

TOWN OF GLEN ST. MARY, FLORIDA

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2022

LYONS AND LYONS

CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF GLEN ST. MARY, FLORIDA
SEPTEMBER 30, 2022
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TOWN OF GLEN ST. MARY, FLORIDA
TOWN OFFICIALS
SERVING AS OF SEPTEMBER 30, 2022

MAYOR

Juanice Padgett

TOWN COUNCIL

Lola Chandler

Terry Clardy

Diana Reneau

Andrew Vetter

TOWN CLERK

Christy Linster

TOWN ATTORNEY

Jonathan S. Bense, P.A.

LYONS AND LYONS

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the Town Council
Town of Glen St. Mary, 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, its major fund and the aggregate remaining fund information of the Town of Glen St. Mary, Florida, (the Town) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town'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 Town as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United State of America.

Basis for 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 Town 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 these 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 Town'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 Responsibility 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

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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 risks 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 the Town'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 the Town'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, budgetary comparison information, pension schedules of proportionate share of pension liability and schedule of contributions listed in the table of contents as "required supplementary information" on pages 5-8 and 33-35 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 consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements 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 in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to

the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 also issued our report dated June 7, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Town'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 Town's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lyns and Lyns, CPAs".

June 7, 2023
Macclenny, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Town of Glen St. Mary's financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the Town's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2021-22.

- The Town's overall net position increased by approximately \$4,199.
- Total ending unrestricted net position was approximately \$151,053.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

Both of the government-wide financial statements distinguish between functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) and from 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 Town include general government and administration, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The business-type activities of the Town include water and sewer operations.

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

The Town maintains three governmental funds; the General Fund is considered a major fund, while the Special Revenue Fund and Capital Improvement Fund are not. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund and Capital Improvement Fund.

Proprietary funds – The Town maintains one type of proprietary fund, the Enterprise Fund. The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the Enterprise Fund to account for its water and sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements, and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Glen St. Mary, assets exceeded liabilities by \$2,900,971 at the close of the fiscal year ended September 30, 2022.

Town of Glen St. Mary's Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Fiscal Year 2021-22</u>	<u>Fiscal Year 2020-21</u>	<u>Fiscal Year 2021-22</u>	<u>Fiscal Year 2020-21</u>	<u>Fiscal Year 2021-22</u>	<u>Fiscal Year 2020-21</u>
Non Capital Assets	\$ 427,673	\$ 282,728	\$ 157,300	\$ 135,559	\$ 584,973	\$ 418,287
Capital Assets	<u>120,181</u>	<u>127,893</u>	<u>3,368,544</u>	<u>3,450,175</u>	<u>3,488,725</u>	<u>3,578,068</u>
Total Assets	<u>547,854</u>	<u>410,621</u>	<u>3,525,844</u>	<u>3,585,734</u>	<u>4,073,698</u>	<u>3,996,355</u>
Deferred Outflows	<u>58,079</u>	<u>63,309</u>	<u>-</u>	<u>-</u>	<u>58,079</u>	<u>63,309</u>
Current and Other Liabilities	225,665	131,673	66,511	70,780	292,176	202,453
Long-Term Liabilities	<u>145,901</u>	<u>56,834</u>	<u>770,000</u>	<u>792,000</u>	<u>915,901</u>	<u>848,834</u>
Total Liabilities	371,566	188,507	836,511	862,780	1,208,077	1,051,287
Deferred Inflows	<u>22,729</u>	<u>111,605</u>	<u>-</u>	<u>-</u>	<u>22,729</u>	<u>111,605</u>
Net Position:						
Invested in Capital Assets	120,181	127,893	2,573,740	2,633,293	2,693,921	2,761,186
Restricted	15,144	5,232	40,853	41,843	55,997	47,075
Unrestricted	<u>76,313</u>	<u>40,693</u>	<u>74,740</u>	<u>47,818</u>	<u>151,053</u>	<u>88,511</u>
Total Net Position	<u>\$ 211,638</u>	<u>\$ 173,818</u>	<u>\$ 2,689,333</u>	<u>\$ 2,722,954</u>	<u>\$ 2,900,971</u>	<u>\$ 2,896,772</u>

Changes in Net Position

The following schedule provides a summary of the changes in net position.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Fiscal Year 2021-22</u>	<u>Fiscal Year 2020-21</u>	<u>Fiscal Year 2021-22</u>	<u>Fiscal Year 2020-21</u>	<u>Fiscal Year 2021-22</u>	<u>Fiscal Year 2020-21</u>
Revenues:						
Program Revenues:						
Charges For Services	\$ 36,291	\$ 32,398	\$ 212,953	\$ 243,469	\$ 249,244	\$ 275,867
Capital Grants and Contributions	22,973	-	4,860	-	27,833	-
General Revenues:						
Taxes	168,819	147,392	-	-	168,819	147,392
Shared Revenues	22,501	20,722	-	-	22,501	20,722
Other	21,138	20,674	73	44	21,211	20,718
Total Revenues	<u>271,722</u>	<u>221,186</u>	<u>217,886</u>	<u>243,513</u>	<u>489,608</u>	<u>464,699</u>
Expenses:						
General Government	116,345	75,240	-	-	116,345	75,240
Public Safety	665	665	-	-	665	665
Physical Environment	106,923	96,729	246,507	280,833	353,430	377,562
Transportation	11,469	7,395	-	-	11,469	7,395
Economic Environment	-	-	-	-	-	-
Culture and Recreation	3,500	3,548	-	-	3,500	3,548
Human Services	-	-	-	-	-	-
Total Expenses	<u>238,902</u>	<u>183,577</u>	<u>246,507</u>	<u>280,833</u>	<u>485,409</u>	<u>464,410</u>
Transfers and Capital Contributions	<u>5,000</u>	<u>(30,000)</u>	<u>(5,000)</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Changes in Net Position	37,820	7,609	(33,621)	(7,320)	4,199	289
Net Position - Beginning of Year	<u>173,818</u>	<u>166,209</u>	<u>2,722,954</u>	<u>2,730,274</u>	<u>2,896,772</u>	<u>2,896,483</u>
Net Position - End of Year	<u>\$ 211,638</u>	<u>\$ 173,818</u>	<u>\$ 2,689,333</u>	<u>\$ 2,722,954</u>	<u>\$ 2,900,971</u>	<u>\$ 2,896,772</u>

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities and Business-type Activities

The governmental activities generated \$59,264 of program revenues and \$212,458 of general revenues, incurred \$238,902 of program expenses and transfer in of \$5,000. This resulted in a \$37,820 increase in net position.

