AGENDA FOR REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF INVERNESS, FLORIDA, CITY HALL, 212 WEST MAIN STREET
June 3, 2025 - 5:30 PM

NOTICE TO THE PUBLIC
Any person who decides to appeal any decision of the Governing Body with respect to any matter considered at this meeting will need a record of the proceedings and, for such purpose, may need to provide that a verbatim record of the proceeding is made, which record includes testimony and evidence upon which the appeal is to be based (Section 286.0105, Florida Statutes).

Accommodation for the disabled (hearing or visually impaired, etc.) may be arranged with advance notice of seven (7) days before the scheduled meeting, by dialing (352) 726-2611 weekdays from 8 AM to 4 PM.

ENCLOSURES*

1) PLEASE SILENCE ELECTRONIC DEVICES

2) INVOCATION, PLEDGE OF ALLEGIANCE & ROLL CALL

3) ACCEPTANCE OF AGENDA

4) PRE-SCHEDULED APPEARANCES / RECOGNITIONS

a) Annual Audit Report

5) PUBLIC HEARINGS / WORKSHOPS

a) FY 2025 Mid-Year Budget Amendment

6) OPEN TO THE PUBLIC
The public is invited to speak. (Speaking time limit: Individual - 3 minutes; Group/Organization - 5 minutes)

7) CITY ATTORNEY REPORT

8) CONSENT AGENDA

a) Bill Listing*

b) Council Minutes* - 05.20.2025

c) Oak Ridge Cemetery - Burial Space Buyback*

9) CITY CLERK'S REPORT

10) CITY MANAGER'S REPORT

a) Project and Program Updates

- Patriotic Evening
- Small Town Saturday Night
- IGC Upgrades - County Space Needs
- Other

11) MAYOR & COUNCIL SUBJECTS / REPORTS

a) Mayor Plaisted

b) Councilwoman Bega

c) Councilwoman Hepfer

d) Councilwoman Lizanich

e) Councilman Davis

f) Councilman Craig

12) NON-SCHEDULED PUBLIC COMMENT
(Speaking time limit: Individual - 3 minutes; Group/Organization - 5 minutes)

13) ADJOURNMENT

a) ***DATES TO REMEMBER***
Market at the Depot
Saturday, June 7, 2025 from 9:00am – 1:00pm
Depot Pavilion

Ribbon Cutting @ Lowman Law Firm
Thursday, June 12, 2025 @ 4:00pm
508 W. Main Street

Ribbon Cutting @ Fudd's Pack & Ship
Friday, June 13, 2025 @ 2:00pm
1458 Hwy 41 N

Father's Day Volleyball
Saturday, June 14, 2025 from 8:00am – Dark
Wallace Brooks Volleyball Courts

Small Town Saturday Night
Saturday, June 14, 2025 from 5:00pm – 9:00pm
Downtown Inverness

Inverness City Council Regular Meeting
Tuesday, June 17, 2025 @ 5:30pm
IGC – Council Chambers

Agenda Memorandum - ***City of Inverness***

June 3, 2025

TO: Elected Officials

FROM: Eric Williams, City Manager

SUBJECT: Annual Audit Report

CC: Frank Calascione, Assistant City Manager, Susan Jackson, City Clerk, Alexis Koter, Finance Director

Enclosures:
1. 2024 Auditor's Discussion & Analysis - City of Inverness
2. 2024 Financial Statements - City of Inverness
3. 2024 Financial Statements - Inverness CRA

The year-end audit is an essential and required critical review of the financial status and inner workings of City Government. Public entities are in part measured by how they collect, appropriate, invest, expense and account for monetary resources. The purpose of the internal audit is to provide independent assurance that the City's risk management, governance, investment and internal control processes are operating effectively. The process to conduct a thorough audit takes months and requires interaction between City Finance staff and representatives from the independent audit firm.

The audit covers financial statements for Fiscal Year 2024 (10/01/23-09/30/24). It is our understanding that Daniel Anderson will represent the independent audit firm Mauldin & Jenkins, LLC and present audit findings. Mr. Andersonwill be prepared to answer questions and address comments. A copy of the audit report has been made available to Council for public review.

We look forward to Council's discussion and acceptance of the document. A copy of the Financial Reports will be added to the City website for public consumption upon approval.

Recommended Action –

1. Allow staff to present
2. Motion and second to accept the Financial Statements, Supplementary Information and Independent Auditor Reports for year ending September 30, 2024, and authorize the documents be forwarded with all related paperwork, to the Office of the State Auditor General.
3. Deliberate the matter.
4. Vote the matter.

If you wish to discuss this further, please contact me at your convenience.

Eric Williams
City Manager

Going Further.

City of Inverness, Florida

Auditor's Discussion and Analysis
Financial and Compliance Audit Summary
September 30, 2024

mjcpa.com

Presented by:
Daniel Anderson, CPA
941-747-4483
danderson@mjcpa.com

CITY OF INVERNESS, FLORIDA
AUDITOR'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

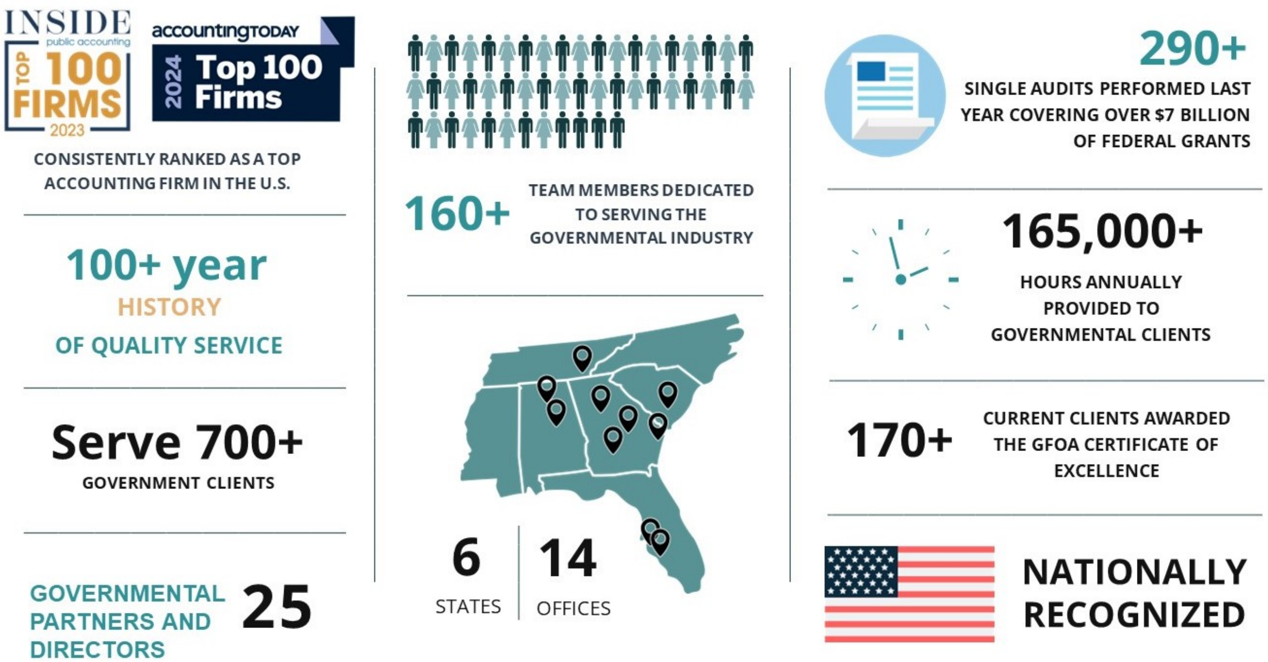
PURPOSE OF ANNUAL AUDITOR'S DISCUSSION AND ANALYSIS

- Engagement Team and Firm Information.
- Overview of:
  - Audit Opinion;
  - Financial Statements;
  - Compliance Report.
- Required Communications under *Government Auditing Standards*.
- Accounting Recommendations and Related Matters.
- Answer Questions.

VISION

To be a trusted advisor, earning trust and building respect through our consistent commitment to sustainable excellence, leadership, and integrity.

MAULDIN & JENKINS – BY THE NUMBERS



<u>Engagement Team Leaders for the City Include</u>:

- Daniel Anderson, Engagement Manager: 18 years of experience, 100% governmental
- Wade Sansbury, Quality Assurance Engagement Partner: 29 years of experience, 100% governmental

MAULDIN & JENKINS – ADDITIONAL INFORMATION

Other Industries and Services by Mauldin & Jenkins:
Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

Industries Served: Over the years, our partners have developed expertise in certain industries representative of a cross section of the Florida economy, including:

- Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities)
- SEC Registrants
- Wholesale Distribution
- Agri-Businesses
- Manufacturing
- Professional Services
- Employee Benefit Plans
- Financial Institutions (community banks, savings and loans, thrifts, credit unions, mortgage companies, and finance companies)
- Non-Profit Organizations
- Retail Businesses
- Long-Term Healthcare
- Construction and Development
- Individuals, Estates and Trusts
- Real Estate Management

Services Provided: This diversity of practice enables our personnel to experience a wide variety of business, accounting and tax situations. We provide the traditional and non-traditional services such as:

- Financial Audit/Review/Compilation
- Compliance Audits and Single Audits
- Agreed-Upon Procedures
- Forensic Audits
- Bond Issuance Services
- Performance Audits
- State Sales Tax Matters
- International Tax Matters
- Business and Strategic Planning
- Profitability Consulting
- Budgeting
- Buy-Sell Agreements and Business Valuation Issues
- Income Tax Planning and Preparation
- Multi-State Income Tax Issues
- Information Systems Consulting
- Cost Accounting Analysis
- Healthcare Cost Reimbursement
- Outsourced Billing Services
- Fixed Asset Inventories
- Succession and Exit Strategy Consulting
- Estate Planning
- Management Information Systems
- Employee Benefit Plan Administration
- Merger/Acquisition and Expansion Financing

GOVERNMENTAL ADVISORY SERVICES

Beyond traditional audit and accounting services and IT services, we provide advisory services that are wide-ranging in nature. Our experienced government advisory team helps governments, governmental agencies and special purpose governmental organizations balance fiscal responsibility with the latest business strategies to achieve targeted and overarching objectives. Our advisory services can be summarized via the following:

Strategy	*Transformation*	*Operational Efficiency and Effectiveness*	*Performance and Management*
Develop and define future visions, goals, and objectives.	*Allow for the successful change from current to desired environment or outcome.*	*Ensure business processes and service delivery are provided in a manner maximizing targeted goals.*	*Ensure outputs and outcomes are producing desired results.*

<u>David Roberts</u>
<u>Partner, Governmental Advisory Services</u>

David Roberts has more than 22 years of experience as a consultant and trusted advisor providing operational/organizational assessments and similar transformational projects for federal, state, and local governments across the country. David's experience includes leading numerous enterprise-wide/departmental/functional assessments and transformations over his career measuring the efficiency and effectiveness of organizational structures and culture, performance management, technology systems and strategies, staffing models, service delivery models, and customer satisfaction.

