024	7,713	35,053
2025	7,713	35,053
2026	7,713	35,053
2027	7,713	35,053
Thereafter	21,788	130,929

**City of Blountstown, Florida**  
**Notes to Financial Statements**

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

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

	OPEB Liability	Deferred Inflows	Deferred Outflows	OPEB Expense
Balance at September 30, 2021	\$ 630,031	\$ 179,913	\$ 68,066	\$ -
Service Cost	64,348	-	-	64,348
Interest Cost	33,057	-	-	33,057
Changes in Benefit Terms	-	-	-	-
Differences between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	(92,283)	161,334	-	-
Current Year Amortization of Experience Difference	-	(35,053)	-	(14,657)
Change in Assumptions About Future Economic or Demographic Factors or Other Inputs	(120,838)	-	-	-
Current Year Amortization of Change in Assumptions	-	-	(7,713)	(12,653)
Benefit Payments	(422)	-	-	(2,755)
Net Change	\$ 513,893	\$ 306,194	\$ 60,353	\$ 67,340

**Actuarial Methods and Assumptions** – The total OPEB liability in the October 1, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Cost of Living Increases: Increase in accordance with the healthcare cost trend rates

Projected annual salaries increase 3.00% per annum

Healthcare cost trend rate 8.00% for 2021/22 reduced 0.5% each year  
until reaching ultimate trend rate of 5.00%

T Mortality PUB-2010 Mortality Table for general and public safety  
employees, with full generational improvements in mortality  
using Scale MP-2020

***Discount Rate*** – The discount rate used to measure the total OPEB liability was 4.77%. The discount rate is based on the return on the S&P Municipal Bond 20-year High Grade Index.

**City of Blountstown, Florida**  
**Notes to Financial Statements**

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

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

The following presents the City's proportionate share of the net OPEB liability using a discount rate that is 1 percent lower (3.77%) or 1 percent point higher (5.77%) than the current discount rate:

	1% Decrease (3.77%)	Current Discount Rate (4.77%)	1% increase (5.77%)
Net OPEB Liability	\$ 620,454	\$ 563,347	\$ 513,080

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate-* The following presents the City's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are 1 percent lower (7.00%) or 1 percent point higher (9.00%) than the current healthcare cost trend rates:

	1% Decrease (7.00% decreasing to 4.00%)	Current Discount Rate (8.00% decreasing to 5.00%)	1% increase (9.00% decreasing to 6.00%)
Net OPEB Liability	\$ 494,398	\$ 563,347	\$ 646,301

**NOTE 14 – OPERATING LEASES**

The City entered into a new 36 month garbage truck lease in November 2020. The rental expense under operating lease for the year ended September 30, 2022 was \$38,671.

**NOTE 15 –SUBSEQUENT EVENTS**

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

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

In May 2022, the City purchased additional property to build a new city hall. Bids are expected to be received in 2023/24 for construction.

**NOTE 16 - COMMITMENTS AND CONTINGENCIES**

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

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



## COMBINING FINANCIAL STATEMENTS

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

September 30, 2022

	<b>Business-type Activities / Enterprise Funds</b>		
	<b>Natural Gas</b>	<b>Cemetery</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 102,597	\$ 119,114	\$ 221,711
Investments	8,796	-	8,796
Accounts receivable, net	60,367	-	60,367
Accrued interest receivable	14	-	14
Due from other funds	-	1,347	1,347
Inventory	2,575	-	2,575
Total current assets	174,349	120,461	294,810
Noncurrent assets			
Restricted cash and cash equivalents	1,840	-	1,840
Other assets	17,063	-	17,063
Capital assets			
Nondepreciable	-	15,000	15,000
Depreciable, net	140,727	-	140,727
Total noncurrent assets	159,630	15,000	174,630
Total assets	333,979	135,461	469,440
Deferred outflows of resources			
Deferred outflows related to OPEB	3,859	-	3,859
Deferred outflows related to pension	59,124	-	59,124
Total deferred outflows of resources	62,983	-	62,983
<b>Liabilities</b>			
Current liabilities			
Accounts payable	15,012	-	15,012
Accrued expenses	3,444	-	3,444
Due to other funds	9,166	-	9,166
Compensated absences payable	2,218	-	2,218
Customer deposits	1,840	-	1,840
Total current liabilities	31,680	-	31,680
Noncurrent liabilities			
Accrued compensated absences	6,655	-	6,655
Other post-employment obligations	37,206	-	37,206
Pension liability	185,541	-	185,541
Total noncurrent liabilities	229,402	-	229,402
Total liabilities	261,082	-	261,082
<b>Deferred Inflows of resources</b>			
Deferred inflows related to OPEB	15,818	-	15,818
Deferred inflows related to pension	28,607	-	28,607
Total deferred inflows of resources	44,425	-	44,425
<b>Net position</b>			
Invested in capital assets, net of related debt	140,727	15,000	155,727
Unrestricted	(49,272)	120,461	71,189
Total net position	\$ 91,455	\$ 135,461	\$ 226,916