The business-type activities generated \$212,953 charges for services, \$4,860 from grant revenues and received \$73 of interest, incurred \$246,507 of program expenses and transfer out of \$5,000. This resulted in a \$33,621 decrease in net position.

THE TOWN'S INDIVIDUAL FUNDS

The General Fund's fund balance increased by \$35,826 from \$151,062 to \$186,888; the Capital Improvement Fund's fund balance increased \$15,001 from \$143 to \$15,144. The Proprietary Fund's net position decreased by \$33,621 from \$2,722,954 to \$2,689,333 and net cash increased \$22,134.

BUDGETARY HIGHLIGHTS

General Fund revenues received were greater than budgeted amounts by \$32,969. General Fund expenditures were less than the budgeted amount by \$6,118.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Please refer to Note 3 to the accompanying financial statements entitled Changes in Capital Assets for more detailed information about the Town's capital asset activity.

Debt Administration

The Town issued revenue bonds on December 16, 2004, referred to as Water and Sewer Revenue Bonds Series 2004A and 2004B, in the amounts of \$670,000 and \$370,214, respectively. The purpose of the bonds was to provide permanent financial resources for the Town's water and sewer projects. Revenues from the related facility, a portion of sales tax, franchise tax and communication service tax revenues are pledged as collateral for the bonds. No bonds were issued during the year. The net change in the Town's long-term liabilities for the year was a decrease of \$22,000. Please refer to Notes 4 and 6 in the notes to financial statements for more detailed information.

ECONOMIC FACTORS

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

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Town of Glen St. Mary at PO Box 519, 10046 N. Glen Avenue, Glen St. Mary, FL 32040.

TOWN OF GLEN ST. MARY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash and Equivalents	\$ 195,052	\$ 85,282	\$ 280,334
Accounts Receivable (Net Where Applicable of Allowance for Uncollectible)	-	13,877	13,877
Due From Other Agencies	10,056	-	10,056
Prepaid Expenses	-	4,502	4,502
Total Current Assets	205,108	103,661	308,769
Noncurrent Assets:			
Restricted Assets			
Cash and Equivalents	222,565	53,640	276,205
Capital Assets:			
Non-Depreciable Assets	73,258	20,860	94,118
Depreciable Assets, Net	46,923	3,347,684	3,394,607
Total Capital Assets, Net of Accumulated Depreciation	120,181	3,368,544	3,488,725
Total Noncurrent Assets	342,746	3,422,184	3,764,930
TOTAL ASSETS	547,854	3,525,845	4,073,699
<u>DEFERRED OUTFLOWS</u>			
Pension Related	58,079	-	58,079
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	7,725	5,357	13,082
Accrued Interest on Bonds Payable	-	2,804	2,804
Customer Deposits	-	36,351	36,351
Due to Other Agencies	5,912	-	5,912
Revenue Bonds Payable, Current Portion	-	22,000	22,000
Net Pension Liability, Current Portion	24	-	24
Unearned Revenue	212,004	-	212,004
Total Current Liabilities	225,665	66,512	292,177
Noncurrent Liabilities			
Net Pension Liability	145,901	-	145,901
Revenue Bonds Payable	-	770,000	770,000
Total Noncurrent Liabilities	145,901	770,000	915,901
TOTAL LIABILITIES	371,566	836,512	1,208,078
<u>DEFERRED INFLOWS</u>			
Pension Related	22,729	-	22,729
<u>NET POSITION</u>			
Invested In Capital Assets, Net of Related Debt	120,181	2,573,740	2,693,921
Restricted	15,144	40,853	55,997
Unrestricted	76,313	74,740	151,053
TOTAL NET POSITION	\$ 211,638	\$ 2,689,333	\$ 2,900,971

See accompanying notes to financial statements.

TOWN OF GLEN ST. MARY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
			<u>Grants and Contributions</u>			
Governmental Activities:						
General Government	\$ 116,345	\$ 36,291	\$ 22,973	\$ (57,081)	\$ -	\$ (57,081)
Public Safety	665	-	-	(665)	-	(665)
Physical Environment	106,923	-	-	(106,923)	-	(106,923)
Transportation	11,469	-	-	(11,469)	-	(11,469)
Culture and Recreation	3,500	-	-	(3,500)	-	(3,500)
Total Governmental Activities	<u>238,902</u>	<u>36,291</u>	<u>22,973</u>	<u>(179,638)</u>	<u>-</u>	<u>(179,638)</u>
Business-type Activities:						
Water and Sewer	246,507	212,953	4,860	-	(28,694)	(28,694)
Total Business-type Activities	<u>246,507</u>	<u>212,953</u>	<u>4,860</u>	<u>-</u>	<u>(28,694)</u>	<u>(28,694)</u>
Total	<u>\$ 485,409</u>	<u>\$ 249,244</u>	<u>\$ 27,833</u>	<u>(179,638)</u>	<u>(28,694)</u>	<u>(208,332)</u>
General Revenues:						
Discretionary Sales Tax				53,348	-	53,348
Half Cent Sales Tax				24,432	-	24,432
Local Option Gas Tax				12,493	-	12,493
Electric Service Tax				42,406	-	42,406
Communication Service Tax				36,140	-	36,140
State Shared Revenue				22,501	-	22,501
Interest Income				377	73	450
Miscellaneous Income				15,761	-	15,761
Rental Income				5,000	-	5,000
Total General Revenues				<u>212,458</u>	<u>73</u>	<u>212,531</u>
Transfers				5,000	(5,000)	-
Total General Revenues and Transfers				<u>217,458</u>	<u>(4,927)</u>	<u>212,531</u>
Change in Net Position				37,820	(33,621)	4,199
Net Position, October 1, 2021				<u>173,818</u>	<u>2,722,954</u>	<u>2,896,772</u>
Net Position, September 30, 2022				<u>\$ 211,638</u>	<u>\$ 2,689,333</u>	<u>\$ 2,900,971</u>

See accompanying notes to financial statements.