David helps his clients turn visions and goals into reality. He has helped multiple clients win national government industry awards for innovation, transformation, and cost savings.

David leads our Government Advisory practice, where he focuses on helping governments and individual agencies fulfill and exceed their financial, operational, and regulatory obligations to the public. David has completed hundreds of projects over his career. On the following page are <u>sample</u> management consulting projects demonstrating David's depth and breadth completed within the past 12 months.

Operational and Performance Assessment – *Walton County, Georgia*

David led a multi-department Operational and Performance Assessment for Walton County. The scope included assessing organizational structure, operational efficiency, staffing levels and resource utilization, comparison to leading practices, and observations and recommendations to assist the County in achieving the desired future state. The final report included numerous observations with associated recommendations and a detailed Roadmap/Implementation Plan.

Outsourcing Feasibility Study – *City of Rocky Mount, North Carolina*

David led a feasibility study for the City of Rocky Mount to assess its current service delivery model for providing parks maintenance and landscaping services. City operations used of a hybrid model of both internal resources and third-party contractors to provide parks maintenance and landscaping. The project evaluated the pros and cons (both financial and non-financial) of: (1) maintaining the hybrid model, (2) performing all services in-house, and (3) performing all services externally.

Finance Functional Assessment – *Richland County Library, South Carolina*

David led a functional assessment of the Library's finance department. The project consisted of understanding the current state – current service provision, performance, workflow, business processes, internal controls, organizational structure, reporting, and communications. The current state was compared to leading practices and gaps were identified. An implementation roadmap was created that aligned recommendations to leaderships' vision to help the organization achieve its desired future state.

Grant Compliance Audit – *Decide DeKalb (Georgia)*

David led a Grant Compliance Assessment of various development projects for Decide DeKalb. The project reviewed the established grant and contractual criteria to be maintained by developers and compared with tenant information related to low income occupants. The project identified areas of compliance, non-compliance, and recommendations for remediation.

Forensic Audit – *Confidential City*

David led a forensic investigation into questionable cash management activity for a City Parks and Recreation department. The project reviewed bank account activity, cancelled checks, cash withdrawals, and purchased item documentation as well as conducted interviews with account cardholders to determine the collection, handling, and use of several hundred thousand dollars collected in fees, sponsorships, and contributions made to the City. Numerous observations and corresponding recommendations were developed to enhance internal controls, written policies, and procedures to correct conflicts of interest, mishandling of funds, and misappropriation of funds.

INDEPENDENT AUDITOR'S REPORT

The independent auditor's report has specific significance to readers of the financial report.

Opinions

We have issued an unmodified audit report, which is the highest form of assurance we can render with regard to the fairness of financial information on which we are opining. The financial statements are considered to present fairly the financial position and results of operations as of, and for the year ended September 30, 2024.

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. We are required to be independent of the City and to meet our ethical responsibilities.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of management. Management is also required to evaluate the City's ability to continue as a going concern.

Auditor's Responsibility

Our responsibility, as external auditors, is to express opinions on these financial statements based on our audit. We planned and performed our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Other Reporting

Government Auditing Standards require auditors to issue a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. We have issued such a report and reference to this report is included in the independent auditor's report.

REVIEW OF ANNUAL COMPREHENSIVE FINANCIAL REPORT

General Information About the ACFR

An Annual Comprehensive Financial Report (ACFR) goes beyond the normal financial reporting required by accounting principles generally accepted in the United States. The City's ACFR includes the following elements/sections:

- **Financial Section:** Basic financial statements, footnotes and required supplementary information along with the auditor's report.
  - Independent Auditor's Report
  - Management Discussion and Analysis (MD&A)
  - Financial Statements and Footnotes
- **Statistical Section:** Broad range of financial, demographic information useful in assessing the City's economic condition, and this information covers multiple years.
  - Revenue Capacity Information
  - Own Source Revenue
  - Demographic and Economic Information

OVERVIEW OF FINANCIAL STATEMENTS

The financial statements, as presented to you today, include the basic financial statements as well as Management's Discussion and Analysis as prepared by City management.

The City's basic financial statements include three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements.

The **government-wide financial statements** provide a broad overview of all of the City's activities. The *Statement of Net Position* presents information on all assets and liabilities of the City, with the difference between the two reported as net position. The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. Revenues are categorized as program revenues or general revenues. Expenses are categorized by function.

The **fund financial statements** more closely resemble the financial statements as presented prior to the adoption of GASB Statement No. 34. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

COMPLIANCE REPORTS

The financial report package contains four compliance reports:

Yellow Book Report: The first compliance report is a report on our tests of the City's internal controls and compliance with laws, regulations, etc. The tests of internal controls were those we determined to be required as a basis for designing our financial statement auditing procedures. Such tests also considered the City's 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. In accordance with the respective standards, the report is not intended to provide an opinion, but to provide a form of negative assurance as to the City's internal controls and compliance with applicable rules and regulations.

Single Audit Report: The second compliance report is a report on our tests of the City's internal controls and compliance with laws, regulations, etc. relative to certain state grant programs and the respective expenditures. Our tests were performed on the City's major programs (as defined by the relevant federal and state guidelines) and were not applied to each and every State grant expended by the City. In accordance with the respective standards, we did provide an unmodified (or positive) opinion on the City's compliance based on our audit. However, we were not required to provide an opinion on the relevant internal controls, but to provide a form of negative assurance on such controls.

Independent Auditor's Management Letter: The Independent Auditor's Management Letter is required to document the City's Compliance with the requirements of the Rules of the Auditor General. In accordance with the respective rules, the report is not intended to provide an opinion, but to provide a form of negative assurance as to the City's internal controls and compliance with applicable rules and regulations.

Independent Accountant's Report: The Independent Accountant's Report is required to provide the results of our examination procedures performed concerning the City's investment of public funds in accordance with Florida Statutes.

REQUIRED COMMUNICATIONS

The Auditor's Responsibility Under *Government Auditing Standards* and Auditing Standards Generally Accepted in the United States of America

Our audit of the financial statements of the City of Inverness, Florida (the "City") for the fiscal year ended September 30, 2024, was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

In accordance with *Government Auditing Standards*, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the City's internal control or compliance with laws and regulations.

Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. There are new accounting standards which will be required to be implemented in the coming years. These are discussed later in this document.

In considering the qualitative aspects of the City's accounting policies, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The City's policies relative to the timing of recording of transactions are consistent with GAAP and typical government organizations.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. We considered this information and the qualitative aspects of management's calculations in evaluating the City's significant accounting policies. Estimates significant to the financial statements include such items as the estimated lives of depreciable assets, the estimated allowance for uncollectible accounts, and the assumptions used in the actuarial valuations for the pension and other post-employment benefit plans.

Financial Statement Disclosures

The footnote disclosures to the financial statements are also an integral part of the financial statements. The process used by management to accumulate the information included in the disclosures was the same process used in accumulating the financial statements, and the accounting policies described above are included in those disclosures. The overall neutrality, consistency and clarity of the disclosures was considered as part our audit and in forming our opinion on the financial statements.

Significant Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Audit Adjustments

During our audit of the City's basic financial statements as of and for the year ended September 30, 2024, all auditor proposed adjustments have been posted to the City's financial records.

Uncorrected Misstatements

We had no passed adjustments.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Representation from Management

We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us during the audit. Management provided those written representations without delay and in an organized manner.

Management's Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

There were no significant issues discussed with management related to business conditions, plans or strategies that may have affected the risk of material misstatement of the financial statements. We are not aware of any consultations management had with us or other accountants about accounting or auditing matters. No major issues were discussed with management prior to our retention to perform the aforementioned audit.

Independence

We are independent of the City, and all related organizations, in accordance with auditing standards promulgated by the American Institute of Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the City.

ACCOUNTING RELATED MATTERS

Other Matters for Communication to the City Council and Management

During our audit of the financial statements as of and for the year ended September 30, 2024, we noted other matters which we wish to communicate to you in an effort to keep the abreast of accounting matters that could present challenges in financial reporting in future periods.

New Governmental Accounting Standard Board (GASB) Standards and Pronouncements

As has been the case for the past ten years, GASB has issued several other new pronouncements which will be effective in future years. The following is a brief summary of the new standards:

a) Statement No. 101, *Compensated Absences* was issued in June 2022 and is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

This statement requires that liabilities for compensated absences be recognized for: (1) leave that has not been used, and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if: (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time-off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time-off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit post-employment benefits should not be included in a liability for compensated absences.

This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

b) **Statement No. 102, *Certain Risk Disclosures*** was issued in December 2023 and is effective for fiscal years beginning after June 15, 2024 and all reporting periods thereafter.

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint.
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements.
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

c) **Statement No. 103, *Financial Reporting Model Improvements*** was issued in April 2024 and is effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter.

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.

Management's Discussion and Analysis

This statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

Unusual or Infrequent Items

This statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position

This statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as: (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as: (1) resources received from another party or fund: (a) for which the proprietary fund does not provide goods and services to the other party or fund, and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund: (a) for which the other party or fund does not provide goods and services to the proprietary fund, and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

Major Component Unit Information
This statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

Budgetary Comparison Schedule
This statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present: (1) variances between original and final budget amounts, and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

d) **Statement No. 104, *Disclosure of Certain Capital Assets*** was issued in September 2024 and is effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter.

