

TOWN OF BALDWIN, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024



THE NICHOLS GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

**TOWN OF BALDWIN, FLORIDA
 SEPTEMBER 30, 2024
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TOWN OF BALDWIN, FLORIDA

TOWN OFFICIALS

MAYOR - COUNCILMAN

Sean Lynch

TOWN COUNCIL

Clayton Plank

John Knoll

Harry Ervin

Georgeann McKenna

TOWN CLERK

Lula M. Hill

TOWN ATTORNEY

Zachary R. Roth



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Independent Auditor's Report

The Honorable Town Council
Town of Baldwin, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Baldwin, Florida as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Baldwin, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Baldwin, Florida, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis 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 of Baldwin, Florida, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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 of Baldwin Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Baldwin Florida's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7-16 and 44 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.

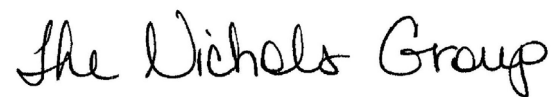
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2025, on our consideration of the Town of Baldwin, Florida's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, 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 of Baldwin Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Baldwin Florida's internal control over financial reporting and compliance.



THE NICHOLS GROUP, P.A.
Certified Public Accountants
Fleming Island, Florida

June 17, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Baldwin's (the Town) discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts. The information contained with the MD&A should be considered as a part of the entire report. Please read and evaluate all sections of this report.

HIGHLIGHTS

Financial Highlights

- The Town's net position decreased by \$46,397 (or 0.40%). The governmental activities' net position increased by \$245,832 (or 4.52%) and the business-type activities' net position decreased by \$292,229 (or 4.81%).
- The Town created a reserve account to set aside surplus funds for future projects. No large transfers were made to or from the reserve account during the current fiscal year. Interest income was the only activity this year. The reserve account ended the year with approximately \$412,000.
- Charges for services increased by \$42,258 over the prior year. This increase is primarily due to an increase in building permits of \$60,257 and is offset by a decrease of services for water and sewer of \$18,754. There were no major fee adjustments or changes during the last year. The change is due to fluctuating demand.
- Overall cash balances increased over last year.
- Capital grants and contributions for water and sewer projects increased by \$185K, consisting of (a) \$83K in new funding reimbursements from the Department of Environmental Protection Agency grants, (b) \$24K net increase in funds received from the Florida Department of Environmental Protection in the form of water restoration assistance and c) utilization of the remaining Florida Care Act Pandemic Grant including reclassification of funds from the Food Program to waterline repairs for a total of \$225,109 used to make repairs to infrastructure.
- Capital grants and contributions from the City of Jacksonville's Care Act Pandemic Grant of \$200K were used to make street repairs.
- The enterprise funds' operating revenues decreased by a net \$233,860 (or 12.65%) from the prior year. This decrease is attributable to a reduction in grocery store sales with the store closing in March 2024 and a decrease in

overall water sales were offset by increased grant funding for some water repair projects.

- The Retail Development Fund, which included the Baldwin Market for part of the year, represents the largest decrease in enterprise fund revenue over last year. Approximately \$399K in sales decreases or 60.0% are due to only six months activity and closing the Baldwin Market in March 2024. An IGA store owner considered leasing the store but then decided against opening a store in Baldwin. The \$10K deposit they made was forfeited when they decided not to move forward with the lease.
- The Wastewater Treatment Facility (WWTF) was completed in early 2020. Total cost of the project came to \$3.5 million. The Florida Department of Environmental Protection provided two sources of funding for the Wastewater Treatment Facility. Payments on the loan have started and extend over the next 30 years.
- The Florida Department of Environmental Protection approved a third funding agreement to assess what additional improvements are needed to the wastewater facilities. The agreement was signed on September 29, 2023, and provides funding to review existing systems to evaluate what repairs and upgrades are still needed to the water and sewer systems. The funding is a 50/50 grant plus loan with only partial work completed by year-end and the project extended until August of 2025 and no payments due on the loan portion until August 2026.
- The Town was awarded \$ 745,771 of Coronavirus State & Local Fiscal Recovery Funds (SLFRF) by the U.S. Department of Treasury and received 50% of this grant in August 2021 and the remaining 50% in July 2022. This is part of the American Rescue Plan and is meant to provide state and local governments with assistance in their response to and recovery from COVID-19 public health emergency. The grant's reporting period is March to March and the Town submitted a revised report moving funds from general fund to water sewer fund to provide funding for additional water pipeline repairs. All funds were utilized and realized in the current fiscal year.

Town Highlights

- The grocery store closed in March 2024. The space is currently once again available to businesses that might be interested in renting the space to operate a store in Baldwin.
- The interchange being built around the Town is still in progress.
- The award of funds from the State & Local Fiscal Recovery Funds continues to allow the Town to assist residents and move forward with maintenance projects including a third loan granted for \$463K. This third loan is similar to the previous two and provides funding for a wastewater project and includes loan forgiveness for 50% or \$231K of the project. The loan was granted to evaluate the current systems and establish the needed upgrades. The evaluation process started and with a second extension for this work of August 2025 continues.

- The third Department of Environmental Protection agency funding will help provide information needed to assess what additional work is needed and facilitate the process of applying for additional funding to complete needed upgrades to the wastewater infrastructure.

Using This Annual Report

The financial statement's focus is on both the Town as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Town's accountability. The Town of Baldwin's basic financial statements comprise three components:

1. Government-wide basic financial statements.
2. Fund financial statements
3. Notes to the financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances in a timely manner, similar to a private-sector business. The *statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or declining.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety (law enforcement and fire services), streets and highways, and culture and recreation. The business-type activities include water and sewer and retail development.

The government-wide financial statements can be found on pages 17 and 18 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 (2) categories: governmental funds and proprietary funds. There is another type of fund called a fiduciary fund. However, the Town does not currently operate a fiduciary fund.

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 expendable resources* as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Town'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* financing decisions. Reconciliations are provided between governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to facilitate this comparison between *governmental funds* and *governmental activities*.

The basic government fund financial statements can be found on pages 19 through 21 of this report.

Proprietary funds: The Town maintains two proprietary funds, the Water and Sewer Fund and the Retail Development Fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town accounts for three (3) activities in the Water and Sewer Fund: water, wastewater, and refuse collection. The Retail Development Fund owns a grocery store that is available for lease.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility fund, which is considered to be a major fund of the Town, as well as separate information for the retail development fund.

The basic proprietary fund financial statements can be found on pages 22 through 24 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The Town did not maintain any fiduciary funds for the fiscal year ended September 30, 2024.