TOWN OF GLEN ST. MARY, FLORIDA
BALANCE SHEET-GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>GENERAL</u>	<u>NON- MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>			
Cash	\$ 402,473	\$ 15,144	\$ 417,617
Due From Other Agencies	<u>10,056</u>	<u>-</u>	<u>10,056</u>
TOTAL ASSETS	<u>\$ 412,529</u>	<u>\$ 15,144</u>	<u>\$ 427,673</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable and Accrued Liabilities	\$ 7,725	\$ -	\$ 7,725
Due To Other Agencies	5,912	-	5,912
Unearned Revenue	<u>212,004</u>	<u>-</u>	<u>212,004</u>
TOTAL LIABILITIES	<u>225,641</u>	<u>-</u>	<u>225,641</u>
<u>FUND BALANCES:</u>			
Fund Balances:			
Assigned to:			
Capital Improvements	-	15,144	15,144
Unassigned	<u>186,888</u>	<u>-</u>	<u>186,888</u>
TOTAL FUND BALANCES	<u>186,888</u>	<u>15,144</u>	<u>202,032</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 412,529</u>	<u>\$ 15,144</u>	<u>\$ 427,673</u>

See accompanying notes to financial statements.

TOWN OF GLEN ST. MARY, FLORIDA
RECONCILIATION OF BALANCE SHEET TO STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	202,032
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not reported in the governmental funds.		
Capital Assets - Net		120,181
Deferred outflows and inflows associated with pensions are not reported in the governmental funds.		
Deferred Outflows		58,079
Deferred Inflows		(22,729)
Net pension liability is not reported in the governmental funds		
Net Pension Liability		<u>(145,925)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>211,638</u>

See accompanying notes to financial statements.

TOWN OF GLEN ST. MARY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>GENERAL</u>	<u>NON-MAJOR</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Taxes	\$ 168,819	\$ -	\$ 168,819
Charges for Services	36,291	-	36,291
Intergovernmental	45,474	-	45,474
Interest Earnings	376	1	377
Miscellaneous Revenues	15,761	-	15,761
Rental Income	5,000	-	5,000
TOTAL REVENUES	<u>271,721</u>	<u>1</u>	<u>271,722</u>
<u>EXPENDITURES</u>			
General Government	109,216	-	109,216
Physical Environment	105,210	-	105,210
Transportation	11,469	-	11,469
TOTAL EXPENDITURES	<u>225,895</u>	<u>-</u>	<u>225,895</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	45,826	1	45,827
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(10,000)</u>	<u>15,000</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCES	35,826	15,001	50,827
FUND BALANCES - OCTOBER 1, 2021	<u>151,062</u>	<u>143</u>	<u>151,205</u>
FUND BALANCES - SEPTEMBER 30, 2022	<u>\$ 186,888</u>	<u>\$ 15,144</u>	<u>\$ 202,032</u>

See accompanying notes to financial statements.

TOWN OF GLEN ST. MARY, FLORIDA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO STATEMENT OF ACTIVITIES-GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 50,827

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.

Current Year Depreciation Expense (7,712)

Deferred outflows and inflows associated with pensions are not reported in the governmental funds.

Change in Pension Liability (88,941)

Change in Deferred Outflows Related to Pensions (8,835)

Change in Deferred Inflows Related to Pensions 88,876

Deferred Outflows for Contributions Subsequent to the Measurement Date 3,605

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 37,820**

See accompanying notes to financial statements.

TOWN OF GLEN ST. MARY, FLORIDA
STATEMENT OF NET POSITION-PROPRIETARY FUND
SEPTEMBER 30, 2022

ASSETS

Current Assets:	
Cash and Equivalents	\$ 85,282
Accounts Receivable (Net Where Applicable of Allowance For Uncollectables)	13,877
Prepaid Expenses	4,502
Total Current Assets	<u>103,661</u>
Noncurrent Assets:	
Restricted Assets	
Cash and Equivalents	53,640
Capital Assets:	
Construction in Progress	20,860
Equipment	3,681
Infrastructure	4,323,089
Accumulated Depreciation	<u>(979,086)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>3,368,544</u>
Total Noncurrent Assets	<u>3,422,184</u>
TOTAL ASSETS	<u>3,525,845</u>

LIABILITIES

Current Liabilities:	
Accounts Payable and Accrued Expenses	5,357
Accrued Interest on Bonds Payable	2,804
Customer Deposits	36,351
Bonds Payable, Current Portion	<u>22,000</u>
Total Current Liabilities	<u>66,512</u>
Noncurrent Liabilities:	
Revenue Bonds Payable	<u>770,000</u>
Total Noncurrent Liabilities	<u>770,000</u>
TOTAL LIABILITIES	<u>836,512</u>

NET POSITION

Invested In Capital Assets, Net of Related Debt	2,573,740
Restricted	40,853
Unrestricted	<u>74,740</u>
TOTAL NET POSITION	<u>\$ 2,689,333</u>

See accompanying notes to financial statements.

TOWN OF GLEN ST. MARY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

<u>OPERATING REVENUES</u>	
Charges for Services	\$ 212,953
TOTAL OPERATING REVENUES	<u>212,953</u>
<u>OPERATING EXPENSES</u>	
Materials, Supplies and Other Expenses	123,825
Depreciation	86,491
TOTAL OPERATING EXPENSES	<u>210,316</u>
OPERATING INCOME	<u>2,637</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Capital Grant	4,860
Interest Income	73
Interest Expense	(36,191)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(31,258)</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(28,621)</u>
Transfers Out	(5,000)
Change in Net Position	(33,621)
NET POSITION - OCTOBER 1, 2021	<u>2,722,954</u>
NET POSITION - SEPTEMBER 30, 2022	<u>\$ 2,689,333</u>

See accompanying notes to financial statements.