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

*For the year ended September 30, 2022*

	<b>Business-type Activities / Enterprise Funds</b>		
	<b>Natural Gas</b>	<b>Cemetery</b>	<b>Total</b>
<b>Operating revenues</b>			
Charges for services	\$ 456,696	\$ 4,000	\$ 460,696
Total operating revenues	456,696	4,000	460,696
<b>Operating expenses</b>			
Personal services	138,059	-	138,059
Purchased energy	271,530	-	271,530
Services and supplies	12,751	-	12,751
Heat, light and power	503	-	503
Insurance	7,226	-	7,226
Repairs and maintenance	463	-	463
Other operating expenses	37,323	-	37,323
Depreciation	20,910	-	20,910
Total operating expenses	488,765	-	488,765
Net operating income (loss)	(32,069)	4,000	(28,069)
<b>Nonoperating revenues (expenses)</b>			
Interest income	430	141	571
Miscellaneous revenue	1,481	-	1,481
Total nonoperating revenues (expenses)	1,911	141	2,052
Income (loss) before contributions and transfers	(30,158)	4,141	(26,017)
<b>Change in net position</b>	(30,158)	4,141	(26,017)
<b>Net position, beginning</b>	121,613	131,320	252,933
<b>Net position - ending</b>	\$ 91,455	\$ 135,461	226,916

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

*For the year ended September 30, 2022*

	<b>Business-type Activities / Enterprise Funds</b>		
	<b>Natural Gas</b>	<b>Cemetery</b>	<b>Total</b>
<b>Operating activities</b>			
Receipts from customers and users	\$ 432,761	\$ 4,000	\$ 436,761
Payments to suppliers	(342,878)	-	(342,878)
Payments to employees	(130,312)	-	(130,312)
Net cash (used for) provided by operating activities	(40,429)	4,000	(36,429)
<b>Noncapital financing activities</b>			
Miscellaneous revenue and contributions	1,482	-	1,482
Net cash provided by noncapital financing activities	1,482	-	1,482
<b>Capital and related financing activities</b>			
Purchase of capital assets	(28,003)	-	(28,003)
Net cash provided by capital and related financing activities	(28,003)	-	(28,003)
<b>Investing activities</b>			
Purchase of investments	(35)	-	(35)
Interest received	445	140	585
Net cash provided by investing activities	410	140	550
<b>Net (decrease) increase in cash and cash equivalents</b>	(66,540)	4,140	(62,400)
<b>Cash and cash equivalents - beginning</b>	170,977	114,974	285,951
<b>Cash and cash equivalents - ending</b>	\$ 104,437	\$ 119,114	\$ 223,551
<b>Classified as</b>			
Current assets - cash and cash equivalents	\$ 102,597	\$ 119,114	\$ 221,711
Restricted assets - cash and cash equivalents	1,840	-	1,840
	\$ 104,437	\$ 119,114	\$ 223,551

(Continued)

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

*For the year ended September 30, 2022*

	<u>Business-type Activities / Enterprise Funds</u>		
	Natural Gas	Cemetery	Total
<b>Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities</b>			
Net operating income (loss)	\$ (32,069)	\$ 4,000	\$ (28,069)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	20,910	-	20,910
(Increase) decrease in accounts receivable	(22,790)	-	(22,790)
(Increase) decrease in other assets	(4,052)	-	(4,052)
Increase (decrease) in accounts payable and accrued expenses	(2,915)		(2,915)
Increase (decrease) in due to other funds	1,632		1,632
Increase (decrease) in customer deposits	(1,145)	-	(1,145)
Net cash provided by (used for) operating activities	\$ (40,429)	\$ 4,000	\$ (36,429)

## **Required Supplementary Information**

**City of Blountstown, Florida**  
**Schedule of Proportional Share of Net Pension Liability**  
**Florida Retirement System (Last 10 fiscal years)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	0.0073%	0.0074%	0.0069%	0.0074%	0.0069%	0.0066%	0.0069%	0.0063%	0.0066%	0.0075%
City's proportionate share of the net pension liability (asset)	\$ 2,725,991	\$ 557,755	\$ 2,078,246	\$ 2,550,004	\$ 2,078,246	\$ 1,958,667	\$ 1,730,343	\$ 814,493	\$ 400,297	\$ 1,293,409
City's covered - employee payroll	\$ 2,368,850	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828	\$ 1,642,014	\$ 1,652,709
City's proportionate share of the net pension liability (asset) as a percentage of its own covered - employee payroll	115.08%	23.94%	115.90%	130.91%	115.90%	113.58%	102.74%	48.84%	24.38%	78.26%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	84.26%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	N/A