Notes to the Financial Statements

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

statements. The notes can be found as part of the Basic Financial Statements section of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary performance with respect to the governmental funds.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

Summary Statement of Net Position
September 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 3,711,963	\$ 3,396,522	\$ 487,189	\$ 544,247	\$ 4,199,152	\$ 3,940,769
Capital assets	2,178,723	2,333,046	6,167,326	6,336,444	8,346,049	8,669,490
Total Assets	5,890,686	5,729,568	6,654,515	6,880,691	12,545,201	12,610,259
Other liabilities	66,860	50,815	306,328	182,841	373,188	233,656
Long-term liabilities outstanding	138,755	137,927	569,154	503,066	707,909	640,993
Total Liabilities	205,615	188,742	875,482	685,907	1,081,097	874,649
Total Deferred inflows of Resources	-	101,587	-	123,522	-	225,109
Net Position:						
Net Investment in capital assets	2,166,165	2,315,867	6,167,326	6,336,444	8,333,491	8,652,311
Restricted	269,510	363,656	320,526	442,929	590,036	806,585
Unrestricted	3,249,396	2,759,716	(708,819)	(708,111)	2,540,577	2,051,605
Total Net Position	\$ 5,685,071	\$ 5,439,239	\$5,779,033	\$6,071,262	\$ 11,464,104	\$ 11,510,501

The table above reflects the condensed Statement of Net Position. Net position over time may serve as a useful indicator of a government's financial position.

By far, the largest portion of the Town's net position reflects its net investment in capital assets (e.g. land, buildings, infrastructure, and equipment). The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending.

Statement of Activities

The following schedule compares the revenues and expenses from the current year to the prior year:

	Statement of Activities					
	For the years ended September 30,					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program Revenues:						
Charges for Services	\$ 119,280	\$ 58,268	\$ 1,003,669	\$ 1,022,423	\$ 1,122,949	\$ 1,080,691
Capital Grants & Contributions	204,700	348,097	333,284	148,628	537,984	496,725
General Revenues:						
Property taxes	142,085	143,823	-	-	142,085	143,823
Franchise taxes	95,897	115,515	-	-	95,897	115,515
Fuel taxes	87,458	88,049	-	-	87,458	88,049
Infrastructure surtax	144,477	146,161	-	-	144,477	146,161
Sales taxes	178,468	182,524	-	-	178,468	182,524
Utility taxes	188,419	191,519	-	-	188,419	191,519
Investment income	112,019	98,707	-	-	112,019	98,707
Sales	-	-	265,806	664,597	265,806	664,597
Miscellaneous	122,683	113,572	12,095	13,066	134,778	126,638
Total Revenues	1,395,486	1,486,235	1,614,854	1,848,714	3,010,340	3,334,949
Expenses						
Governmental Activities:						
General Government	(385,176)	(376,336)	-	-	(385,176)	(376,336)
Public Safety	(326,669)	(302,540)	-	-	(326,669)	(302,540)
Streets and Highways	(319,170)	(514,457)	-	-	(319,170)	(514,457)
Culture/Recreation	(163,522)	(159,917)	-	-	(163,522)	(159,917)
Business-type Activities:						
Retail Development	-	-	(431,310)	(916,783)	(431,310)	(916,783)
Water and Sewer	-	-	(1,431,826)	(1,219,213)	(1,431,826)	(1,219,213)
Total Expenses	(1,194,537)	(1,353,250)	(1,863,136)	(2,135,996)	(3,057,673)	(3,489,246)
Excess of Revenues over Expenses	200,949	132,985	(248,282)	(287,282)	(47,333)	(154,297)
Gain(Loss) of Disposition of Fixed Assets	936	(45,815)	-	(10,294)	936	(56,109)
Transfers	43,947	(122,229)	(43,947)	122,229	-	-
Change in Net Position	\$ 245,832	\$ (35,059)	\$ (292,229)	\$ (175,347)	\$ (46,397)	\$ (210,406)

Overall governmental activity revenues were down by 6.11% over the previous year due to decreases in some tax revenues, investment income and some non-recurring sources including grants.

Fund Financial Analysis

Governmental Fund

Revenues

- In governmental activities, revenue from taxes decreased by 3.55%.
- Intergovernmental revenue decreased over last year with slight decreases in most of the revenue sharing activities.

Expenditures

- General Fund expenses for administrative purposes showed a net increase over last year in part due to the purchase of an HVAC system for the Town Hall, an increase in professional fees and insurance costs.
- General Fund expenses for public safety increased with expenditures on fire and police protection up over last year. The Town pays the City of Jacksonville to provide staffing to their fire department and uses a new program for police protection scheduling that adds a fee. The City of Jacksonville switched to this provider and stopped the direct scheduling of off duty officers.
- General Fund expenses related to streets and highways showed a net decrease over last year in part due to road repairs made and funded by the CARES Act last year not repeating this year.
- General Fund expenses related to culture and recreation showed a slight net increase over last year in part due to expenditures for Town events going up.

Proprietary Funds

Revenues

- The remaining unspent CARES Act funds were utilized during the current fiscal year. All \$ 225,109 of the funds were used for needed water and sewer repairs and improvements. A revised plan summary was submitted to show the reallocation of funds originally earmarked for the Town's food program to instead be used for water/sewer repairs and upgrades.
- Business-type revenues decreased by 12.65% over the previous year. The decrease is primarily due to the decrease in grocery store sales.
- The enterprise funds ended with a 4.81% decrease in net position in the amount of \$292,229.
- Transfers from the general operating account offset most of the operating loss incurred in the Retail Development fund. The result is a current decrease in net position primarily caused by depreciation expense and the liquidation of prior year inventory.

Expenditures

- Business-type expenses decreased overall due to the closing of the Baldwin Market.
- Retail Development had an overall decrease in total costs. Decreased grocery costs occurred due to the closing of the Baldwin Market.
- Increase in Water/Sewer expenses are attributable to water system improvement projects and grant related expenditures for improvements funded by the CARES Act grant.

Budgetary Highlights – General Fund

Actual revenues were \$ 109,589 higher than the final budget. Most of the tax and service revenue sources are lower than last year. Grants, license and permits, and investment income were higher than the final budget. Jacksonville’s Cares Act fund grant is the difference in grant income versus the budget. Licenses are higher due to one large building permit.

Actual expenses were under budgeted amounts by \$379,409. This difference is due primarily because street and highway projects were budgeted much higher. Various operating expenses also came in under budget. Streets and Highways budgeted for additional repair work which was not completed in the current fiscal year. Changes in payroll and staffing created cost differences. Timing of the completion of projects creates a budget vs actual cost difference under capital outlays and was over budget due to some upgrades funded by grant monies.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of the year end, the Town had \$8,346,049 invested in a variety of net capital assets. This amount represents a net decrease in capital assets (addition, disposition/deletion and depreciation) of \$323,441 or 3.73% from the end of last year.

The current year’s largest addition is the work completed to improve the sanitation facilities. Other additions include a new HVAC for the Town Hall and new equipment net of the write-off of equipment replaced.