TOWN OF GLEN ST. MARY, FLORIDA
STATEMENT OF CASH FLOWS-PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Received From Customers	\$ 212,355
Cash Payments to Suppliers For Goods and Services	(124,230)
Cash Payments to Repay Other Funds	(2,795)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>85,330</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Transfers to Other Funds	(5,000)
NET CASH USED FROM NONCAPITAL FINANCING ACTIVITIES	<u>(5,000)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Cost Associated with Water & Sewer Expansion	(4,860)
Interest Paid on Bonds	(36,269)
Proceeds from Grant Funds	4,860
Principal Payment on Bonds	(22,000)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(58,269)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest on Cash and Cash Equivalents	73
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>73</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,134
CASH AND CASH EQUIVALENTS - OCTOBER 1, 2021	<u>116,788</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2022	<u>\$ 138,922</u>
CASH AND CASH EQUIVALENTS CLASSIFIED AS:	
Cash and Cash Equivalents - Unrestricted	\$ 85,282
Cash and Cash Equivalents - Restricted	53,640
TOTAL CASH AND CASH EQUIVALENTS CLASSIFIED	<u>\$ 138,922</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ 2,637
Adjustments to Reconcile Operating Income to Net Cash Provided	
By Operating Activities:	
Depreciation Expense	86,491
Change in Assets and Liabilities:	
Decrease in Accounts Receivables	718
Increase in Prepaid Expenses	(326)
Decrease in Accounts Payables	(79)
Decrease in Customer Deposits	(1,316)
Decrease in Due to Other Funds	(2,795)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 85,330</u>

See accompanying notes to financial statements.

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Glen St. Mary, Florida, (“the Town”) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Town is a unit of local government, incorporated June 29, 1957, under Special Legislative Act House Bill #1512. The Town operates under a Manager-Town Council form of government. As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the Town as a primary government.

The Town uses the criteria established in GASB Statement Number 14 to define the reporting entity and identify component units. Component units are entities for which the Town, as primary government, is considered to be financially accountable. Component units, if any, are included in the reporting entity because of the significance of their operational or financial relationships with the primary government.

The Town is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent on it.

Blended component units, although legally separate entities are, in substance, part of the primary government’s operations and, accordingly, data from these units would be combined with data of the Town. There are no blended component units included in the Town’s financial reporting entity.

Discretely presented component units, on the other hand, would be reported in separate columns to emphasize that they are legally separate from the Town. There are no discretely presented component units included in the Town’s financial reporting entity.

There were no additional entities for which there were positive responses to specific criteria used for establishing oversight responsibility that were excluded from the Town’s financial statements. The Town did not participate in any joint ventures during the 2021-22 fiscal year.

Government-wide 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 activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements (concluded)

requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds. The Town has presented the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Town also has presented the Special Revenue Fund and the Capital Improvement Fund, non-major funds, in a separate column.

The Proprietary Fund, specifically identified as the Water and Sewer Fund, is used to account for the provision of water and sewer to the residents of the Town. The Water and Sewer Fund is also considered a major fund. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds. The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. Operating expenses for the proprietary fund include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fund Balance

The Town follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise of a hierarchy, based primarily, on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance (concluded)

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to remain intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Town's highest level of decision-making authority, which is a policy of the Town. Committed amounts cannot be used for any other purpose unless the Town removes those constraints by taking the same type action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Town's interest to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the mayor or (b) a body of official to which the mayor has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Town's policy is to expend resources in the following order: restricted, committed, assigned and unassigned.

Measurement Focus and Basis of Accounting

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

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year. Expenditures are generally recognized when the related liability is incurred. However, debt service expenditures, and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting

The Town adopts an annual budget for the General Fund. The following procedures are used in establishing the budgetary data reflected in the financial statements:

On or before the first part of September, the Mayor submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.

A public hearing is conducted to obtain taxpayer comments.

Usually prior to October 1st, the budget is legally enacted by Council approval.

Any revision that alters total expenditures of any fund or to transfer budgeted amounts between departments within any fund must be approved by the Town Council. Budgetary control is maintained at the department level. The fund is the legal level of control. Budgetary data presented in the accompanying financial statements represent the “final” budget data; i.e., the effects of budget amendments have been applied to “original” budgetary data.

The budget amounts presented in the accompanying financial statements were prepared on the modified accrual basis of accounting.

All budget changes during the fiscal year are approved by the Town Council.

Appropriations lapse at the end of the fiscal year.

Budgets are adopted for the General and Enterprise Funds on a basis that does not differ materially from accounting principles generally accepted in the United States. In accordance with Section 166.241, Florida Statutes, expenditures did not exceed budget appropriations for the 2021-2022 fiscal year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized by the Town.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the enterprise fund considers all highly liquid investments, including restricted assets to be cash equivalents. Restricted cash for governmental activities consists of \$207,421 for the American Rescue Plan Act and \$15,144 for capital improvements. Restricted cash for enterprise activities consists of \$36,351 for customer deposits, \$16,983 for bond reserves and \$306 for grant use. Unrestricted resources are used first when expense is incurred for both restricted and unrestricted purposes.

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deposits with Financial Institutions

All deposits are placed in banks that qualify as public depositories, as required by law (Florida Security for Public Deposits Act). Accordingly, all deposits are insured by federal depository insurance and/or collateralized pursuant to Chapter 280, Florida Statutes.

Prepaid Expenses

Prepaid balances for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

Capital Assets

Capital assets are valued at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date donated. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	30-50 years
Water & Sewer Systems	30-50 years
Improvements	20-25 years
Equipment	5-20 years

Compensated Absences

The Town does not have a policy on sick leave and accordingly does not compensate employees for sick leave. The Town does have a policy allowing employees to earn 40 hours of personal leave per year; unused personal leave may be carried forward and accumulated up to a maximum of 480 hours. Personal leave time remaining upon termination of employment is not paid. Personal leave compensation will be awarded at the time of retirement at the hourly rate at twenty-five percent of accumulated hours. Town policy also allows employees to be eligible for one week vacation after one year of employment, two weeks for two to nine years of employment, three weeks for ten to nineteen years of employment and four weeks for twenty years or more of employment. A maximum of one week of earned vacation may be carried forward to the following year to be used within the first three months of the following fiscal year. A liability for accrued compensated absences of employees has been accrued in the Government-wide financial statements. Compensated absences are recorded as expenditures in Governmental Funds to the extent of the amount of the liability that would normally be liquidated with expendable available financial resources (the current portion).

Capitalization of Interest Costs

When applicable, the Town follows the guidelines of Statement of Financial Accounting Codification No. 835-20 to determine if interest costs related to construction of fixed assets should be capitalized.