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.

This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if: (a) the government has decided to pursue the sale of the capital asset, and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose: (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

e) Other Pending or Current GASB Projects. As noted by the numerous pronouncements issued by GASB over the past decade, the GASB continues to research various projects of interest to governmental units. Subjects of note include:

- **Revenue and Expense Recognition** is another long-term project where the GASB is working to develop a comprehensive application model for recognition of revenues and expenses from non-exchange, exchange, and exchange-like transactions. The final standard is expected in mid-2027.
- **Classification of Nonfinancial Assets.** The objective of this project would be to reconsider the existing classification of nonfinancial assets and other related sub-classifications (for example, capital assets or intangible assets) to ensure that: (1) assets are classified in a way that provides the most relevant financial information, and (2) the definitions of the classifications are understandable and appropriate to meeting financial reporting objectives. The project also will consider how any classification changes would affect financial statement presentation and disclosure of nonfinancial assets. The project will not, however, reexamine recognition or measurement of nonfinancial assets.
- **Going Concern Uncertainties and Severe Financial Stress** is a major project where the goal is to address issues related to disclosures regarding going concern uncertainties and severe financial stress. The project will consider: (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate, (2) developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress, and (3) what information about a commission's exposure to severe financial stress is necessary to disclose. This technical topic is being examined by the GASB due to a wide diversity in practice regarding required presentation on the face of the financial statements, disclosures, etc. An exposure draft on this topic is expected by mid-2025.

COMPLIMENTARY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

Complimentary Continuing Education. We provide complimentary continuing education for all of our governmental clients. Each quarter, we pick a couple of significant topics tailored to be of interest to governmental entities. We have been providing these complimentary services virtually to allow for a wider array of clients to attend. We obtain the input and services of experienced outside speakers along with providing the instruction utilizing our in-house professionals. We hope the City staff and officials can participate in this opportunity, and that it will be beneficial to them. Examples of subjects addressed in the past include:

- Accounting for Debt Issuances
- ACFR Preparation (several times including a two-day hands-on course)
- Achieving Excellence in Financial Reporting
- Best Budgeting Practices, Policies and Processes
- Capital Asset Accounting Processes and Controls
- Component Units
- Cybersecurity Risk Management
- Evaluating Financial and Non-Financial Health of a Local Government
- Financial Report Card – Where Does Your Government Stand?
- Financial Reporting Model Improvements
- GASB No. 84, Fiduciary Activities
- GASB No. 87, Leases
- GASB Projects & Updates (ongoing and several sessions)
- Grants (Accounting and Auditing)
- Human Capital Management
- Information Technology (IT) Risk Management
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle
- Internal Revenue Service (IRS) Compliance Issues, Primarily Payroll Matters
- Legal Considerations for Debt Issuances & Disclosure Requirements
- Policies and Procedures Manuals
- Presenting Financial Information to Non-Financial People
- Procurement Card Red Flags
- Risk, Efficiency, & Effectiveness in Governments
- Segregation of Duties
- Single Audits for Auditees
- Uniform Grant Guidance

Governmental Newsletters. We periodically produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins employees and are not purchased from an outside party. The newsletters are intended to keep you informed of current developments in the government finance environment.

In the past several years, the following topics have been addressed in our monthly newsletters:

- Are Your Government's Funds Secure?
- COVID-19 Updates (several)
- Cybersecurity Awareness
- Employee vs Independent Contractor
- Federal Funding and Accountability Transparency Act
- Forensic Audit or Financial Audit?
- GASB Invitation to Comment – the New Financial Reporting Model
- Grants Management
- OMB Compliance Supplements
- Property Tax Assessments
- Remote Auditing Best Practices
- Refunding Debt
- Rotating or Not Rotating Auditors
- Sales Tax Collections and Remittances by the State
- SAS Clarity Standards and Group Audits
- Single Audit, including Uniform Guidance (several)
- Various GASB statements

Communication. In an effort to better communicate our complimentary continuing education plans and newsletters, please email Paige Vercoe at pvercoe@mjcpa.com and provide to her individual names, mailing addresses, email addresses, and phone numbers of anyone you wish to participate and be included in our database.

CLOSING

If you have any questions regarding any items set forth in this memorandum, we will be pleased to discuss it with you at your convenience. This information is intended solely for the use of the City of Inverness management, and others within the City's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve the City of Inverness and look forward to serving the City in the future. Thank you.

GOING FURTHER

CITY OF INVERNESS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

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FINANCIAL SECTION

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

Honorable Mayor and Members of
the City Council,
City of Inverness, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the General Fund and Community Redevelopment Agency budget comparisons 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 City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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.

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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 City'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 City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, schedules of contributions – FRS and HIS, schedules of the City's proportionate share of the net pension liability – FRS and HIS, and schedule of the City's total OPEB liability and related ratios on pages 47 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of revenues, expenditures, and changes in fund balances, budget and actual – capital projects fund, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of state financial assistance, as required by Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenditures, and changes in fund balances, budget and actual – capital projects fund and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section 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 May 27, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 27, 2025

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Management's Discussion and Analysis

This narrative overview and analysis of the financial activities of the City of Inverness (the "City") for the fiscal year ended September 30, 2024 is designed to assist the reader in: (a) focusing on significant financial issues, (b) providing an overview of the City's financial activity, (c) identifying changes in the City's financial position, (d) identifying any material deviations from the approved budget, and (e) identifying individual fund issues or concerns. Please read it in conjunction with the City's Independent Auditor's Report, financial statements, and accompanying notes.

Introduction

As the City prepared for the 2024 fiscal year, it embarked on a path that would sustain economic activity, complete and stage additional investments in infrastructure and sense of place improvements. The path involved continued awareness of how the City viewed its operations and deployed assets in a meaningful and sustainable way. The City continued the use of its mantra "Plan, Fund, and Execute" which assists in meeting goals and objectives.

The spending plan focused on capital projects, efficient service delivery, and accomplishing goals and objectives. This approach addressed citizen needs, broadened the tax base, and increased our return on investment.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $87,152,835 (*net position*). Of this amount, $28,051,288 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by $5,952,927 or 7.33%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $25,779,263. Approximately 24.88% of this total amount, $6,413,207 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $6,413,207 or 54.43% of total General Fund expenditures and transfers out.
- The City's total business-type debt decreased by $361,993 or 11.04% during the current fiscal year.

Using this Annual Report

The financial statement's focus is on both the City 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 City Government to other government) and enhance the City's accountability.

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The *statement of net position* presents information on all the City's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the City include the Public Utilities System and the Oakridge Cemetery.

The government-wide financial statements include only the City itself (known as the *primary government*) and one blended component unit (The City Community Redevelopment Trust Fund). The Water and Sewer Utility Fund and the Cemetery Fund function as departments of the City, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 13 and 14 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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds
Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the governmental-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Redevelopment Fund, and Capital Projects Fund. Data from the impact fees fund is presented as a nonmajor fund in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

The City adopts an annual appropriated budget for the General Fund, Community Redevelopment Fund, and Capital Projects Fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budget on pages 19 and 20, and page 52.

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

Proprietary Funds
The City maintains one type of proprietary funds: *enterprise funds*.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Utility Fund and Cemetery Fund. Annual operating budgets are adopted for these funds.

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 Water and Sewer Utility Fund and for the Cemetery Fund.

The basic proprietary fund financial statements can be found on pages 21 through 24 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 46 of this report.

Required Supplementary Information (RSI)

RSI can be found on pages 47 through 51 of this report.

Supplementary Information

The schedule of revenues, expenditures, and changes in fund balance – budget and actual – for the capital projects fund is presented as supplementary information immediately following the RSI on page 52 of this report.

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by $87,152,835 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (63.45%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position (4.37%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* ($28,051,288) may be used to meet the government's ongoing obligations to citizens and creditors.

On September 30, 2024, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The following table reflects the condensed statement of net position for the current and prior year. For more detail see the statement of net position on page 13.

Statement of Net Position
As of September 30,

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 27,915,748	$ 27,307,440	$ 11,845,088	$ 11,961,980	$ 39,760,836	$ 39,269,420
Capital assets	39,419,058	38,262,802	29,824,355	25,808,776	69,243,413	64,071,578
Total assets	67,334,806	65,570,242	41,669,443	37,770,756	109,004,249	103,340,998
Total deferred outflows of resources	1,165,870	952,250	164,532	101,153	1,330,402	1,053,403
Other liabilities	2,177,486	2,490,021	2,129,869	1,331,509	4,307,355	3,821,530
Long-term liabilities	15,469,138	15,720,181	2,925,013	3,294,295	18,394,151	19,014,476
Total liabilities	17,646,624	18,210,202	5,054,882	4,625,804	22,701,506	22,836,006
Total deferred inflows of resources	446,017	347,031	34,293	11,456	480,310	358,487
Net position:						
Net investment in capital assets	27,975,641	27,978,652	27,320,237	22,942,665	55,295,878	50,921,317
Restricted	3,404,359	637,849	401,310	355,415	3,805,669	993,264
Unrestricted	19,028,035	19,348,758	9,023,253	9,936,569	28,051,288	29,285,327
Total net position	$ 50,408,035	$ 47,965,259	$ 36,744,800	$ 33,234,649	$ 87,152,835	$ 81,199,908