The changes in the capital assets for the year are reflected in the following schedule:

Governmental Activities

	9/30/2023	Additions	Deletions	9/30/2024
Buildings	\$ 1,479,700	\$ 3,927	\$ -	\$ 1,483,627
Land	117,712	-	-	117,712
Improvements	1,002,643	-	945	1,001,698
Equipment	215,260	-	43,922	171,338
Furniture & Fixtures	30,772	-	9,209	21,563
Infrastructure	1,405,081	-	-	1,405,081
Computer software	3,559	-	-	3,559
Vehicles	80,003	-	6,983	73,020
Total capital assets	4,334,730	3,927	61,059	4,277,598
Less accumulated depreciation	2,001,684	156,372	59,181	2,098,875
Governmental activities capital assets, net	\$ 2,333,046	\$ (152,445)	\$ (1,878)	\$ 2,178,723

Business-Type activities

	9/30/2023	Additions	Deletions	9/30/2024
Buildings	\$ 788,050	\$ -	\$ -	\$ 788,050
Land	98,818	-	-	98,818
Sanitation facilities	2,420,393	136,551	-	2,556,944
Equipment	218,982	7,121	917	225,186
Waste water plant	5,940,242	-	-	5,940,242
Water distribution system	3,481,933	-	-	3,481,933
Computer software	3,676	-	-	3,676
Total capital assets	12,952,094	143,672	917	13,094,849
Less accumulated depreciation	6,615,650	312,790	917	6,927,523
Business-Type activities capital assets, net	\$ 6,336,444	(169,118)	\$ -	\$ 6,167,326
Total Government Capital Assets, net	\$ 8,669,490	\$ (321,563)	\$ (1,878)	\$ 8,346,049

Debt Outstanding

As of September 30, 2024, the Town had \$592,082 in debt (notes, capital leases, etc.) outstanding compared to \$530,649 as of September 30, 2023, an 11.6% increase. The principal payments made on the car and the Department of Environmental Protection loans generated a decrease, which was offset by an additional loan from the Department of Environmental Protection. Together these changes have created a net increase in debt of \$61,433.

	Outstanding Debt	
	September 30,	
	2024	2023
Government Activities:		
Note payable	\$ 12,558	\$ 17,179
Governmental activities long-term liabilities	12,558	17,179
Business-Type Activities:		
Due to other governmental units	579,524	513,470
Business-Type activities long-term liabilities	579,524	513,470
Total Debt	\$ 592,082	\$ 530,649

ECONOMIC FACTORS

The State of Florida, by Constitution, does not have a state personal income tax and, therefore the State operates primarily using sales, gasoline and corporate income tax revenues. Local governments primarily rely on property and a limited array of permitted other authorized taxes (sales, gasoline, utilities services, etc.) and fees (franchise, occupational licenses, etc.) to support their governmental activities. There are a limited number of state shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments.

For the business-type activities and certain governmental activities, the user (of services) pays a related fee (or charge) associated therewith. The Town does not face demand to add personnel in order to extend current levels of services to new areas.

FINANCIAL CONTACT

The Town's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. Questions about the report or requests for additional financial information should be addressed to the Town of Baldwin, Town Clerk, 10 U.S. Highway 90 West, Baldwin, FL 32234.

TOWN OF BALDWIN, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents, unrestricted	\$ 3,306,217	\$ -	\$ 3,306,217
Accounts receivable (net of allowance for doubtful accounts)	46,681	148,209	194,890
Franchise fees receivable	20,581	-	20,581
Due from other governmental units	54,221	-	54,221
Prepaid expenses	14,753	18,454	33,207
Restricted Assets			
Cash and cash equivalents, restricted	269,510	320,526	590,036
Capital Assets			
Capital assets (net of accumulated depreciation)	2,178,723	6,167,326	8,346,049
TOTAL ASSETS	5,890,686	6,654,515	12,545,201
LIABILITIES			
Accounts payable and other accrued liabilities	56,048	182,868	238,916
Accrued compensated absences	5,966	1,808	7,774
Notes payable -Due to other governmental units	-	21,461	21,461
Note payable	4,846	-	4,846
Payable from restricted assets:			
Customer deposits	-	100,191	100,191
Noncurrent Liabilities:			
Accrued compensated absences (net of current portion)	131,043	11,090	142,133
Note payable	7,712	-	7,712
Notes payable - Due to other governmental units	-	558,064	558,064
TOTAL LIABILITIES	205,615	875,482	1,081,097
NET POSITION			
Net investment in capital assets	2,166,165	6,167,326	8,333,491
Restricted for:			
Capital expansion and improvement	121,691	320,526	442,217
Convention development	147,819	-	147,819
Unrestricted	3,249,396	(708,819)	2,540,577
Total Net Position	\$ 5,685,071	\$ 5,779,033	\$ 11,464,104

See accompanying notes

TOWN OF BALDWIN, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ (385,176)	\$ 119,280	\$ -	\$ -	\$ (265,896)	\$ -	\$ (265,896)
Public Safety	(326,669)	-	-	-	(326,669)	-	(326,669)
Streets and Highways	(319,170)	-	-	204,700	(114,470)	-	(114,470)
Culture/Recreation	(163,522)	-	-	-	(163,522)	-	(163,522)
TOTAL GOVERNMENTAL ACTIVITIES	(1,194,537)	119,280	-	204,700	(870,557)	-	(870,557)
BUSINESS-TYPE ACTIVITIES							
Retail Development	(431,310)	-	-	-	-	(431,310)	(431,310)
Water and Sewer	(1,431,826)	1,003,669	-	333,284	-	(94,873)	(94,873)
TOTAL BUSINESS-TYPE ACTIVITIES	(1,863,136)	1,003,669	-	333,284	-	(526,183)	(526,183)
TOTAL PRIMARY GOVERNMENT	\$ (3,057,673)	\$ 1,122,949	\$ -	\$ 537,984	(870,557)	(526,183)	(1,396,740)
General Revenues:							
Taxes:							
Property Taxes					142,085	-	142,085
Franchise Taxes					95,897	-	95,897
Fuel Taxes					87,458	-	87,458
Infrastructure Surtax					144,477	-	144,477
Sales Taxes					178,468	-	178,468
Utility Taxes					188,419	-	188,419
Sales					-	265,806	265,806
Investment Income					112,019	-	112,019
Gain on Sale of Fixed Assets					936	-	936
Miscellaneous					122,683	12,095	134,778
Transfers					43,947	(43,947)	-
Total General Revenues and Transfers					1,116,389	233,954	1,350,343
Change in Net Position					245,832	(292,229)	(46,397)
Net Position, Beginning					5,439,239	6,071,262	11,510,501
Net Position, Ending					\$ 5,685,071	\$ 5,779,033	\$ 11,464,104