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Town to make various estimates and assumptions. Actual results could vary from estimates used.

Net Position

Net position represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowing used for acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either by through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net position reports \$55,997 of restricted net position, which is restricted by enabling legislation. Governmental restricted net position in the consists of \$15,144 for capital improvements. Proprietary restricted net position in the amount of \$40,853 consists of prepaid expenses in the amount of \$4,502 and customer deposits in the amount of \$36,351.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period.

A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period.

NOTE 2 – INVESTMENTS

Section 218.415, Florida Statutes, authorizes the Town to invest in the Local Government Investment Pool; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposits in qualified public depositories; and direct obligations of the U.S. Treasury.

The Town's investments consist of certificates of deposit. These investments are entirely insured (Level 1 category of credit risk). The Town is exposed to the following risks associated with its investments:

Credit Risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Interest Rate Risk – the risk that changes in interest rate will adversely affect the fair value of an investment.

The Town does not have a formal investment policy relating to the aforementioned risks, other than Section 218.415 Florida Statutes, for investing public funds. That statute limits the Town's exposure to credit risk and interest rate risk by limiting authorized investment option as previously described.

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 3 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the fiscal-year ending September 30, 2022, follows:

	Balance October 1,	Additions	Deletions	Balance September 30,
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated				
Land	\$ 73,258	\$ -	\$ -	\$ 73,258
Total Capital Assets Not Being Depreciated	<u>73,258</u>	<u>-</u>	<u>-</u>	<u>73,258</u>
Capital Assets Being Depreciated				
Buildings	94,699	-	-	94,699
Improvements Other Than Buildings	200,514	-	-	200,514
Machinery & Equipment	135,424	-	-	135,424
Total Capital Assets Being Depreciated	<u>430,637</u>	<u>-</u>	<u>-</u>	<u>430,637</u>
Less Accumulated Depreciation For				
Buildings	75,920	2,421	-	78,341
Improvements Other Than Buildings	164,658	5,291	-	169,949
Machinery & Equipment	135,424	-	-	135,424
Total Accumulated Depreciation	<u>376,002</u>	<u>7,712</u>	<u>-</u>	<u>383,714</u>
Total Capital Assets Being Depreciated, Net	<u>54,635</u>	<u>(7,712)</u>	<u>-</u>	<u>46,923</u>
Governmental Activities Total Capital Assets, Net	<u>\$ 127,893</u>	<u>\$ (7,712)</u>	<u>\$ -</u>	<u>\$ 120,181</u>
<u>Business-type Activities</u>				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 16,000	\$ 4,860	\$ -	\$ 20,860
Total Capital Assets Not Being Depreciated	<u>16,000</u>	<u>4,860</u>	<u>-</u>	<u>20,860</u>
Capital Assets Being Depreciated				
Improvements Other Than Buildings	4,320,442	-	-	4,320,442
Machinery & Equipment	6,328	-	-	6,328
Total Capital Assets Being Depreciated	<u>4,326,770</u>	<u>-</u>	<u>-</u>	<u>4,326,770</u>
Less Accumulated Depreciation For				
Improvements Other Than Buildings	886,267	86,491	-	972,758
Machinery & Equipment	6,328	-	-	6,328
Total Accumulated Depreciation	<u>892,595</u>	<u>86,491</u>	<u>-</u>	<u>979,086</u>
Total Capital Assets Being Depreciated, Net	<u>3,434,175</u>	<u>(86,491)</u>	<u>-</u>	<u>3,347,684</u>
Business-type Activities Total Capital Assets, Net	<u>\$ 3,450,175</u>	<u>\$ (81,631)</u>	<u>\$ -</u>	<u>\$ 3,368,544</u>
Depreciation expense was charged to functions as follows:				
Governmental Activities:				
General Government	\$ 1,835			
Public Safety	665			
Physical Environment	1,712			
Culture and Recreation	3,500			
Total Depreciation Expense Governmental Activities	<u>\$ 7,712</u>			
Business-type Activities:				
Physical Environment	\$ 86,491			
Total Depreciation Expense Business-type Activities	<u>\$ 86,491</u>			

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 4 – LONG-TERM DEBT

Government-type Activities

The Government-type activities long-term debt at September 30, 2022, consists of the following:

Net pension liability for employer’s proportionate share of the net pension liability for the Florida Retirement System.	\$ 123,429
Net pension liability for employer’s proportionate share of the net pension liability for the Health Insurance Subsidy Program.	<u>22,496</u>
Total Net Pension Liability	<u>\$ 145,925</u>

A summary of changes in long-term liabilities follows:

	<u>Balance October 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30</u>	<u>Due Within One Year</u>
Net pension liability - FRS	\$ 27,240	\$ 96,189	\$ -	\$ 123,429	\$ -
Net pension liability - HIS	<u>29,744</u>	<u>-</u>	<u>7,248</u>	<u>22,496</u>	<u>24</u>
Total	<u>\$ 56,984</u>	<u>\$ 96,189</u>	<u>\$ 7,248</u>	<u>\$ 145,925</u>	<u>\$ 24</u>

During 2015, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the calculation of changes in long-term liabilities presented above.

Business-type Activities

The Business-type activities debts of the Town at September 30, 2022, consist of the following:

\$670,000 Water and Sewer Revenue Bonds, Series 2004A, dated December 16, 2004, due in annual principal installments of \$10,000 to \$34,000 plus accrued interest at 4.5% due September 1st each year through 2044. The revenues from the related facility, a portion of sales tax, franchise tax and communication service tax revenues are pledged as collateral. \$ 511,000

\$370,214 Water and Sewer Revenue Bonds, Series 2004B, dated December 16, 2004, due in annual principal installments of \$6,000 to \$19,000 plus accrued interest at 4.375%, due September 1st of each year through 2044. The revenues from the related facility, a portion of sales tax, franchise tax and communication service tax revenues are pledged as collateral.