Statement of Activities

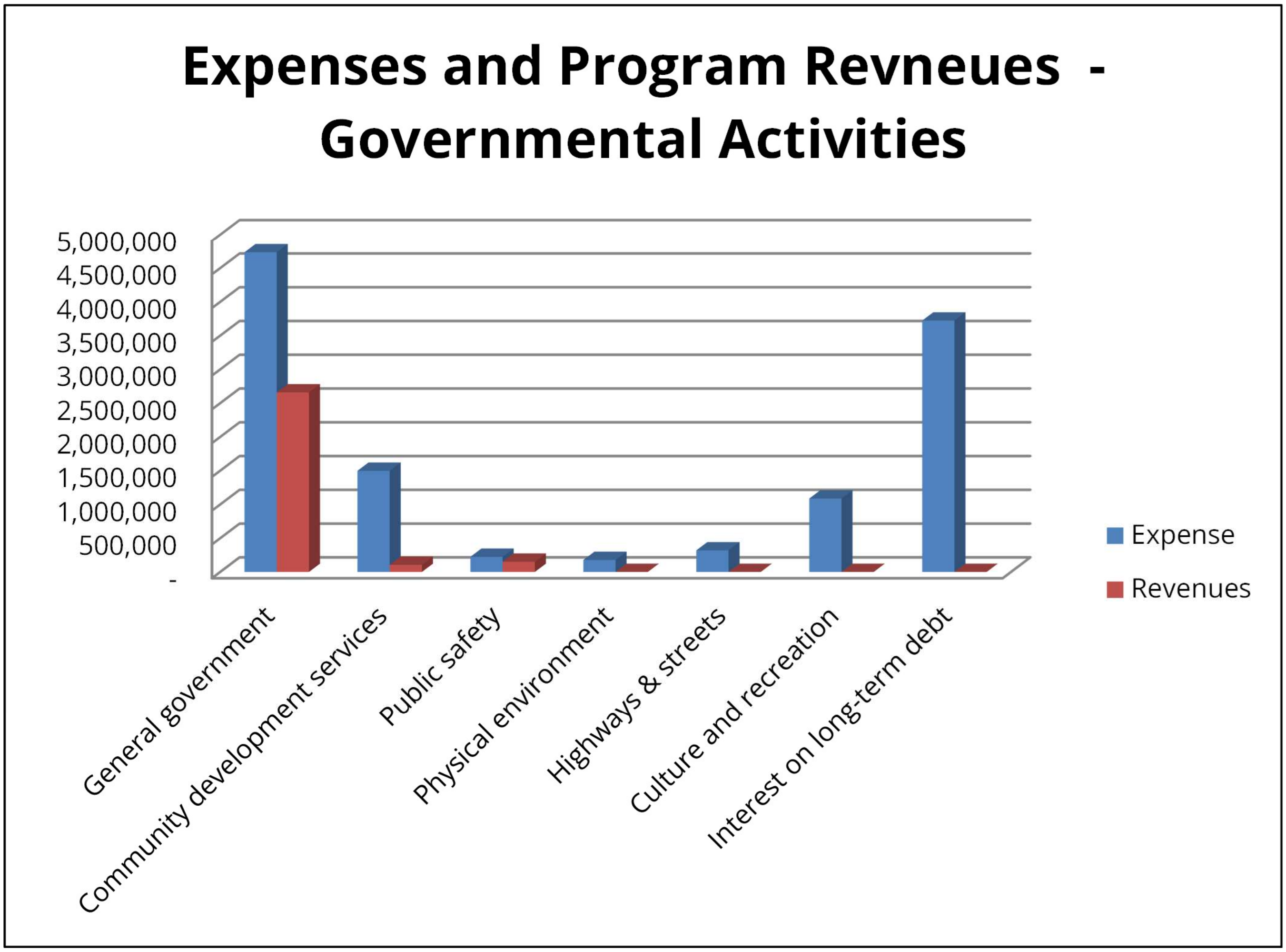
The following table reflects the condensed statement of activities for the current and prior year. For more detailed information see the statement of activities on page 14. Note that total net position increased by $5,952,927.

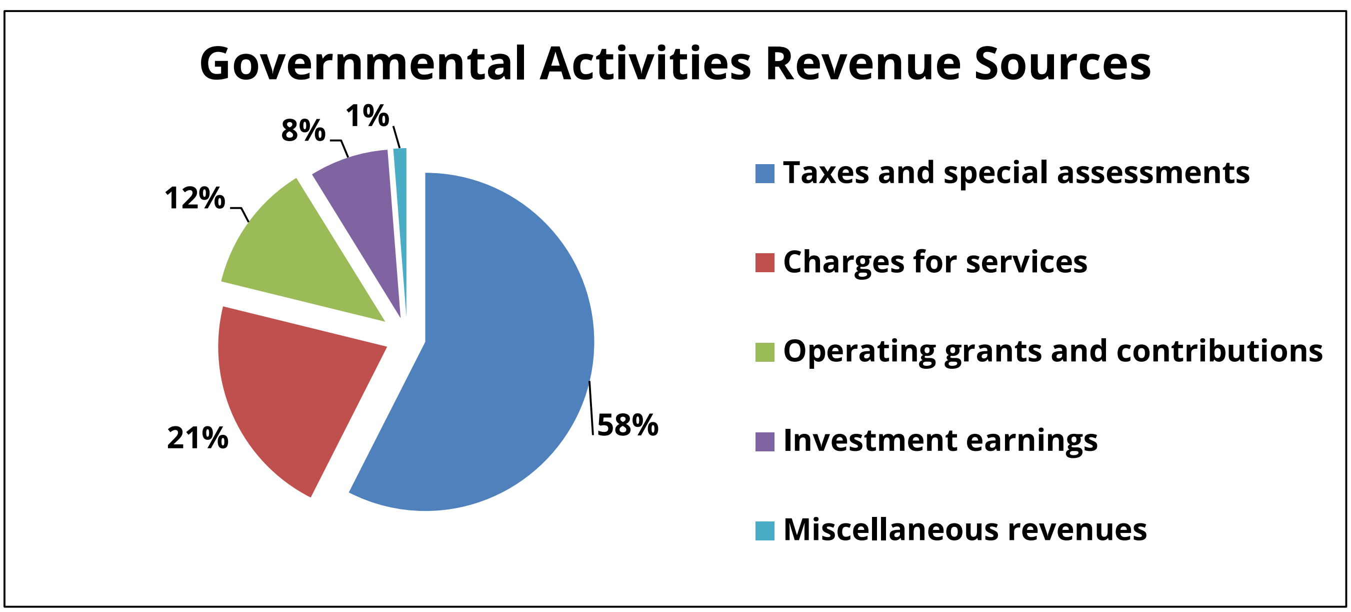
Net position for governmental activities increased by $2,442,776. Key element of this change was increased collection of revenue earned and decreasing liabilities.

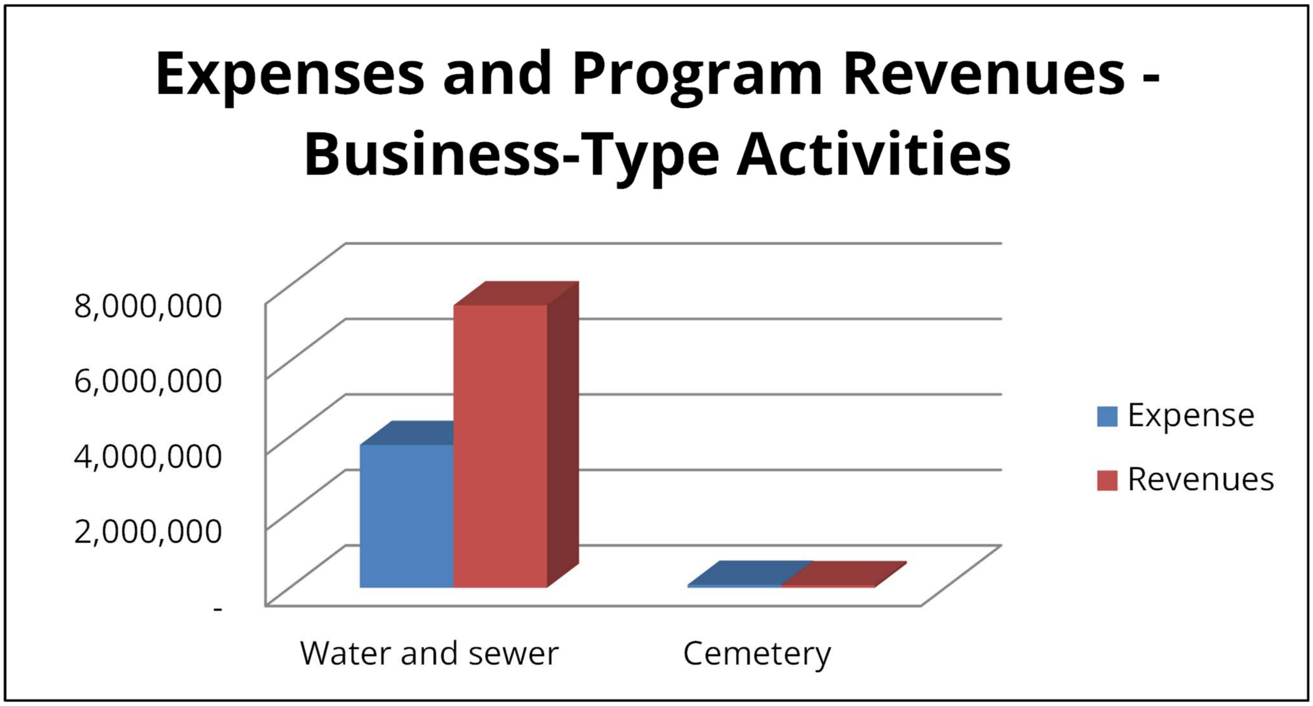
Net position for business-type activities increased by $3,510,151. The key element of this change was continued service delivery improving collections.