See accompanying notes

**TOWN OF BALDWIN, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2024**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 3,575,727
Accounts receivable	46,681
Franchise fees receivable	20,581
Due from other governmental units	54,221
Prepaid expenses	14,753
TOTAL ASSETS	\$ 3,711,963
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and other accrued liabilities	\$ 41,325
Accrued payroll and related taxes	14,723
Accrued matured compensated absences	5,966
Total Liabilities	62,014
Fund Balance	
Fund balance:	
Nonspendable	
Prepays	14,753
Restricted	
Convention development	147,819
Street Lighting	1,110
Skate park capital improvement	120,581
Assigned	
Recreation improvements	192,302
Working Capital	412,897
Unassigned	2,760,487
Total Fund Balance	3,649,949
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,711,963
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balance of governmental funds	\$ 3,649,949
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	2,178,723
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(143,601)
Net Position of Governmental Activities	\$ 5,685,071

See accompanying notes

TOWN OF BALDWIN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund
REVENUES	
Taxes	\$ 658,336
Licenses and permits	83,641
Intergovernmental revenues	291,320
Charges for services	5,020
Interest	112,019
Grant awards and donations	103,113
Miscellaneous	43,264
TOTAL REVENUES	1,296,713
EXPENDITURES	
Current:	
General government	342,541
Public safety	324,050
Streets and highway	233,561
Culture and recreation	132,339
Capital outlay	3,927
TOTAL EXPENDITURES	1,036,418
EXCESS REVENUES OVER EXPENDITURES	260,295
OTHER FINANCING SOURCES (USES)	
Operating transfers from other funds	119,285
Proceeds used in financing repayment	(4,621)
Operating transfers to other funds	(75,338)
TOTAL OTHER FINANCING SOURCES	39,326
NET CHANGE IN FUND BALANCE	299,621
FUND BALANCE, BEGINNING	3,350,328
FUND BALANCE, ENDING	\$ 3,649,949

See accompanying notes

TOWN OF BALDWIN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

**Amounts reported for governmental activities in the
Statement of Activities are different because:**

Net change in fund balances - total governmental funds	\$	299,621
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Also, certain capital assets are contributed to the Town upon completion, requiring recognition of income not reported in the funds.</p>		
Capital assets acquired by use of financial resources		3,927
Current year depreciation		(156,372)
Capital assets disposed of by use of financial resources		(1,878)
		(154,323)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Principal repaid		4,621
<p>Some incomes in the statement of activities were previously reported and, therefore, are not reported as income in the governmental funds.</p>		
Deferred inflows utilized		101,587
<p>Some expenses reported in the statement of activities did not require the use of or provide current financial resources and therefore are not reported in governmental funds:</p>		
Increases in compensated absences payable		(5,674)
		(5,674)
Change in net position of governmental activities	\$	245,832

TOWN OF BALDWIN, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Enterprise Funds		
	Water and Sewer	Retail Development	Total
ASSETS			
Current Assets			
Accounts receivable (net of allowance for doubtful accounts)	\$ 148,209	\$ -	\$ 148,209
Prepaid insurance	16,666	1,788	18,454
Total Current Assets	164,875	1,788	166,663
Noncurrent Assets			
Cash and cash equivalents, restricted	320,526	0	320,526
Capital assets (net of accumulated depreciation)	5,701,610	465,716	6,167,326
Total Noncurrent Assets	6,022,136	465,716	6,487,852
TOTAL ASSETS	6,187,011	467,504	6,654,515
LIABILITIES			
Accounts payable	179,047	-	179,047
Accrued compensated absences	1,808	-	1,808
Accrued wages & payroll taxes	3,821	-	3,821
Notes Payable - Due to other governmental units	21,461	-	21,461
Payable from restricted assets:			
Customer deposits	100,191	-	100,191
Noncurrent liabilities:			
Accrued compensated absences (net of current portion)	11,090	-	11,090
Notes Payable - Due to other governmental units	558,064	-	558,064
TOTAL LIABILITIES	875,482	-	875,482
NET POSITION			
Net Investment in capital assets	5,701,610	465,716	6,167,326
Restricted for:			
Capital expansion and improvement	320,526	-	320,526
Unrestricted	(710,607)	1,788	(708,819)
TOTAL NET POSITION	\$ 5,311,529	\$ 467,504	\$ 5,779,033

See accompanying notes

TOWN OF BALDWIN, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Funds		
	Water and Sewer	Retail Development	Total
OPERATING REVENUES			
Charges for service	\$ 992,029	\$ -	\$ 992,029
Impact fees	11,640	-	11,640
Grants & awards	333,284	-	333,284
Sales	-	265,806	265,806
Miscellaneous	2,095	10,000	12,095
TOTAL OPERATING REVENUES	1,339,048	275,806	1,614,854
OPERATING EXPENSES			
Personnel services	201,254	91,277	292,531
Contractual services	324,762	725	325,487
Cost of Goods Sold	-	240,138	240,138
Utilities	98,194	21,790	119,984
Depreciation	291,557	21,233	312,790
Repairs, maintenance and supplies	473,532	17,219	490,751
Insurance	5,985	35,775	41,760
Other expenses	34,553	3,153	37,706
TOTAL OPERATING EXPENSES	1,429,837	431,310	1,861,147
OPERATING LOSS	(90,789)	(155,504)	(246,293)
NON-OPERATING EXPENSES			
Interest and fiscal charges	(1,989)	-	(1,989)
TOTAL NON-OPERATING EXPENSES	(1,989)	-	(1,989)
LOSS BEFORE OPERATING TRANSFERS	(92,778)	(155,504)	(248,282)
OPERATING TRANSFERS			
Operating transfers in	77,771	99,154	176,925
Operating transfers out	(216,367)	(4,505)	(220,872)
NET OPERATING TRANSFERS	(138,596)	94,649	(43,947)
CHANGE IN NET POSITION	(231,374)	(60,855)	(292,229)
NET POSITION, BEGINNING	5,542,903	528,359	6,071,262
NET POSITION, ENDING	\$ 5,311,529	\$ 467,504	\$ 5,779,033