*Note: Data was unavailable prior to 2013*

**Notes to schedules:**

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

**City of Blountstown, Florida**  
**Schedule of Contributions**  
**Florida Retirement System (Last 10 fiscal years)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 318,406	\$ 289,277	\$ 196,638	\$ 229,593	\$ 196,638	\$ 172,380	\$ 167,117	\$ 153,744	\$ 143,706	\$ 101,109
Contributions in relation to the contractually required contribution	(318,406)	(289,277)	(196,638)	(229,593)	(196,638)	(172,380)	(167,117)	(153,744)	(143,706)	(101,109)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,368,850	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828	\$ 1,642,014	\$ 1,652,709
Contributions as a percentage of covered-employee payroll	13.44%	12.42%	10.97%	11.79%	10.97%	10.00%	9.92%	9.22%	8.75%	6.12%

Notes to schedules:

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



**City of Blountstown, Florida**  
**Schedule of Proportional Share of Net Pension Liability**  
**Health Insurance Subsidy (Last 10 fiscal years)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	0.0063%	0.0064%	0.5500%	0.0060%	0.5500%	0.0052%	0.0053%	0.0053%	0.0054%	0.0055%
City's proportionate share of the net pension liability (asset)	\$ 665,185	\$ 786,245	\$ 581,075	\$ 671,586	\$ 581,077	\$ 556,620	\$ 621,907	\$ 541,496	\$ 501,438	\$ 479,463
City's covered - employee payroll	\$ 2,368,850	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828	\$ 1,642,014	\$ 1,652,709
City's proportionate share of the net pension liability (asset) as a percentage of its own covered - employee payroll	28.08%	33.75%	32.41%	34.48%	32.41%	32.28%	36.93%	32.47%	30.54%	29.01%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	N/A

*Note: Data was unavailable prior to 2013*

Notes to schedules:

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

**City of Blountstown, Florida**  
**Schedule of Contributions**  
**Health Insurance Subsidy (Last 10 fiscal years)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 38,019	\$ 37,922	\$ 29,773	\$ 33,330	\$ 29,773	\$ 27,550	\$ 27,351	\$ 20,297	\$ 18,371	\$ 18,040
Contributions in relation to the contractually required contribution	(38,019)	(37,922)	(29,773)	(33,330)	(29,773)	(27,550)	(27,351)	(20,297)	(18,371)	(18,040)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,368,850	\$ 2,329,379	\$ 1,793,156	\$ 1,947,907	\$ 1,793,156	\$ 1,724,556	\$ 1,684,229	\$ 1,667,828	\$ 1,642,014	\$ 1,652,709
Contributions as a percentage of covered-employee payroll	1.60%	1.63%	1.66%	1.71%	1.66%	1.60%	1.62%	1.22%	1.12%	1.09%

Notes to schedules:

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

**City of Blountstown, Florida**

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

Reporting Period	9/30/2022	9/30/2021	9/30/2020
Measurement Period	9/30/2022	9/30/2021	9/30/2020

**Total OPEB**

**Liability**

Service Cost	\$ 64,348	\$ 85,304	# \$ 90,384
Interest	33,058	17,172	13,142
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(92,283)	27,239	(17,946)
Changes of Assumptions	(69,051)	(120,838)	12,456
Benefit Payments	(2,755)	(422)	(359)
Net Change in Total OPEB Liability	(66,683)	8,455	97,677
Total OPEB Liability - Beginning	630,030	621,575	523,898
Total OPEB Liability - Ending	\$ 563,347	\$ 630,030	\$ 621,575

Covered Employee Payroll *	\$ 1,853,332	\$ 1,887,423	\$ 1,696,260
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Sponsor's Total OPEB Liability as a percentage of Covered Employee Payroll	30.40%	33.38%	36.64%
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\*FY 2022 covered Payroll, projected based on actual FY 2021 Covered Payroll

Notes to Schedule:

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

FY 2022	4.77%
FY 2021	2.43%
FY 2020	2.14%
FY 2019	3.58%

## COMPLIANCE SECTION

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MEMBER  
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## **INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

Honorable Mayor and City Council  
City of Blountstown  
Blountstown, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the City of Blountstown, Florida (the City), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated October 31, 2023.