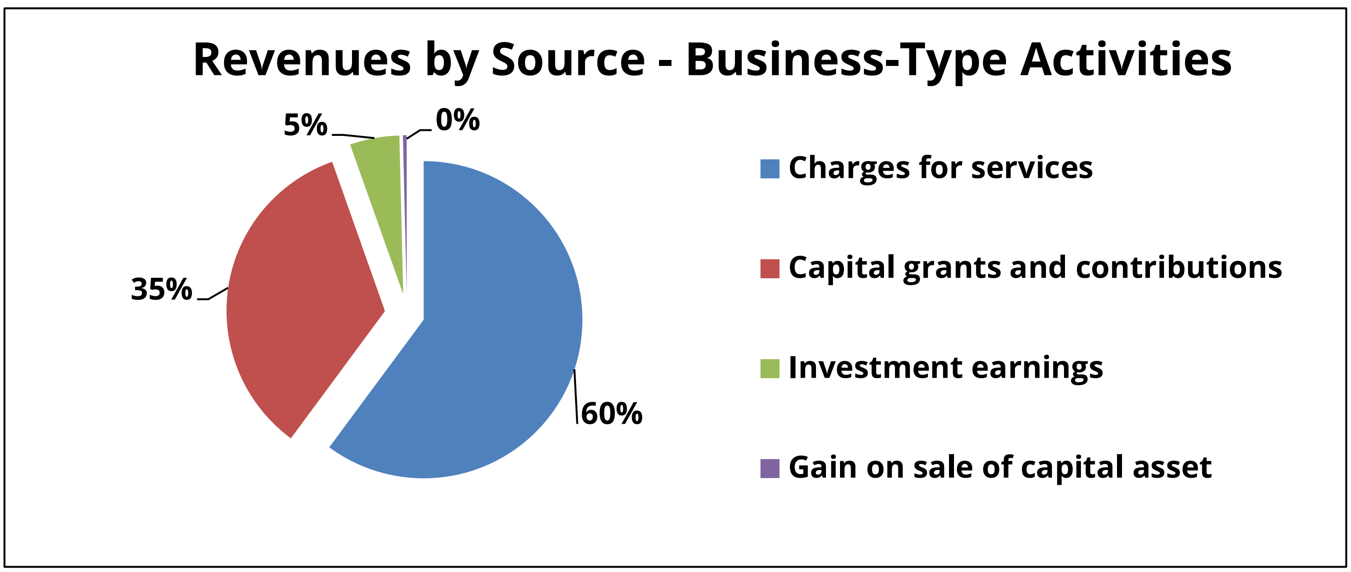
Statement of Activities
For the Fiscal Year Ended

	Governmental Activities		Business-Type Activities		Totals	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Revenues:						
Program revenues:						
Charges for services	$ 2,915,400	$ 2,849,777	$ 4,804,251	$ 4,716,919	$ 7,719,651	$ 7,566,696
Operating grants and contributions	1,689,186	388,956	-	-	1,689,186	388,956
Capital grants and contributions	-	-	2,750,402	2,886,791	2,750,402	2,886,791
General revenues:						
Property taxes	7,851,668	4,918,289	-	-	7,851,668	4,918,289
Other taxes	-	2,359,020	-	-	-	2,359,020
Intergovernmental	-	984,470	-	-	-	984,470
Other	1,204,982	846,125	434,076	286,395	1,639,058	1,132,520
Total revenues	13,661,236	12,346,637	7,988,729	7,890,105	21,649,965	20,236,742
Operating expenses:						
General government	2,426,883	2,395,941	-	-	2,426,883	2,395,941
Community development	1,156,598	1,263,532	-	-	1,156,598	1,263,532
Public safety	2,298,634	2,046,270	-	-	2,298,634	2,046,270
Physical environment	1,504,801	1,361,330	-	-	1,504,801	1,361,330
Roads and streets	1,496,955	1,342,593	-	-	1,496,955	1,342,593
Culture and recreation	2,543,268	2,415,427	-	-	2,543,268	2,415,427
Interest	403,821	405,370	-	-	403,821	405,370
Water and sewer	-	-	3,786,209	3,689,591	3,786,209	3,689,591
Cemetery	-	-	79,869	82,103	79,869	82,103
Total operating expenses	11,830,960	11,230,463	3,866,078	3,771,694	15,697,038	15,002,157
Increase in net position before transfers	1,830,276	1,116,174	4,122,651	4,118,411	5,952,927	5,234,585
Transfers	612,500	752,500	(612,500)	(752,500)	-	-
Change in net position	2,442,776	1,868,674	3,510,151	3,365,911	5,952,927	5,234,585
Net position, beginning	47,965,259	46,096,585	33,234,649	29,868,738	81,199,908	75,965,323
Net position, ending	$ 50,408,035	$ 47,965,259	$ 36,744,800	$ 33,234,649	$ 87,152,835	$ 81,199,908


Expenses and Program Revneues - Governmental Activities
5,000,000
4,500,000
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
-
General government
Community development services
Public safety
Physical environment
Highways & streets
Culture and recreation
Interest on long-term debt
Expense
Revenues


Governmental Activities Revenue Sources
1%
8%
12%
21%
58%
Taxes and special assessments
Charges for services
Operating grants and contributions
Investment earnings
Miscellaneous revenues





Financial Analysis of the Government's Funds
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of September 30, 2024, the City's governmental funds reported combined ending fund balances of $25,779,263 an increase of $1,029,860. Approximately 24.88% or $6,413,207 of this total constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $6,413,207 while total fund balance reached $14,813,515. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 65.91% of total general fund expenditures and transfers out, compared to 78% for last year. Total fund balance represents 264.95% of total General Fund expenditures and transfers out, compared to 133% for last year.

Fund balance of the City's General Fund increased by $667,087 due to increased revenues.

The Community Redevelopment Special Revenue Fund is considered a major fund. This fund was created in 1990 as a dependent taxing district. The incremental annual increase in tax over the base years is used to fund projects. As of September 30, 2024, the fund balance was $2,634,830 an increase of $586,088. This increase is a result of decreased expenditures and increased revenues

The fund balance of the Capital Projects Fund decreased $374,552 as a result of increased completion of projects during the fiscal year and were carried forward.

Proprietary Funds
The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The unrestricted net position of the Water and Sewer Fund at the end of the year amounted to $8,220,724 and unrestricted net position for the Cemetery Fund amounted to $802,529. The total increase in Water and Sewer Utility Fund was $3,483,831 and the increase in the Cemetery Fund was $26,320. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities on page 6.

General Fund Budgetary Highlights
Overall, the functional areas experienced a total positive variance of $1,083,394 due to underspending in operations and maintenance and increased collection of revenues.

Capital Asset and Debt Administration
Capital Assets
The City's investment in capital assets for its governmental and business type activities as of September 30, 2024 amounts to $69,243,413 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles and equipment.

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

Governmental Activities
- Road and sidewalk repaving $1,092,855
- Land Purchase $204,605

Additional information on the City's capital assets can be found in Note 5 on pages 36 through 37 of this report.

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	$ 3,967,758	$ 3,763,153	$ 651,855	$ 651,855	$ 4,619,613	$ 4,415,008
Construction in progress	1,935,448	963,999	2,086,160	2,947,244	4,021,608	3,911,243
Buildings	11,582,724	11,927,654	12,183,284	12,543,482	23,766,008	24,471,136
Improvements	19,628,298	19,837,783	13,786,983	8,475,261	33,415,281	28,313,044
Machinery and equipment	2,292,089	1,748,569	1,116,073	1,190,934	3,408,162	2,939,503
Intangibles	12,741	21,644	-	-	12,741	21,644
Total capital assets	$ 39,419,058	$ 38,262,802	$ 29,824,355	$ 25,808,776	$ 69,243,413	$ 64,071,578

Long-Term Debt
At the end of the current fiscal year, the City had total debt outstanding of $15,469,138.

Debt Outstanding
As of September 30, 2021

	Governmental Activities		Business-Type Activities		Totals	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Total OPEB liability	$ 63,429	$ 49,480	$ -	$ -	$ 63,429	$ 49,480
Net pension liability	3,962,292	3,877,521	420,895	411,891	4,383,187	4,289,412
Bonds payable	11,443,417	11,793,180	-	-	11,443,417	11,793,180
Notes payable	-	-	2,172,941	2,328,522	2,172,941	2,328,522
Financed purchase	-	-	331,177	537,589	331,177	537,589
Total debt	$ 15,469,138	$ 15,720,181	$ 2,925,013	$ 3,278,002	$ 18,394,151	$ 18,998,183

During fiscal year 2005, the City executed a State Revolving Loan agreement through the Department of Environmental Protection State Revolving Fund program for the purpose of constructing a Wastewater Treatment Plant and Reclamation Facility. The Loan amount of $16,052,561 included grant funding of amount of $10,000,000 which offset debt principal and interest payments for a period of 20 years from January 1, 2011 through July 1, 2030. However, on January 15, 2017, the Department transferred the balance of Grant Funds in amount of $6,024,340 and reduced the SRF loan balance. The City's semiannual loan payment will be $104,124, which is the Local Government share.

In September 2013, the City entered into a $1,883,000 Master Lease Agreement with SunTrust Bank. The purpose of the lease is to finance a portion of the City's Energy Performance Program of $2,255,246 for installation of the energy conservation measures including automated metering infrastructure. Total cost savings and revenue improvements annually for the combined program is $207,314. The City provided $375,000 in committed capital funding from the Utility Fund to offset the total financed investment cost of the program. The remaining project balance is financed with a Master Lease Purchase Agreement with SunTrust in the amount of $1,883,000 at a rate of 2.8% for a period of 12 years. Repayment of the agreement commenced on June 15, 2014, payable semi-annually starting with payments of $66,500 and increasing annually to a maximum payment of $114,500 due in June and December 2025.

In August 2017, the City issued ICRA Refunding Revenue Bonds of $12,980,000 for the construction of various improvements within the ICRA.

Additional information on the City's long-term debt can be found in Note 6 on pages 37 through 38 of this report.

Economic Factors and Next Year's Budgets and Rates
On April 2, 2024, the Budget Overview Workshop presented facts, market trends, a local analysis of economic and social conditions, and items that potentially would require policy changes to keep the community moving forward. The focus of the workshop was the current approach to fiscal policies regarding the City's restricted and unrestricted fund balances. We focused on the need to invest in our people and the captivation of cost efficiencies and operational efficacy from a more modern departmental structure of the City. With the rising complexity of the City's parks and recreational activities footprint, the need to better utilize existing facilities and a modernized departmental structure has been essential to the successes we are realizing today.