See accompanying notes

TOWN OF BALDWIN, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Enterprise Fund		
	Water and Sewer	Retail Development	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for goods and services	\$ 1,025,222	\$ 265,806	\$ 1,291,028
Grants and awards	275,817	-	275,817
Other cash receipts	2,095	10,000	12,095
Cash paid to employees	(175,336)	(173,291)	(348,627)
Cash paid to outside parties	(842,422)	(197,164)	(1,039,586)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	285,376	(94,649)	190,727
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Operating transfers in	77,771	99,154	176,925
Operating transfers out	(216,367)	(4,505)	(220,872)
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	(138,596)	94,649	(43,947)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(143,672)	-	(143,672)
Interest payments to other governmental units	(1,989)	-	(1,989)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(145,661)	-	(145,661)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,119	-	1,119
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	319,407	-	319,407
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 320,526	\$ -	\$ 320,526
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating loss	\$ (90,789)	\$ (155,504)	\$ (246,293)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	291,557	21,233	312,790
Decrease in accounts receivable	4,193	-	4,193
(Increase) decrease in prepaid expenses	(7,924)	1,805	(6,119)
Decrease in inventory	-	60,103	60,103
Increase (decrease) in accounts payable	126,925	(11,075)	115,850
(Decrease) increase in accrued payroll and related taxes	1,382	(3,113)	(1,731)
(Decrease) increase in accrued compensated absences	139	(8,098)	(7,959)
Increase in due to other government units	66,055	-	66,055
Increase in customer deposits	17,360	-	17,360
Decrease in grant advances	(123,522)	-	(123,522)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 285,376	\$ (94,649)	\$ 190,727

See accompanying notes

**TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Baldwin, Florida (the Town) is a Florida municipality, which operates under a Town Council-Town Clerk form of government. The Town was originally incorporated on October 9, 1876. In 1913, by Charter 6663, the Town was incorporated by Legislative Act. The Town's major operations include parks, recreation, public works, and general administrative services. Fire and police protection are provided through a contract with the City of Jacksonville. In addition, the Town owns and operates a water and sewer system and manages commercial rental property. The accounting policies of the Town conform to generally accepted accounting principles as they apply to governments.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations) and is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The accompanying financial statements present the financial position, results of operations and cash flows of the applicable fund types governed by the Council of the Town (the Town Council), the reporting entity of government for which the Town Council is considered to be financially accountable. There are no potential component units or related organizations of the Town that meet the criteria for inclusion in the Town's basic financial statements.

Basic Financial Statements – Government-wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's fire protection, parks, recreation, public works, and general administrative services are classified as governmental activities. The Town's water and sewer services and retail development fund are classified as business-type activities. The Town has a contract with the City of Jacksonville for police and fire protection. The Town maintains certain assets to assist in providing this service.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (public safety, culture and recreation, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, culture and recreation etc.) or a business-type activity.

**TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

a. General fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

b. Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). There were no capital projects in the current fiscal year and therefore no capital fund was needed.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Town:

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the funds' principal ongoing operation. The principal operating revenues for the Town's enterprise funds are charges to customers for sales and services. Operating expenses include direct expenses of providing the goods or services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town's enterprise funds consist of the water and sewer fund and the retail development fund.

TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the related cash flows.

The governmental fund financial statements are presented using current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, and payments for compensated absences which are recognized when due.

Budgets and Budgetary Accounting

Annual budgets are legally adopted for all governmental funds. Each budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Budget amounts reflected in the accompanying financial statements represent "revised" budgetary data; i.e., the effects of budget amendments have been applied to "original" budgetary data. The Town's procedures in establishing the budgetary data for the General Fund reflected in the financial statements as Requires Supplementary Information generally are as follows:

- On or before the first part of September, a Council member designated as Budget Chairperson submits 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.
- Public hearings are conducted to obtain taxpayer comments.
- Usually prior to October 1st, the budget is legally enacted by Council approval.
- The County Property Appraiser is advised as to the final Town millage, prepares the final tax rolls, and turns them over to the County Tax Collector for billing and collecting.
- Appropriations lapse at year-end.
- Expenditures may not legally exceed appropriations for each budgeted fund of the Town.

**TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances

The Town does not utilize an encumbrance accounting system.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Accounts receivable held by the Water & Sewer Fund are reported net of an allowance for uncollectible accounts receivable in the amount of \$148,209. Accounts receivable held by the General Fund are deemed to be wholly collectible, therefore no allowance has been recognized.

Investments

The Town follows the State of Florida investment policy as set forth in Florida Statutes 218.415. Investments in the Local Government Surplus Funds Trust Fund Investment Pool (LGIP), known as Florida PRIME, as administered by the State Board of Administration (SBA) are valued and accounted for in accordance with Rule 2a-7 under the SEC Investment Company Act of 1940, as prescribed in GASB 31 and amended by GASB 59.

Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	10–50 years
Water and sewer system	15–50 years
Machinery and equipment	5-10 years
Computer software	3 years
Vehicles	5-10 years
Improvements	15–50 years
Other infrastructure	30–50 years

**TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Full-time, permanent employees are granted vacation benefits, sick leave, and compensatory time accruals in varying amounts depending on tenure with the Town. The Town's policy is to vest vacation time as soon as earned and allows employees to accumulate vacation time annually from the date of hire. Any employees hired after July 8, 2014 are limited to a carryover of 80 hours of vacation to the next year. The policy allows for employee vesting of sick pay up to a maximum of sixty days. The compensatory time accrual program allows eligible employees to defer pay and accumulate overtime hours for paid time off in subsequent periods. All accruals are due and payable at the termination of participating employees.

The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

Fund Equity Reservations and Designations

GASB Statement No. 54 established classifications for the fund balance for governmental funds based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which the funds may be used.

Classifications consist of:

- Nonspendable Fund Balance - constitutes amounts that cannot be spent because they are either:
 - a) Not in spendable form
 - b) Legally or contractually required to be maintained intact
- Restricted Fund Balance - constitutes amounts that have constraints placed on their use by either:
 - a) Creditors or donors
 - b) Constitutional provisions
- Committed Fund Balance - constitutes amounts restricted to a specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
- Assigned Fund Balance - constitutes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed and are subject to change based on managerial plans.
- Unassigned Fund Balance – is the residual classification for the general fund and represents the amount that has not been restricted, committed or assigned to a specific purpose.

TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position – Net position represents the difference between assets and liabilities. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and adding back unspent proceeds.

The Town has a policy of opening special accounts to maintain restricted funds. These accounts help establish the restricted use of the funds and facilitate the proper use of restricted versus unassigned funds. The town council has the authority to assign funds to be used for a specific purpose.

Loss Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Town, but which will only be resolved when one or more future events occur or fail to occur. The Town's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Town or unasserted claims that may result in such proceedings, the Town's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Town's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Interfund Activity

Interfund activity is reported as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

New Accounting Pronouncements

GASB Statement No. 99, Omnibus 2022. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. GASB Statement No. 99 was issued in April 2022 and was effective upon issuance except for requirements related to leases, private-public and public-public partnership arrangements (PPPs), and SBITAs which are effective for the year ended September 30, 2023, and requirements related to financial guarantees and the classification and reporting of derivative instructions within the scope of Statement No. 53 which are effective for the year ended September 30, 2024. The implementation of this pronouncement did not have an impact on the current year's financial statements.

TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 100, Accounting Changes and Error Corrections. An amendment of GASB Statement No. 62, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the year ended September 30, 2024. In management's opinion this standard does not have a material impact on the Town's financial statements.

GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for the year ended September 30, 2025. The Town has elected not to early implement this statement and has not yet determined the impact it will have on the financial statements.