Total Bonds Payable	<u>281,000</u>
	<u>\$ 792,000</u>

A summary of changes in long-term liabilities follows:

	<u>Balance October 1</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance September 30</u>	<u>Due Within One Year</u>
Business-type Activities:					
Water & Sewer Revenue Bonds Payable	\$814,000	\$ -	\$ 22,000	\$792,000	\$ 22,000
Total Business-type Activities	<u>814,000</u>	<u>-</u>	<u>22,000</u>	<u>792,000</u>	<u>22,000</u>
Total Government	<u>\$814,000</u>	<u>\$ -</u>	<u>\$ 22,000</u>	<u>\$792,000</u>	<u>\$ 22,000</u>

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 4 – LONG-TERM DEBT (concluded)

The annual aggregate maturities for revenue bonds for the years subsequent to September 30, 2022, are as follows:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30, 2023	\$ 22,000	\$ 35,289	\$ 57,289
September 30, 2024	23,000	34,309	57,309
September 30, 2025	24,000	33,284	57,284
September 30, 2026	25,000	32,215	57,215
September 30, 2027	26,000	31,101	57,101
September 30, 2028-2032	150,000	136,926	286,926
September 30, 2033-2037	187,000	100,394	287,394
September 30, 2038-2042	233,000	54,818	287,818
September 30, 2043	<u>102,000</u>	<u>6,734</u>	<u>108,734</u>
Totals	<u>\$792,000</u>	<u>\$465,070</u>	<u>\$1,257,070</u>

NOTE 5 – ALLOWANCE FOR UNCOLLECTIBLES

Accounts receivables have been reported in the funds net of allowance for uncollectibles. The allowance for uncollectibles is as follows:

Enterprise Fund	<u>\$ 378</u>
Total	<u>\$ 378</u>

The allowance is based upon a moving average of the collection experience relating to these receivables.

NOTE 6 – DEBT RESTRICTIONS AND COVENANTS

Water and Sewer Revenue Bonds, Series 2004A and 2004B, requires the establishment of a Bond and Interest Sinking Fund to be used exclusively by the Town to pay all interest on the Bonds as the same shall come due and the principal of the bonds at the respective maturity dates thereof. On or before the fifteenth day of each month, the Town shall transfer and deposit to the credit of the Sinking Fund the following amounts:

1. A sum equal to 1/12 of the amount of one year's interest on all the Bonds then outstanding, together with the amount of any deficiency in prior deposits for interest on the Bonds.
2. Beginning on September 15, 2006, a sum equal to 1/12 of the principal of the Bonds maturing on the next succeeding September 1, together with the amount of any deficiency in prior deposits for principal on the Bonds.
3. To the credit of a Reserve Account in the Sinking Fund a sum equal to 1/120 of the Maximum Bond Service Requirement until such time as the funds therein shall equal the Maximum Bond Service Requirement.

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 6 – DEBT RESTRICTIONS AND COVENANTS (concluded)

In February 2006, the Town passed a resolution to set aside and reserve a certificate of deposit in the General Fund of \$65,000 to satisfy the reserve requirements. On June 19, 2018, the council voted to use the \$65,000 to pay for additional sewer expansion. The certificate of deposit was withdrawn on August 19, 2019, and deposited into the proprietary fund. The USDA issued a letter on July 9, 2018, granting the Town the authority to use the funds for additional sewer expansion. The USDA also stipulated that the Town must replenish the reserve fund by making annual deposits of \$5,660 until the balance reaches \$56,600. The balance in the reserve account at September 30, 2022, is \$16,983. The Town began the annual deposits in the fiscal year ending September 30, 2020.

NOTE 7 – CONTINGENT LIABILITIES

The Town is sometimes involved in litigation arising from the normal operations of a local government. It is the opinion of management that such litigation will not have a material financial impact on the financial statements of the Town.

NOTE 8 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Town participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000, by calling (844) 377-1888 or website http://www.dms.myflorida.com/workforce_operations/retirement/publications.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer qualified 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. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. 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 non-integrated 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 Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 8 – STATE OF FLORIDA PENSION PLANS (continued)

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.

Contributions

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

	FRS	HIS
Regular Class	10.25%	1.66%
Special Risk Class	26.17%	1.66%
Senior Management Service Class	29.91%	1.66%
Elected Officials	55.34%	1.66%
DROP from FRS	16.94%	1.66%

The Town's contributions for the year ended September 30, 2022, were \$12,661 to the FRS and \$1,115 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, the Town reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2021. The Town's proportions of the net pension liabilities were based on the Town's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 123,429	\$ 22,496
Proportion at:		
Current measurement date	0.000331726%	0.000212396%
Prior measurement date	0.000360613%	0.000242480%
Pension expense (benefit)	\$ 18,304	\$ 769

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 8 – STATE OF FLORIDA PENSION PLANS (continued)

Deferred Outflows/Inflows of Resources Related to Pensions

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

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,862	\$ -	\$ 683	\$ 99
Changes of assumptions	15,201	-	1,289	3,480
Net difference between projected and actual earnings on pension plan investments	8,150	-	33	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,534	13,623	2,722	5,526
Employer contributions subsequent to the measurement date	3,335	-	270	-
Total	\$ 53,082	\$ 13,623	\$ 4,997	\$ 9,105

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 reporting period ending September 30, 2022. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2023	\$ 10,190	\$ (848)
2024	6,616	(663)
2025	742	(287)
2026	18,187	(1,011)
2027	389	(1,138)
Thereafter	-	(432)
Total	\$ 36,124	\$ (4,379)

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 8 – STATE OF FLORIDA PENSION PLANS (continued)

Actuarial Assumptions

The total pension liability for each cost-sharing defined benefit plan was measured as of June 30, 2022. The actuarial assumptions that determined the total pension liability for the FRS Pension Plan was determined by a valuation dated July 1, 2022. For the HIS Program, the actuarial assumptions that determined the total pension liability was determined by a valuation dated July 1, 2022. 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 PUB2010 with Scale MP-2018.

The FRS actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The 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.

HIS: The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

HIS: The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 8 – STATE OF FLORIDA PENSION PLANS (continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
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 (property)	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%
	<u>100.0%</u>			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. 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 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 Town'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			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Employer's proportionate share of the net pension liability	\$ 213,462	\$ 123,429	\$ 48,151	\$ 25,737	\$ 22,496	\$ 19,814

TOWN OF GLEN ST. MARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 8 – STATE OF FLORIDA PENSION PLANS (concluded)

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 \$0.