On May 7, 2024, a Workshop was held to discuss the Five-Year Capital Plan. A summary of completed projects, plus a discussion of pending projects that are scheduled for the five-year plan period, was made. This presentation featured a continued focus on strategic infrastructure investment. This included the continuation of the ambitious annual road resurfacing program in concert with the development of capital projects that offered a return on investment by way of expanding/increasing the tax base (shared parking, regional stormwater, multi-modal connectivity). The City will continue to be an attractive location for retirees and families seeking an affordable high quality of life. The need to develop new housing continues to receive interest will and requires the City to look at how it can incentivize and improve conditions for residential development in underdeveloped areas.

The City Council, at its July 2, 2024 meeting, set the tentative millage rate in the ensuing fiscal year at the current year's rate of 7.76 captivating a potential 9.1% increase in valuation over the previous year. A City-Wide Budget presentation was made at a public workshop on July 16, 2024 at 5:30pm, to discuss budget figures that were structured to maintain a millage rate of 7.76. The meeting presented all findings and fully disclosed spending, service levels, projects, staffing and related cost, planning mechanisms, utility system operations and Inverness Community Redevelopment Agency (CRA) activity. The Tax Increment Financing program (TIF revenues) that are derived through increased valuations via the Community Redevelopment District are complex but beneficial. These funds are targeted to fund improvement projects and meet debt service commitments of Bonds for a thirty-year period that funded deficiencies on a large scale to improve blighted conditions. This discussion of findings led to the decision to develop a budget structured to maintain a lowered millage of 7.66 for final adoption.

Final adoption of the fiscal year 2025 budget, that spans October 1, 2024 through September 30, 2025, was accomplished in two Public Hearings at 5:30 pm on September 3, 2024 and September 17, 2024. The budget was finalized using the lowered millage of 7.66 as had been discussed in the July meeting. In closing, the City's financial position is strong and stable showing positive effects of maintaining positive bond ratings as well as increases in net position absent the need for millage increases. Our guiding principle of "Plan, Fund, and Execute" through annual budget development process presents balanced budgets that reflect the current community economic conditions and continues to provide great service to our community.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 212 West Main Street, Inverness, Florida 34450.

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BASIC FINANCIAL STATEMENTS

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City of Inverness, Florida

STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 7,533,618	$ 934,709	$ 8,468,327
Investments	19,635,302	5,779,826	25,415,128
Accounts receivables, net	675,102	552,189	1,227,291
Due from other governments	56,984	3,161,039	3,218,023
Prepaid items	13,542	514,548	528,090
Inventory	1,200	492,622	493,822
Restricted assets, cash and cash equivalents	-	410,155	410,155
Capital assets			
Non-depreciable	5,903,206	2,738,015	8,641,221
Depreciable, net	33,515,852	27,086,340	60,602,192
Total assets	67,334,806	41,669,443	109,004,249
Deferred outflows of resources			
Deferred outflows - pension	1,165,870	164,532	1,330,402
Total deferred outflows	1,165,870	164,532	1,330,402
Liabilities			
Accounts payable	1,301,716	497,093	1,798,809
Accrued liabilities	390,851	1,245,601	1,636,452
Due to other governments	3,163	-	3,163
Accrued interest payable	164,188	13,216	177,404
Customer deposits payable	90,703	373,959	464,662
Unearned revenue	226,865	-	226,865
Noncurrent liabilities			
Due within one year	355,000	377,432	732,432
Due in more than one year	15,114,138	2,547,581	17,661,719
Total liabilities	17,646,624	5,054,882	22,701,506
Deferred inflows of resources			
Deferred inflows - pension	322,830	34,293	357,123
Deferred inflows - lease	123,187	-	123,187
Total deferred inflows	446,017	34,293	480,310
Net position			
Net investment in capital assets	27,975,641	27,320,237	55,295,878
Restricted for			
Capital improvements	770,024	-	770,024
Community development	2,634,335	-	2,634,335
Perpetual care	-	378,180	378,180
Debt service	-	23,130	23,130
Unrestricted	19,028,035	9,023,253	28,051,288
Total net position	$ 50,408,035	$ 36,744,800	$ 87,152,835

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Operating	Capital	Primary Government		
		Charges for	Grants and	Grants and	Governmental	Business-Type	
	Expenses	Services	Contributions	Contributions	Activities	Activities	Total
Functions/programs							
Primary government:							
Governmental activities:							
General government	$ 2,426,883	$ 2,659,158	$ -	$ -	$ 232,275	$ -	$ 232,275
Community development services	1,156,598	105,005	-	-	(1,051,593)	-	(1,051,593)
Public safety	2,298,634	151,237	1,689,186	-	(458,211)	-	(458,211)
Physical environment	1,504,801	-	-	-	(1,504,801)	-	(1,504,801)
Highways & streets	1,496,955	-	-	-	(1,496,955)	-	(1,496,955)
Culture and recreation	2,543,268	-	-	-	(2,543,268)	-	(2,543,268)
Interest on long-term debt	403,821	-	-	-	(403,821)	-	(403,821)
Total governmental activities	11,830,960	2,915,400	1,689,186	-	(7,226,374)	-	(7,226,374)
Business-type activities:							
Water and sewer	3,786,209	4,734,148	-	2,750,402	-	3,698,341	3,698,341
Cemetery	79,869	70,103	-	-	-	(9,766)	(9,766)
Total business-type activities	3,866,078	4,804,251	-	2,750,402	-	3,688,575	3,688,575
Total primary government	$ 15,697,038	$ 7,719,651	$ 1,689,186	$ 2,750,402	(7,226,374)	3,688,575	(3,537,799)
General revenues							
Property taxes					7,851,668	-	7,851,668
Investment earnings					1,035,882	403,361	1,439,243
Miscellaneous					169,100	-	169,100
Gain on sale of capital asset					-	30,715	30,715
Transfers					612,500	(612,500)	-
Total general revenues and transfers					9,669,150	(178,424)	9,490,726
Change in net position					2,442,776	3,510,151	5,952,927
Net position, beginning of year					47,965,259	33,234,649	81,199,908
Net position, end of year					$ 50,408,035	$ 36,744,800	$ 87,152,835

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

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Community Redevelopment	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 1,699,045	$ 1,698,355	$ 3,411,054	$ 725,164	$ 7,533,618
Investments	13,461,545	970,404	5,139,575	63,778	19,635,302
Accounts receivable, net	675,102	-	-	-	675,102
Due from other governments	-	-	56,984	-	56,984
Inventory	1,200	-		-	1,200
Prepaid items	13,047	495	-	-	13,542
Total assets	$ 15,849,939	$ 2,669,254	$ 8,607,613	$ 788,942	$ 27,915,748
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	$ 293,063	$ -	$ 989,735	$ 18,918	$ 1,301,716
Accrued liabilities	356,427	34,424	-	-	390,851
Unearned revenue	169,881	-	56,984	-	226,865
Due to other governments	3,163	-	-	-	3,163
Deposits payable	90,703	-	-	-	90,703
Total liabilities	913,237	34,424	1,046,719	18,918	2,013,298
Deferred inflows of resources					
Lease	123,187	-	-	-	123,187
Fund balances					
Nonspendable	14,247	495	-	-	14,742
Restricted					
Capital improvements	-	-	-	770,024	770,024
Community redevelopment	-	2,634,335	-	-	2,634,335
Committed					
Capital equipment replacement	1,613,329	-	-	-	1,613,329
Land acquisition	795,395	-	-	-	795,395
Building	2,550,919	-	-	-	2,550,919
Tort litigation	200,000	-	-	-	200,000
Fire services	500,000	-	-	-	500,000
Infrastructure	2,726,418	-	7,560,894	-	10,287,312
Unassigned	6,413,207	-	-	-	6,413,207
Total fund balances	14,813,515	2,634,830	7,560,894	770,024	25,779,263
Total liabilities, deferred inflows of resources, and fund balances	$ 15,849,939	$ 2,669,254	$ 8,607,613	$ 788,942	$ 27,915,748

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Total fund balances - governmental funds		$ 25,779,263
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 57,357,712	
Accumulated depreciation	(17,938,654)	39,419,058
Deferred outflows, deferred inflows, the net pension liability and the total OPEB liability related to the City's pension and OPEB plans are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.		
Deferred outflows - pension	1,165,870	
Deferred inflows - pension	(322,830)	
Total OPEB liability	(63,429)	
Net pension liability	(3,962,292)	(3,182,681)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Accrued interest	(164,188)	
Note payable	(11,443,417)	(11,607,605)
Net position of governmental activities		$ 50,408,035

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

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

	General Fund	Community Redevelopment Fund	Capital Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
Revenues					
Taxes and special assessments	$ 6,318,607	$ 1,533,061	$ -	$ -	$ 7,851,668
Licenses and permits	430,127	-	-	-	430,127
Intergovernmental revenues	1,642,212	-	46,974	-	1,689,186
Charges for services	2,229,031	-	-	-	2,229,031
Fines and forfeitures	105,005	-	-	-	105,005
Impact fees	-	-	-	151,237	151,237
Investment earnings	655,951	75,916	303,895	120	1,035,882
Miscellaneous revenues	169,100	-	-	-	169,100
Total revenues	11,550,033	1,608,977	350,869	151,357	13,661,236
Expenditures					
Current					
General government	2,214,629	-	-	-	2,214,629
Community development services	422,826	69,875	-	120	492,821
Public safety	2,187,881	-	-	-	2,187,881
Highways and streets	1,155,545	-	-	-	1,155,545
Physical environment	1,491,735	-	-	-	1,491,735
Culture and recreation	2,257,117	-	-	-	2,257,117
Debt service					
Principal retirement	-	335,000	-	-	335,000
Interest	-	410,800	-	-	410,800
Capital outlay	-	420,714	2,277,634	-	2,698,348
Total expenditures	9,729,733	1,236,389	2,277,634	120	13,243,876
Excess (deficiency) of revenues over (under) expenditures	1,820,300	372,588	(1,926,765)	151,237	417,360
Other financing sources (uses)					
Transfers in	899,000	500,000	2,052,213	-	3,451,213
Transfers out	(2,052,213)	(286,500)	(500,000)	-	(2,838,713)
Total other financing sources (uses)	(1,153,213)	213,500	1,552,213	-	612,500
Change in fund balances	667,087	586,088	(374,552)	151,237	1,029,860
Fund balances, beginning of year	14,146,428	2,048,742	7,935,446	618,787	24,749,403
Fund balances, end of year	$ 14,813,515	$ 2,634,830	$ 7,560,894	$ 770,024	$ 25,779,263