GASB Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The requirements of this statement are effective for the year ended September 30, 2025. The Town has elected not to early implement this statement and has not yet determined the impact it will have on the financial statements.

GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal year ended September 30, 2026.

GASB Statement No. 104, Disclosure of Certain Capital Assets. State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal year ended September 30, 2026.

NOTE 2 DEPOSITS AND INVESTMENTS

All monies collected by the Town are required to be deposited in accordance with the laws of the State of Florida. State Statutes authorize the Town to invest in the following:

- direct obligations of, or obligations guaranteed by, the U.S. Government;
- interest-bearing time deposits or savings accounts in qualified institutions;
- obligations of the Federal Farm Credit Banks;
- obligations of the Federal National Mortgage Association; and
- the Local Government Surplus Funds Trust Fund.

TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

All bank accounts of the Town are placed in banks that qualify as public depositories, pursuant to law (Florida Security for Public Deposits Act). The Town utilizes a sweep account with its main commercial bank allowing the main general fund operating account to earn additional interest income utilizing the sweep account.

Therefore, the Town's total bank balances on deposit at September 30, 2024 are fully insured through the Bureau of Collateral Securities, Division of Treasury, State of Florida Department of Insurance. The Federal Deposit Insurance Corporation (FDIC) also covers deposits up to \$250,000. As of September 30, 2024, the Town's deposits exceeded this amount by \$3,137,283. The Town has not experienced any losses as a result of this excess in the past. As of September 30, 2024, the total carrying amount of all deposits in qualified public depositories covered by the Florida Security for Public Deposits Act was \$2,168,564 and the bank balance was \$2,172,916.

Under Section 218.415 of the Florida Statute, municipalities and other agencies in or of the state may join with other municipalities and/or agencies of the state for the purpose of investing and reinvesting surplus public funds in a pooled fund. The Town holds two such accounts with investments in the Florida Local Government Surplus Funds Trust Fund Investment Pool (LGIP), currently known as Florida PRIME, administered by the State Board of Administration (SBA). Florida PRIME is considered an SEC 2a-7 like fund, such that the fair value of the position in the pool is the same as the value of the pool shares. Florida PRIME is rated by Standard and Poor's, with a current rating of AAAm.

A separate financial report for Florida PRIME is prepared by the State Board of Administration in accordance with GASB Statement No. 31, *Accounting for Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from the Florida State Board of Administration, 1801 Hermitage Blvd, Tallahassee, FL 32308.

Risks associated with Florida PRIME include *interest rate risks*, where the prices of the fixed income securities in which Florida PRIME will invest rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as demand for particular fixed income securities, may cause the price of certain fixed income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities. The dollar weighted average days to maturity (WAM) at September 30, 2024, is 39 days.

Florida PRIME is also subject to *credit risk*, which is the possibility that an issuer of a fixed income security held by Florida PRIME will default on the security by failing to pay interest or principal when due. If an issuer defaults, Florida PRIME will lose money.

As of September 30, 2024, the total carrying amount and the balance on record of all deposits in these accounts was \$1,724,060. These trust funds are not considered qualified public depositories and are therefore not covered by the State of Florida Department of Insurance or the Federal Deposit Insurance Corporation.

TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, therefore, the Town's participant account balance is considered the fair value of the Town's investment. It is the Florida PRIME State Board of Administration's interpretation that the Town's Florida PRIME investments are exempt from the GASB 72 fair value hierarchy disclosures.

GASB Statement No. 79 says that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the monies in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity or the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 3 CAPITAL ASSETS

A summary of changes in Capital Assets is as follows:

Governmental Activities

	Balance 9/30/2023	Additions	Deletions	Balance 9/30/2024
Capital assets not being depreciated:				
Land	\$ 117,712	\$ -	\$ -	\$ 117,712
Total capital assets not being depreciated	117,712	-	-	117,712
Other capital assets:				
Buildings	\$ 1,479,700	3,927	-	1,483,627
Improvements	1,002,643	-	945	1,001,698
Equipment	215,260	-	43,922	171,338
Furniture & Fixtures	30,772	-	9,209	21,563
Infrastructure	1,405,081	-	-	1,405,081
Computers and software	3,559	-	-	3,559
Vehicles	80,003	-	6,983	73,020
Total other capital assets	4,217,018	3,927	61,059	4,159,886
Less accumulated depreciation for:				
Buildings	561,311	37,050	-	598,361
Improvements	532,317	42,011	945	573,383
Equipment	151,044	7,856	43,190	115,710
Furniture & Fixtures	24,598	893	8,478	17,013
Infrastructure	706,101	62,247	-	768,348
Computer software	3,559	-	-	3,559
Vehicles	22,754	6,315	6,568	22,501
Total accumulated depreciation	2,001,684	156,372	59,181	2,098,875
Other capital assets, net	2,215,334	(152,445)	(1,878)	2,061,011
Governmental activities capital assets, net	\$ 2,333,046	\$ (152,445)	\$ (1,878)	\$ 2,178,723

TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 3 CAPITAL ASSETS (CONTINUED)

Business-type Activities

	Balance 9/30/2023	Additions	Deletions	Balance 9/30/2024
Capital assets not being depreciated:				
Land	\$ 98,818	\$ -	\$ -	\$ 98,818
Total capital assets not being depreciated	98,818	-	-	98,818
Other capital assets:				
Buildings	788,050	-	-	788,050
Sanitation facilities	2,420,393	136,551	-	2,556,944
Equipment	218,982	7,121	917	225,186
Waste water plant	5,940,242	-	-	5,940,242
Water distribution system	3,481,933	-	-	3,481,933
Computer software	3,676	-	-	3,676
Total other capital assets	12,853,276	143,672	917	12,996,031
Less accumulated depreciation for:				
Buildings	363,344	19,677	-	383,021
Sanitation facilities	1,884,527	46,553	-	1,931,080
Equipment	107,486	15,369	917	121,938
Waste water plant	2,124,102	148,741	-	2,272,843
Water distribution system	2,132,515	82,450	-	2,214,965
Computer software	3,676	-	-	3,676
Total accumulated depreciation	6,615,650	312,790	917	6,927,523
Other capital assets, net	6,237,626	(169,118)	-	6,068,508
Business-Type activities capital assets, net	\$ 6,336,444	\$ (169,118)	\$ -	\$ 6,167,326

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 36,961
Public safety	2,619
Streets and highways	85,609
Culture/recreation	31,183
Total governmental activities depreciation expense	<u>\$ 156,372</u>

Business-Type activities:

Water and sewer	\$ 291,557
Retail development	21,233
Total business-type activities depreciation expense	<u>\$ 312,790</u>

**TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 RESTRICTED ASSETS

During the fiscal year ended September 30, 2008 the Town completed work on construction of a skate park. A grant of \$371,927 from the City of Jacksonville was awarded to help fund the construction of this skate park. The award was made in full and deposited in a new bank account designated for the skate park during 2007. The award is to be used exclusively for the construction of the skate park. The balance remaining in the bank at year-end is restricted and pending approval of additional projects. It cannot be used for the operation of the skate park.