### **Auditors' Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Profession Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated October 31, 2023, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

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

### **Financial Condition and Management**

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

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

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

*Grimsley & Associates*

October 31, 2023  
Marianna, Florida

Grimsley & Associates, P.A.  
Certified Public Accountants

# GRIMSLEY & ASSOCIATES

Professional Association

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MEMBER  
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OWEN W. GRIMSLEY, C.P.A.

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

Honorable Mayor and City Council  
City of Blountstown  
Blountstown, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Blountstown, Florida (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 31, 2023.

### **Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Grimsley & Associates*

October 31, 2023  
Marianna, Florida

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

Honorable Mayor and City Council  
City of Blountstown  
Blountstown, Florida

We have examined City of Blountstown, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for City of Blountstown, Florida's compliance with those requirements. Our responsibility is to express an opinion on City of Blountstown, Florida's compliance based on our examination.

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

In our opinion, City of Blountstown, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

*Grimsley & Associates*

October 31, 2023  
Marianna, Florida

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL**

Honorable Mayor and City Council  
City of Blountstown  
Blountstown, Florida

### **Report on Compliance for Each Major State Project**

We have audited the City of Blountstown, Florida's (the "City") compliance with the types of compliance requirements described in the Florida Department of Financial Services' State Project Compliance Supplement that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2022. The City's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2022.

### **Basis for Opinion on Each Major State Project**

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 Chapter 10.550, State of Florida Rules of the Auditor General. Our responsibilities under those standards and Chapter 10.550, State of Florida Rules of the Auditor General are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other 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 state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, Uniform Guidance and Chapter 10.550, State of Florida Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance 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 the City's compliance with the requirement of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, Uniform Guidance and Chapter 10.550, State of Florida Rules of the Auditor General 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 the City'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 the City'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 Chapter 10.550, State of Florida Rules of the Auditor General but not for the purpose of expressing an opinion on the effectiveness of the City'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 state project on a timely basis. *A material weakness in internal control over*

Honorable Mayor and City Council

City of Blountstown

Page 2

*compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitation, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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 Chapter 10.550, State of Florida Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*Grimsley & Associates*

October 31, 2023

Marianna, Florida

Grimsley & Associates, P.A.

Certified Public Accountants

# City of Blountstown, Florida

## Schedule of Expenditures of State Awards

*For the year ended September 30, 2022*

State Agency	Contract/Grant Number	CFDA Number	Expenditures
<b>Florida Division of Emergency Management</b>			
Hurricane Michael-Blountstown Facility and Equipment Repairs	F0037	31.072	\$ 647,304
<b>Total Florida Division of Emergency Management</b>			647,304
<b>Florida Department of Environmental Protection</b>			
Blountstown WW Effluent Project	LP07014	37.039	97,000
Blountstown Inflow & Infiltration Improvement	LPR0008	37.039	22,500
<b>Total Florida Department of Environmental Protection</b>			119,500
<b>Department of Financial Services</b>			
Local Government Fire Services Grant	N/A	43.009	10,152
Volunteer Firefighter Assistance Program	FM612	43.006	43,225
<b>Total Department of Financial Services</b>			53,377
<b>Florida Department of Law Enforcement</b>			
Blountstown Police Department Renovations	8K001	71.047	350,000
<b>Total Florida Department of Law Enforcement</b>			350,000
<b>Total Expenditures of State Projects</b>			\$ 1,170,181

### NOTES TO SCHEDULE:

- A. Basis of Accounting – The supplementary Schedule of Expenditures of State Financial Assistance includes the grant activity of the City of Blountstown, Florida (The “City”). State expenditures are presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
- B. Reporting Entity – The City for purposes of the supplementary Schedule of State Financial Assistance Projects includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.
- C. Other Types of Financial Assistance – There were no other types of financial assistance to include endowments, insurance in effect, non-cash assistance, donated property or free rent received or included in the schedule of expenditures of state financial assistance.

**City of Blountstown, Florida**  
**Schedule of Findings and Questioned Costs**  
**Year ended September 30, 2022**

**Section I - Summary of Auditor's Results**

***Financial Statements***

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

***State Projects***

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

CFDA Number	Federal Program
31.072	Hurrican Michael - Blountstown Facility and Euipment Repairs

- |  |            |
|--|------------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$ 351,000 |
| 6. Auditee qualified as low-risk under 2CFR 200.520                        | No         |

**Section II – Financial Statement Findings**

None noted.

**Section III – Federal Award Findings and Questioned Costs**

None noted.

**Section IV – State Project Findings and Questioned Costs**

Not applicable.

**Section V – Summary of Prior Year Audit**

None Noted.