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net change in fund balances – total governmental funds		$ 1,029,860
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives.		
Capital outlay	$ 2,878,698	
Less current year depreciation	(1,711,661)	1,167,037
The net effect of various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net position.		(10,781)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Amortization of bond premium	14,763	
Principal repayment of long-term debt	335,000	349,763
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest	6,979	
OPEB expense	(13,949)	
Pension expense	(86,133)	(93,103)
Change in net position of governmental activities		$ 2,442,776

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

City of Inverness, Florida

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes and special assessments	$ 6,247,986	$ 6,247,986	$ 6,318,607	$ 70,621
Licenses and permits	428,000	428,000	430,127	2,127
Intergovernmental revenues	2,091,294	2,091,294	1,642,212	(449,082)
Charges for services	1,792,339	2,106,351	2,229,031	122,680
Fines and forfeitures	34,215	34,215	105,005	70,790
Investment earnings	170,000	170,000	655,951	485,951
Miscellaneous revenues	36,000	49,017	169,100	120,083
Total revenues	10,799,834	11,126,863	11,550,033	423,170
Expenditures				
Current				
General government	2,656,997	2,710,568	2,214,629	495,939
Community development services	2,144,578	2,187,895	422,826	1,765,069
Public safety	1,282,605	1,284,099	2,187,881	(903,782)
Highways and streets	1,325,709	1,491,736	1,155,545	336,191
Physical environment	609,679	609,679	1,491,735	(882,056)
Culture and recreation	2,035,158	2,305,980	2,257,117	48,863
Total expenditures	10,054,726	10,589,957	9,729,733	860,224
Excess of revenues over expenditures	745,108	536,906	1,820,300	1,283,394
Other financing sources (uses)				
Transfers in	1,099,000	1,099,000	899,000	(200,000)
Transfers out	(1,783,184)	(2,052,213)	(2,052,213)	-
Total other financing sources (uses)	(684,184)	(953,213)	(1,153,213)	(200,000)
Change in fund balance	60,924	(416,307)	667,087	1,083,394
Fund balance, beginning of year	14,146,428	14,146,428	14,146,428	-
Fund balance, end of year	$ 14,207,352	$ 13,730,121	$ 14,813,515	$ 1,083,394

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - COMMUNITY REDEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 1,522,631	$ 1,522,631	$ 1,533,061	$ 10,430
Investment earnings	20,000	20,000	75,916	55,916
Total revenues	1,542,631	1,542,631	1,608,977	66,346
Expenditures				
Current				
Community development services	381,479	1,171,678	69,875	1,101,803
Debt service				
Principal retirement	335,000	335,000	335,000	-
Interest	410,800	410,800	410,800	-
Capital outlay	450,000	1,887,395	420,714	1,466,681
Total expenditures	1,577,279	3,804,873	1,236,389	2,568,484
Excess (deficiency) of revenues over(under) expenditures	(34,648)	(2,262,242)	372,588	2,634,830
Other financing sources (uses)				
Transfers in	-	500,000	500,000	-
Transfers out	(286,500)	(286,500)	(286,500)	-
Total other financing sources (uses)	(286,500)	213,500	213,500	-
Change in fund balance	(321,148)	(2,048,742)	586,088	2,634,830
Fund balance, beginning of year	2,048,742	2,048,742	2,048,742	-
Fund balance, end of year	$ 1,727,594	$ -	$ 2,634,830	$ 2,634,830

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

City of Inverness, Florida

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Major Funds		
Assets	**Water and Sewer**	**Cemetery**	**Total**
Current assets			
Cash and cash equivalents	$ 930,653	$ 4,056	$ 934,709
Investments	5,094,860	684,966	5,779,826
Restricted cash and cash equivalents	410,155	-	410,155
Accounts receivable, net	533,588	-	533,588
Other receivables	16,366	-	16,366
Due from other governments	3,161,039	-	3,161,039
Accrued interest receivable	2,235	-	2,235
Prepaids	514,548	-	514,548
Inventory	-	492,622	492,622
Total current assets	10,663,444	1,181,644	11,845,088
Noncurrent assets			
Capital assets, non-depreciable	2,738,015	-	2,738,015
Capital assets, net	27,062,193	24,147	27,086,340
Total noncurrent assets	29,800,208	24,147	29,824,355
Total assets	40,463,652	1,205,791	41,669,443
Deferred outflows of resources			
Deferred outflows - pension	164,532	-	164,532
Total deferred outflows of resources	164,532	-	164,532
Liabilities			
Current liabilities			
Accounts payable	496,308	785	497,093
Notes payable	159,180	-	159,180
Financed purchase payable	218,252	-	218,252
Compensated absences	8,425	-	8,425
Unearned revenue	1,237,176	-	1,237,176
Liabilities payable from restricted assets			
Accrued interest	13,216	-	13,216
Customer deposits payable	373,809	150	373,959
Total current liabilities	2,506,366	935	2,507,301
Noncurrent liabilities			
Notes payable, net of current portion	2,013,761	-	2,013,761
Financed purchase payable, net of current portion	112,925	-	112,925
Net pension liability	420,895	-	420,895
Total non-current liabilities	2,547,581	-	2,547,581
Total liabilities	5,053,947	935	5,054,882
Deferred inflows of resources			
Deferred inflows - pension	34,293	-	34,293
Net position			
Net investment in capital assets	27,296,090	24,147	27,320,237
Restricted for debt service	23,130	-	23,130
Restricted for perpetual care	-	378,180	378,180
Unrestricted	8,220,724	802,529	9,023,253
Total net position	$ 35,539,944	$ 1,204,856	$ 36,744,800

The notes to the financial statements are an integral part of these statements.

City of Inverness, Florida

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

	Major Funds		
	Water and Sewer	Cemetery	Total
Operating revenues			
Charges for services	$ 4,668,546	$ 70,103	$ 4,738,649
Miscellaneous	65,602	-	65,602
Total operating revenues	4,734,148	70,103	4,804,251
Operating expenses			
Salaries and benefits	417,510	36,402	453,912
Contractual services	1,497,640	37,092	1,534,732
Utilities	223,913	1,925	225,838
Materials and supplies	176,893	-	176,893
Other operating expenses	319,303	3,957	323,260
Depreciation	1,087,132	493	1,087,625
Total operating expenses	3,722,391	79,869	3,802,260
Operating income (loss)	1,011,757	(9,766)	1,001,991
Nonoperating revenues (expenses)			
Investment earnings	363,775	39,586	403,361
Gain on disposal of capital assets	30,715	-	30,715
Interest expense	(63,818)	-	(63,818)
Total nonoperating revenues, net	330,672	39,586	370,258
Income before capital contributions and transfers	1,342,429	29,820	1,372,249
Capital contributions			
Intergovernmental capital grants	70,558	-	70,558
Other capital contributions	2,679,844	-	2,679,844
Total capital contributions	2,750,402	-	2,750,402
Transfers out	(609,000)	(3,500)	(612,500)
Changes in net position	3,483,831	26,320	3,510,151
Total net position, beginning of year	32,056,113	1,178,536	33,234,649
Total net position, end of year	$ 35,539,944	$ 1,204,856	$ 36,744,800

The notes to the financial statements are an integral part of these statements.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Major Funds		
	Water and Sewer	Cemetery	Total
Cash flows from operating activities			
Cash received from customers	$ 4,731,339	$ 70,104	$ 4,801,443
Cash paid to suppliers for goods and services	(125,250)	(40,509)	(165,759)
Cash paid to employees for services and benefits	(425,378)	(36,402)	(461,780)
Net cash provided by (used in) operating activities	4,180,711	(6,807)	4,173,904
Cash flows from noncapital financing activities			
Transfer to other funds	(609,000)	(3,500)	(612,500)
Net cash used in noncapital financing activities	(609,000)	(3,500)	(612,500)
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(5,103,204)	-	(5,103,204)
Cash received from sale of capital assets	30,715	-	30,715
Principal paid on notes payable	(155,581)	-	(155,581)
Principal paid on lease payable	(206,412)	-	(206,412)
Capital grants received	128,446	-	128,446
Interest paid	(66,254)	-	(66,254)
Net cash used in capital and related financing activities	(5,372,290)	-	(5,372,290)
Cash flows from investing activities			
Purchase of investments	(312,925)	(25,223)	(338,148)
Interest received	408,286	39,586	447,872
Net cash provided by investing activities	95,361	14,363	109,724
Net change in cash and cash equivalents	(1,705,218)	4,056	(1,701,162)
Cash and cash equivalents, beginning of year	3,046,026	-	3,046,026
Cash and cash equivalents, end of year	$ 1,340,808	$ 4,056	$ 1,344,864
Cash and cash equivalents classified as			
Cash and cash equivalents	$ 930,653	$ 4,056	$ 934,709
Restricted cash and cash equivalents	410,155	-	410,155
Total cash and cash equivalents	$ 1,340,808	$ 4,056	$ 1,344,864

(Continued)

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Major Funds		
	Water and Sewer	Cemetery	Total
Reconciliation of operating income to net cash provided by operating activities			
Operating income	$ 1,011,757	$ (9,766)	$ 1,001,991
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,087,132	493	1,087,625
Change in operating assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(14,986)	-	(14,986)
Notes receivable	9,733	-	9,733
Prepaids	1,334,093	-	1,334,093
Deferred outflows - pension	(63,379)	-	(63,379)
Inventory	-	2,483	2,483
Increase (decrease) in liabilities:			
Accounts payable	(447,232)	(18)	(447,250)
Accrued liabilities	1,237,176	-	1,237,176
Compensated absences payable	(7,868)	-	(7,868)
Net pension liability	9,004	-	9,004
Deferred inflows - pension	22,837	-	22,837
Customer deposits	2,444	1	2,445
Net cash provided by operating activities	$ 4,180,711	$ (6,807)	$ 4,173,904

The notes to the financial statements are an integral part of these statements.