During the fiscal year ended September 30, 2009 CSX donated \$10,000 to the Town to be used to improve lighting at the crossing on U.S. Highway 90. A portion of these funds were used to install solar lights.

During the fiscal years ended September 30, 2022, and 2021 the Town received grants under the American Rescue Plan Act. State and local government recipients can use the funds to cover costs obligated by December 31, 2024. The funds were distributed in two tranches, with 50% received in each fiscal year. Specifically, funds can be spent to replace lost public revenue, support the COVID-19 response, provide premium pay to essential workers and invest in water, sewer, and broadband infrastructure. The Town must submit reports showing how the funds were spent and must use the grant funding by the December 31, 2026 deadline. As of September 30, 2024 all of the funds had been spent.

Actual balances of the restricted cash and investment accounts in the Town's general and enterprise funds at September 30, 2024, are as follows:

Governmental Projects general fund -		
Convention Development Tax Fund		\$ 147,819
 CSX Donation for Street Lighting		 1,110
 Capital Projects general fund -		
Skate Park capital improvement		<u>120,581</u>
		269,510
 Water & Sewer enterprise fund -		
Water expansion improvement trust	199,050	
Wastewater capital improvement	<u>121,476</u>	
		<u>320,526</u>
 Total Restricted Assets		 <u><u>\$ 590,036</u></u>

**TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 5 LONG-TERM LIABILITIES

Governmental Activities:

As of September 30, 2024, the long-term liabilities consisted of the following:

Compensated absences	\$ 137,009
Note payable	12,558
	<u>149,567</u>
Less current portion	<u>(10,812)</u>
 Total Governmental activities long-term liabilities	 <u><u>\$ 138,755</u></u>

Business-Type Activities:

As of September 30, 2024, the long-term liabilities from proprietary fund resources consisted of the following:

Unsecured 1.99% Clean Water State Revolving Fund loan, semi-annual installment of \$3,522 including interest	\$ 83,029
Unsecured interest-free Clean Water State Revolving Fund loan, semi-annual installment of \$8,021	409,087
Unsecured .66% Clean Water State Revolving Fund loan, semi-annual installments beginning once the draw down and project are complete. Balance due at year-end with accrued interest and 2% processing fee.	87,409
Accrued compensated absences	<u>12,898</u>
	592,423
Less current portion	<u>(23,269)</u>
 Total Business-Type activities long-term liabilities	 <u><u>\$ 569,154</u></u>

The Town signed 3 agreements with Florida Department of Environmental Protection (“State”), which the State funded \$331,705 for pre-construction costs (WW758040), \$2,191,445 (WW758041) for construction costs of a wastewater treatment facility and \$463,300 for planning activities for the wastewater treatment facility (WW160300) .

With Agreement WW758040, 66.96% is forgiven by the State. The remaining 33.04% is payable in semi-annual installments of \$3,522 through 2038.

With Agreement WW758041, 80% of the proceeds is funded by a grant (SG758042). The remaining 20% is payable in semi-annual installments of \$8,021 until paid in full.

TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

With Agreement WW160300, 50% of the proceeds are funded by a grant. The remaining 50% is payable in semi-annual installments beginning in February 2026. If the full amount is drawn the repayments are \$12,499. As of September 30, 2024, only \$167,000 had been drawn, of which 50% or \$83,800 plus \$257 in accrued interest and a \$3,352 2% processing fee is repayable.

The annual debt service requirements to maturity as of September 30, 2024, are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 4,846	\$ 492	\$ 21,461	\$ 2,711
2026	5,080	257	30,143	2,036
2027	2,632	37	30,253	1,872
2028	-	-	30,366	1,704
2029	-	-	30,482	1,532
thereafter	-	-	436,819	5,992
Total	<u>\$ 12,558</u>	<u>\$ 786</u>	<u>\$ 579,524</u>	<u>\$ 15,847</u>

Long-term Liabilities

The following is a summary of long-term liabilities of the Town for the fiscal year ended September 30, 2024:

	Beginning			Ending		Amounts
	Balance	Additions	Reductions	Balance	Due within One Year	
Government Activities:						
Compensated absences	\$ 131,251	\$ 5,758	\$ -	\$ 137,009	5,966	
Note payable	17,179	-	4,621	12,558	4,846	
Governmental activities long-term liabilities	<u>\$ 148,430</u>	<u>\$ 5,758</u>	<u>\$ 4,621</u>	<u>\$ 149,567</u>	<u>\$ 10,812</u>	
Business-Type Activities:						
Notes Payable - Due to other governmental units	\$ 513,470	\$ 87,409	21,355	\$ 579,524	\$ 21,461	
Compensated absences	20,857	(7,959)	-	12,898	1,808	
Business-Type activities long-term liabilities	<u>\$ 534,327</u>	<u>\$ 79,450</u>	<u>\$ 21,355</u>	<u>\$ 592,422</u>	<u>\$ 23,269</u>	

**TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Compensated Absences

Inasmuch as records kept for compensated absences relate only to hours earned, used, and available, the effect of changes in individual employee compensation rates and gross additions and deletions to the reported value of the liability for compensated absences cannot be reasonably determined. Accordingly, only the net change in the accumulated value of compensated absences is shown for the current fiscal year.

NOTE 6 ENTERPRISE ACTIVITIES

The Town provides services for water, sewer and garbage which are financed by user charges. Financial data for water, sewer and garbage services are combined in these financial statements under the Water and Sewer Enterprise Fund of the Proprietary Fund Type. The Town also owns a grocery store. Financial data for the Town's grocery store activity can be found under the Retail Development Fund of the Proprietary Fund Type.

NOTE 7 FUND BALANCE

GASB Statement No. 54 established classifications for the fund balance for governmental funds based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which the funds may be used.

The restricted fund balance as of September 30, 2024 consists of cash reserves held separately based on the restrictions placed on them by outside governmental authorities providing the grant or corporate donors making a contribution with the use thereof specified. Note 4 Restricted Assets addresses the specific restrictions placed on these funds. The establishment of separate bank accounts for the majority of these restricted funds safeguards them from being utilized to fund operating expenditures throughout the year.

Assigned fund balance as of September 30, 2024 consists of cash received in January 2009 from the sale of the Town's cell tower for \$300,000. Net proceeds from the sale were deposited in a separate account to be reserved for future recreation projects per decision of the town council. During the fiscal year ended September 30, 2014, the town council voted to also use these funds as needed to cover expenses for special projects while waiting for the grant monies to be released. As of September 30, 2024, \$194,694 is in this account of which \$192,302 remains in this account to be used for future recreation projects. The town council has in the past decided to fund recreation project with operating funds when available in order to retain this reserve account.

**TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 7 FUND BALANCE (CONTINUED)

As of September 30, 2024, the governmental fund's fund balance included the following fund balance classifications:

Non spendable Fund Balance –		
Prepaid Expenses	\$	14,753
Restricted Fund Balance –		
General Fund –		
Convention Development Tax Fund	147,819	
CSX Donation for Street Lighting	1,110	
Skate Park capital improvement	120,581	
		269,510
Assigned Fund Balance –		
Recreation Projects		192,302
Working Capital		412,897
Unassigned Fund Balance –		2,760,487
		\$ 3,649,949

NOTE 8 PROPERTY TAXES

The County Tax Collector bills and collects property taxes for the Town. Town property tax revenues are recognized when levied, to the extent that they result in current receivables.

Details of the Town's property tax calendar are presented below:

Lien date	January 1
Levy date	October 1
Installment payments:	
1st Installment	No later than June 30
2nd Installment	No later than September 30
3rd Installment	No later than December 31
4th Installment	No later than March 31
Regular payments:	
Discount periods	November - February
No discount period	March
Delinquent date	April 1

TOWN OF BALDWIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 DEFERRED COMPENSATION PLAN

Employees of the Town may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457, “Deferred Compensation Plans with Respect to Service for State and Local Governments.”

Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until available for withdrawal at termination, retirement, death or unforeseeable emergency. An independent plan administrator (Nationwide Retirement Solutions) administers the plan through administrative service agreements. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. The Town has very little administrative involvement, performs no direct investing function and has no fiduciary responsibility for these Plans. Changes in investment offerings are presented by the plan administrator and allows the Town to opt in or out of new offerings, but this is the extent of the Town’s involvement in the Plan’s investments. All amounts of compensation deferred under the Plans, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are solely the property and rights of the participants and are not subject to claims of the Town’s creditors. Accordingly, these Plan assets are not reported as a part of these financial statements.

NOTE 10 PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Town pays an annual premium to the self-insurance fund for its general liability, property, and workers’ compensation coverage. The self-insurance fund is self-sustaining through member premiums and provides, through commercial company reinsurance contracts, individual stop loss coverage for claims in excess of the Town’s insured amounts.

NOTE 11 CONTINGENCIES

The Town is a party to lawsuits and claims arising out of the normal conduct of its activities. While the results of lawsuits or other proceedings against the City cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial condition of the Town.

NOTE 12 SUBSEQUENT EVENTS

The Town evaluated subsequent events through June 17, 2025, the date these financial statements were issued. There were no subsequent events that required recognition or additional disclosure.



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

The Honorable Town Council
Town of Baldwin, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Baldwin, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Baldwin, Florida's basic financial statements and have issued our report thereon dated June 17, 2025.

Report on Internal Control over Financial Reporting

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

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

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

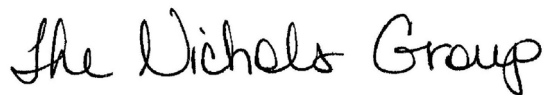
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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



THE NICHOLS GROUP, P.A.
Certified Public Accountants
Fleming Island, Florida

June 17, 2025

TOWN OF BALDWIN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 743,040	\$ 744,433	\$ 658,336	\$ (86,097)
Licenses and permits	20,967	22,267	83,641	61,374
Intergovernmental revenues	301,917	299,849	291,320	(8,529)
Charges for services	6,000	6,000	5,020	(980)
Interest	80,000	80,000	112,019	32,019
Grant awards	5,000	5,000	103,113	98,113
Miscellaneous	30,200	29,575	43,264	13,689
TOTAL REVENUES	<u>1,187,124</u>	<u>1,187,124</u>	<u>1,296,713</u>	<u>109,589</u>
EXPENDITURES				
Current				
General government	386,681	389,556	342,541	(47,015)
Public safety	336,819	337,819	324,050	(13,769)
Streets and highway	442,708	443,508	233,561	(209,947)
Culture and recreation	183,619	183,619	132,339	(51,280)
Capital outlay	66,000	61,325	3,927	(57,398)
TOTAL EXPENDITURES	<u>1,415,827</u>	<u>1,415,827</u>	<u>1,036,418</u>	<u>(379,409)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	<u>(228,703)</u>	<u>(228,703)</u>	<u>260,295</u>	<u>488,998</u>
OTHER FINANCING SOURCES (USES)				
Prior Year Reserves	228,703	228,703	-	(228,703)
Operating transfers from other funds	1,900,244	1,900,244	119,285	(1,780,959)
Proceeds used for financing	-	-	(4,621)	(4,621)
Operating transfers to other funds	(1,900,244)	(1,900,244)	(75,338)	1,824,906
TOTAL OTHER FINANCING SOURCES AND USES	<u>228,703</u>	<u>228,703</u>	<u>39,326</u>	<u>(189,377)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,621</u>	<u>\$ 299,621</u>



Independent Auditor's Management Letter

The Honorable Town Council
Town of Baldwin, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Baldwin, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 17, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' 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 17, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity to be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the financial statements. There are no component units related to the Town of Baldwin, Florida.

Financial Condition and Management

Section 10.554(1)(i)5.a and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town of Baldwin, Florida met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town of Baldwin, Florida 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 of Baldwin, Florida. It is management's responsibility to monitor the Town of Baldwin, Florida's financial condition, and our financial condition assessment was based in part on the representations made by the management and review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs

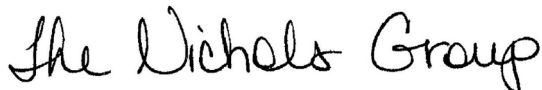
As required by Section 10.554(1)(i)6a., Rules of the Auditor General, the Town of Baldwin Florida a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operation within the Town of Baldwin Florida's geographical boundaries during the fiscal year under audit.

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 fraud, waste, or abuse, that has occurred, or are likely to have occurred, that has an effect on the financial statements that is less than material but 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 Mayor and Town Council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



THE NICHOLS GROUP, P.A.
Certified Public Accountants
Fleming Island, Florida

June 17, 2024



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Independent Accountants' Report

The Honorable Town Council
Town of Baldwin, Florida

We have examined the Town of Baldwin, Florida's (the Town) compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2024. Management of the Town is responsible for the Town's compliance with the Statute. Our responsibility is to obtain sufficient and appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants. Those standards require that we obtain reasonable assurance by evaluating whether the Town's compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2024, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of evaluation of the Town's compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2024. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks that the Town was not in compliance with the Statute in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Town and to meet other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the Town of Baldwin Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

The Nichols Group

THE NICHOLS GROUP, P.A.
Certified Public Accountants
Fleming Island, Florida

June 17, 2025