NOTE 9 – REVENUE LEASES

On July 1, 2013, the Town entered into a five-year, renewable lease for the rental of Town land. The lease is renewable for two additional five-year terms. The lease commencement date was September 1, 2013. Vystar Credit Union is leasing the land for the use of a drive-up ATM Machine. A deposit of \$5,000 representing payment of the sixth year if the lease is renewed beyond the initial five-year term. The lease renewed for an additional five years on June 1, 2018, becoming effective September 1, 2018. As of September 30, 2022, future minimum rental revenue required under the lease is presented as follows:

2023	<u>\$5,000</u>
Total	<u>\$5,000</u>

NOTE 10 – AMERICAN RESCUE PLAN ACT (ARPA) FUNDS

The ARPA was signed into law on March 11, 2021, to provide \$350 billion in additional funding for state and local governments. There are certain restrictions on how the Town can utilize the funds. On July 29, 2022, the Town received funding from the ARPA in the amount of \$115,196. The funds are reported in the General Fund as unearned revenue. Funds will be reported as revenue as funds are spent.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 7, 2023, the date which the financial statements were available to be issued. There were no subsequent events determined to occur that would have a material effect on the fair presentation of the financial statements taken as a whole through the date of the report, June 7, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GLEN ST. MARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-GENERAL FUND
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>BUDGETED AMOUNTS</u>		ACTUAL	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>WITH FINAL</u>
				<u>BUDGET</u>
<u>REVENUES</u>				
Taxes	\$ 142,666	\$ 142,666	\$ 168,819	\$ 26,153
Charges for Services	31,850	32,250	36,291	4,041
Intergovernmental	20,787	43,759	45,474	1,715
Interest Earnings	135	135	376	241
Miscellaneous Revenues	14,942	14,942	15,761	819
Rental Income	5,000	5,000	5,000	-
TOTAL REVENUES	<u>215,380</u>	<u>238,752</u>	<u>271,721</u>	<u>32,969</u>
<u>EXPENDITURES</u>				
Current:				
General Governmental	85,780	102,287	109,216	(6,929)
Physical Environment	106,862	108,326	105,210	3,116
Transportation	17,400	20,200	11,469	8,731
Human Services	1,200	1,200	-	1,200
TOTAL EXPENDITURES	<u>211,242</u>	<u>232,013</u>	<u>225,895</u>	<u>6,118</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,138	6,739	45,826	39,087
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	(10,000)	10,000
NET CHANGE IN FUND BALANCES	4,138	6,739	35,826	29,087
FUND BALANCES - October 1, 2021	<u>151,062</u>	<u>151,062</u>	<u>151,062</u>	<u>-</u>
FUND BALANCES - September 30, 2022	<u>\$ 155,200</u>	<u>\$ 157,801</u>	<u>\$ 186,888</u>	<u>\$ 29,087</u>

Notes to Budgetary Comparison Schedules

The preparation, adoption and amendment of budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year end.

See accompanying notes to financial statements.

TOWN OF GLEN ST MARY
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS (1)

Florida Retirement System

Fiscal Year Ending September 30	Employer's Proportion of the FRS Net Pension Liability	Employer's Proportionate of the FRS Net Pension Liability	Employer's Covered Payroll (2)	Employer's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.000441138%	56,979	70,141	81.23%	92.00%
2016	0.000292982%	73,978	73,198	101.07%	84.88%
2017	0.000234488%	69,384	74,808	92.75%	83.89%
2018	0.000219089%	65,991	70,118	94.11%	84.26%
2019	0.000236646%	81,495	90,399	90.15%	82.61%
2020	0.000390035%	169,047	88,291	191.47%	78.85%
2021	0.000360613%	27,240	85,855	31.73%	96.40%
2022	0.000331726%	123,429	75,864	162.70%	82.89%

Health Insurance Subsidy Pension Plan

Fiscal Year Ending September 30	Employer's Proportion of the HIS Net Pension Liability	Employer's Proportionate of the HIS Net Pension Liability	Employer's Covered Payroll (2)	Employer's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.000231161%	23,575	70,141	33.61%	0.50%
2016	0.000237087%	27,631	73,198	37.75%	0.97%
2017	0.000234666%	25,092	74,808	33.54%	1.64%
2018	0.000211592%	22,395	70,118	31.94%	2.15%
2019	0.000270277%	30,241	90,399	33.45%	2.63%
2020	0.000253116%	30,905	88,291	35.00%	3.00%
2021	0.000242480%	29,744	85,855	34.64%	3.56%
2022	0.000212396%	22,496	75,864	29.65%	4.81%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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

See accompanying notes to financial statements.

TOWN OF GLEN ST MARY
SCHEDULES OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS

Florida Retirement System

Fiscal Year Ending September 30	Contractually Required FRS Contribution	FRS Contributions In Relation to the		City's Covered Payroll (1)	FRS Contributions as a Percentage of Covered Payroll
		Contractually Required Contribution	FRS Contribution Deficiency (Excess)		
2015	\$ 10,445	\$ (10,445)	\$ -	\$ 70,962	14.72%
2016	6,429	(6,429)	-	73,198	8.78%
2017	6,024	(6,024)	-	74,808	8.05%
2018	6,516	(6,516)	-	70,118	9.29%
2019	7,704	(7,704)	-	90,399	8.52%
2020	13,606	(13,606)	-	88,291	15.41%
2021	15,810	(15,810)	-	85,855	18.41%
2022	12,661	(12,661)	-	67,199	18.84%

Health Insurance Subsidy Pension Plan

Fiscal Year Ending September 30	Contractually Required HIS Contribution	HIS Contributions In Relation to the		City's Covered Payroll (1)	HIS Contributions as a Percentage of Covered Payroll
		Contractually Required Contribution	HIS Contribution Deficiency (Excess)		
2015	\$ 963	\$ (963)	\$ -	\$ 70,962	1.36%
2016	1,257	(1,257)	-	73,198	1.72%
2017	1,195	(1,195)	-	74,808	1.60%
2018	1,203	(1,203)	-	70,118	1.72%
2019	1,579	(1,579)	-	90,399	1.75%
2020	1,350	(1,350)	-	88,291	1.53%
2021	1,562	(1,562)	-	85,855	1.82%
2022	1,115	(1,115)	-	67,199	1.66%

Notes to schedules:

(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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

See accompanying notes to financial statements.

SUPPLEMENTARY INFORMATION

TOWN OF GLEN ST. MARY, FLORIDA
COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>CAPITAL IMPROVEMENT</u>	<u>TOTAL NON- MAJOR FUNDS</u>
<u>ASSETS</u>		
Cash	\$ 15,144	\$ 15,144
TOTAL ASSETS	<u>\$ 15,144</u>	<u>\$ 15,144</u>
 <u>FUND BALANCES:</u>		
Fund Balances:		
Assigned to:		
Capital Improvements	\$ 15,144	\$ 15,144
Unassigned	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>\$ 15,144</u>	<u>\$ 15,144</u>

See accompanying notes to financial statements.

TOWN OF GLEN ST. MARY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON - MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>CAPITAL IMPROVEMENT</u>	<u>TOTAL NON MAJOR</u>
<u>REVENUES</u>		
Interest Earnings	\$ 1	\$ 1
TOTAL REVENUES	1	1
<u>EXPENDITURES</u>		
Current:		
General Government	-	-
Physical Environment	-	-
Public Safety	-	-
Transportation	-	-
Economic Environment	-	-
Human Services	-	-
Culture and Recreation	-	-
Total Current:	-	-
Capital Outlay		
General Government	-	-
TOTAL EXPENDITURES	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1	1
OTHER FINANCING SOURCES (USES)		
Transfers	15,000	15,000
NET CHANGE IN FUND BALANCES	15,001	15,001
FUND BALANCES - OCTOBER 1, 2021	143	143
FUND BALANCES - SEPTEMBER 30, 2022	\$ 15,144	\$ 15,144

See accompanying notes to financial statements.

ADDITIONAL ELEMENTS REQUIRED
BY THE
RULES OF THE AUDITOR GENERAL

LYONS AND LYONS

CERTIFIED PUBLIC ACCOUNTANTS

106 West Boulevard
Macclenny, Florida 32063

Telephone (904) 259-4307
Fax (904) 259-5102

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Mayor and
Members of the Town Council
Town of Glen St. Mary, Florida

We have audited the financial statements of the Town of Glen St. Mary, Florida (the "Town") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 7, 2023. We have also issued our report on compliance and on internal control over financial reporting, dated June 7, 2023. That report should be considered in conjunction with this management letter.

Auditor's Responsibility

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. Additionally, our audit was conducted in accordance with the provisions of Chapters 10.550, Rules of the Auditor General which governs the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

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 Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 7, 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 significant findings and recommendations made in the preceding financial audit report. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings that accompanies this letter.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General also require 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. There are no component units of the Town. The Town was established by a Special Act of the Legislature (House Bill Number 1512 -Laws of Florida) which became a law without the Governor's approval on June 29, 1957.

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 determinations as to whether or not the Town 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 Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same. The application of such procedures did not reveal evidence of "deteriorating financial condition" as defined in Rule 10.554.

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 which warrants the attention of those charged with governance. In connection with our audit, we did not note 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 Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to express our appreciation for the courtesies, which have once again, been extended to our staff. We have sincerely enjoyed our association with the Town and look forward to a continuing relationship. If you have any questions or comments concerning this letter, our accompanying reports, or any other matters, please do not hesitate to contact us.



June 7, 2023
Macclenny, Florida

LYONS AND LYONS

CERTIFIED PUBLIC ACCOUNTANTS

106 West Boulevard
Macclenny, Florida 32063

Telephone (904) 259-4307
Fax (904) 259-5102

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

To the Honorable Mayor and
Members of the Town Council
Town of Glen St. Mary, Florida

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Glen St. Mary, Florida (the "Town") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 7, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Members of American and Florida Institutes of Certified Public Accountants

The Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Lyons and Lyons, CPAs". The signature is written in black ink and is positioned above the date and location text.

June 7, 2023
Macclenny, Florida

LYONS AND LYONS

CERTIFIED PUBLIC ACCOUNTANTS

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Macclenny, Florida 32063

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Fax (904) 259-5102

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

To the Honorable Mayor and
Members of the Town Council
Town of Glen St. Mary, Florida

We have examined the Town of Glen St Mary's (the "Town") 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 the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirement referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town 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.



June 7, 2023
Macclenny, Florida

Members of American and Florida Institutes of Certified Public Accountants

TOWN OF GLEN ST. MARY, FLORIDA
SCHEDULE OF FINDINGS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

2022-001 **Condition** – Because of a limited number of personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be detected.

Similar findings were reported in previous audits as items 2020-001 and 2021-001.

Recommendation – To the extent possible, given available personnel, steps should be taken to segregate employee duties so no one individual has access to both physical assets and the related accounting records, or all phases of a transaction. A similar finding was noted in our prior report. Our audit did not reveal any significant errors or irregularities resulting from this lack of separation of duties and responsibilities. However, we feel it is important you are made aware of this condition.

2022-002 **Condition** – Statement of Auditing Standards No. 115, Communicating Internal Control Related Matters Identified in an Audit, requires auditors to prepare written communication if they identify misstatements during the audit process or if it was necessary to assist with the preparation of the financial statements. As part of the audit process, we proposed material adjustments to Town's financial statements. It was also necessary for us to assist with the preparation of the financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

Similar findings were reported in previous reports as items 2020-002 and 2021-002.

Recommendation – We recommend that you consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process. By improving the financial reporting process, the Town will have an enhanced ability to monitor its budget position on an ongoing basis.



June 7, 2023

Sherrill F. Norman
Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

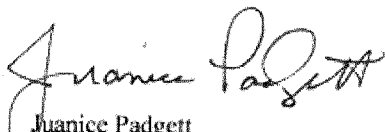
Dear Ms. Norman,

In response to the audit performed by Lyons & Lyons CPA's for the fiscal year ending September 30, 2022 it is duly noted that the following items were found and are addressed as follows:

- 2022-001 During the audit period duties were segregated to the extent possible given available personnel. Compensating controls have been implemented to help alleviate the problem.
- 2022-002 The finding is duly noted. Due to budget constraints it is not feasible to have someone on staff with the knowledge and experience to correctly prepare the financial statements.

Should you have any further questions, please feel free to contact me.

Sincerely,


Juanice Padgett
Mayor

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