Notes To The Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Inverness, Florida (the "City") is a political subdivision of the state of Florida located in Citrus County, and was incorporated in 1919, under the laws of Florida, Chapter 8274 (Act 492). The legislative branch of the City is comprised of a five-member elected Council and a separately elected Mayor, which is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy; the execution of such policy is the responsibility of the City Manager appointed by the Council.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government: (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, the City has one blended component unit as noted below.

The City of Inverness created the Downtown Redevelopment Agency (CRA) by City Resolution No. 90.07. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Then in 2014, the City expanded the CRA in accordance with Chapter 163 of the Florida Statutes designating the expanded area, and passed Ordinance 2014-703 adopting the CRA plan amendment to extend the boundaries and extend the implementation period for 30 years following the amendment of the existing plan. The incremental annual increase in tax over the base years (1990 and 2014) will be used to fund projects designed to enhance and improve the described area. The CRA is governed by a board of seven appointed by the City Council. The CRA Fund is presented as a blended component unit and is included in the City's fund financials.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Community Redevelopment Fund* was established as a dependent taxing district. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improved the described area.

The *Capital Projects Fund* accounts for the acquisition and construction of major capital assets other than those financed by proprietary funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City also reports the following fund type:

The *Special Revenue Fund* accounts for specific revenue sources that are legally restricted or committed to expenditure for specific purposes other than debt service or capital projects.

The following are reported as major proprietary funds:

The *Water and Sewer Utility Fund* is used to account for the operations of the City's water and sewer systems, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

The *Cemetery Fund* is used to account for the sale of lots and maintenance of the Oak Ridge Cemetery.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer Utility and Cemetery funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

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

Investments of the City are reported at fair value. The City's investments consist of investments authorized per the investment policy adopted in accordance with Section 218.415, Florida Statutes.

Receivables

All trade receivables are reported net of an allowance for uncollectibles, which is generally equivalent to the receivables that are over 90 days past due.

Inventory and Prepaid Items

Inventories are determined by physical count and valued at cost using first-in first-out (FIFO) method. Inventories, consisting of expendable supplies are recorded as expenditures as they are used (consumption method). Governmental Fund inventories are classified as nonspendable fund balance which indicates that the fund balance is not in spendable form. A prepaid expense/expenditure is recognized when a cash expense/expenditure is made for goods or services that were purchased for consumption, but not consumed as of September 30.

Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" in the fund financial statements. Short-term interfund loans are classified as "interfund receivables/ payables." Long-term interfund loans are classified as advances.

Leases

The City is a lessor for noncancellable leases of buildings. The City recognizes a lease receivable and deferred inflow of resources in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term

Key estimates and judgments related to leases include how the County determines: 1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease term, and 3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items are recorded at acquisition value.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the fiscal year ended September 30, 2024, no interest was capitalized.

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10-50 years
Infrastructure and improvements	10-50 years
Equipment	5-20 years
Intangible assets	5-20 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend asset lives are not capitalized.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows of resources and a separate section for deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

The City has deferred inflows and deferred outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. The changes in proportion and differences between City contributions and proportionate share of contributions are also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the City to the pension plans before year-end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. The City also reports a deferred inflow related to leases.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

It is the City's policy to permit Charter employees to accumulate earned but unused personal leave benefits. Since the City's policy is to pay accumulated personal leave when employees separate from service, all personal leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City pays general employees any unused leave balances at the end of the fiscal year in the first pay period of the subsequent fiscal year. General employees may elect to transfer their unused sick time to a catastrophic leave bank, but unused vacation time is not carried over. For governmental funds, compensated absences, net pension liability and other post-employment benefits are generally liquidated by the General Fund.

Net Position/Fund Balance Classification

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balance of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions in enabling legislation.

Net Position/Fund Balance Classification (Continued)

At year-end, governmental activities net position restricted for other purposes was composed of amounts related to purposes as noted in the statement of net position.

Unrestricted Net Position – This category represents net position that does not meet the definition of “net investment in capital assets” or “restricted.”

In accordance with GASB Statement No. 54, the City classifies governmental fund balance as follows:

Nonspendable Fund Balance – This represents amounts that cannot be spent due to form (e.g. inventories, prepaid amounts) or legally or contractually required to be maintained intact (such as corpus of an endowment fund).

Restricted Fund Balance – This represents amounts constrained for a specific purpose by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – This represents amounts that can only be used for specific purposes determined by a formal action (ordinance) of the City Council, the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances includes spendable fund balance amounts established by management of the City that are intended to be used for a specific purposes that are neither considered restricted or committed. Intent is expressed by the City Council to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances are considered assignments of fund balance.

Unassigned Fund Balance – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it such as in grant agreements requiring dollar for dollar spending.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property tax revenue is recognized in the year for which taxes are levied provided the availability test is met.

The value of all taxable property is assessed as of January 1. The City Council levies property taxes by approving the millage rate for the following fiscal year in September. Property taxes become due and payable on November 1 of the same year. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Taxes become delinquent on April 1 of the next year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1. Tax certificate proceeds are remitted to the City, thereby assuring that virtually all taxes levied are collected within the same fiscal year, after allowing for discounts and any disputed assessment in litigation. The tax certificate, once sold, represents a lien on the property, which may be redeemed by the property owner by paying the face amount of the certificate plus interest and other costs. Property taxes receivable and a corresponding reserve for uncollectable property taxes are not included in the financial statements, as there are no material delinquent taxes as of September 30, 2024. No accrual for the property tax levy becoming due in November of 2024, is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's FRS plan and additions to/deductions from this plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Community Redevelopment Agency Special Revenue Fund, Capital Projects Fund and Enterprise Funds, except as described below under Budget Basis of Accounting. All annual appropriations lapse at fiscal year-end. The City follows these procedures set forth below in establishing the budgetary data reflected in the financial statements.

1. Prior to August 1st, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers comments.
3. On or before September 30th of year, public hearings are completed and the Council adopts the final budget and establishes the ad valorem tax millage.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

4. The City cannot legally exceed the budget; however, the City Manager is authorized to transfer budgeted amounts within departments within any fund unless the transfer affects a budgeted reserve. The City Council must approve revisions that alter the total expenditures of any department. The legal level of budgetary control is department.
5. Budgetary comparisons are not presented for Enterprise Funds since not required under generally accepted accounting principles.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

All bank deposits were covered by Federal Depository Insurance or held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. This limits local government deposits to "authorized depositories." The State of Florida Collateral Pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails. For this reason, the City considers its deposits insured or collateralized.

Investments

The City's investment policy is governed by State Statutes and City ordinances. The investment policy does not apply to funds related to the issuance of debt where there are other existing policies or indentures in effect. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with chapter 280 of the Florida Statutes. Authorized investments are:

1. Direct obligations of the U.S. Government, its Agencies or Instrumentalities;
2. Securities and Exchange Commission registered money market mutual funds with the highest credit quality rating from a nationally recognized rating agency;
3. Insured or fully collateralized Certificates of Deposit and other forms of deposit in financial institutions that are qualified public depositories of the State as determined by the State Treasurer, in accordance with Chapter 280.02 of the State Statutes;
4. Financial institution deposits that are in qualified public depositories of the State in accordance with Chapter 280.02, where the selected depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured financial institutions, wherever located, for the account of the City in amounts that ensure that each certificate of deposit is insured by the Federal Deposit Insurance Corporation, and meet the requirements of Chapter 218.415 (23);
5. The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01; and
6. Repurchase agreements secured by direct obligations of the U.S. Government, its Agencies, or Instrumentalities, pledged with an independent third party approved by the City, and having a market value of not less than 102% if investment balance plus interest. All repurchase agreement transactions shall be governed in accordance with a master repurchase agreement executed in compliance with State law.

The SBA is not a registrant with the Securities and Exchange Commission (SEC); however, the State of Florida does provide regulatory oversight. The Board has adopted operating procedures consistent with the requirements for a 2a-7 fund for the Florida Prime Fund; therefore, the pool account balance can be used as fair value for the financial reporting.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

At September 30, 2024, the City had the following investments:

Investments	Maturities	Rating	Fair Value
Florida Prime	39 days	AAAm	$ 47,234
Florida SAFE Money Market	N/A	AAAm	21,193,574
0-2 Year High Quality Bond	0.88 years	AAAf/S1	76,620
Florida SAFE Treasury Note	30.02 days	Not Rated	925,903
Certificate of Deposit	138 days	Not Rated	3,171,797
			$ 25,415,128

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the City's own data in measuring unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2024:

Investments Valued by Fair Value Level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
0-2 Year High Quality Bond	$ 76,620	$ -	$ 76,620
	$ 76,620	$ -	$ 76,620

Credit Risk

The City's investment policy limits credit risk by restricting authorized investments to those described above. The policy requires that investments in U.S. Government Agency Securities be guaranteed by the full faith of the U.S. Government. Also, term repurchase agreements must be collateralized by U.S. Treasury securities and overnight (sweep) repurchase agreements must be collateralized by the full faith or general faith and credit obligations of the U.S. Government or U.S. Government Agency Securities. Securities of registered investment companies must be limited to U.S. Government obligations and to repurchase agreements fully collateralized by such U.S. Government obligations.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2024, all of the City's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. At September 30, 2024, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

The policy has no limitations on portfolio composition.

Interest Rate Risk

The policy minimizes interest rate risk by structuring investments to meet cash requirements and diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

NOTE 4. RECEIVABLES

Receivables as of September 30, 2024 including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Improvements Fund	Water and Sewer Fund	Total
Receivables				
Accounts	$ 551,915	$ -	$ 638,361	$ 1,190,276
Leases	123,187	-	-	123,187
Other	-	-	18,601	18,601
Due from other governments	-	56,984	3,161,039	3,218,023
Less allowance for uncollectible receivables	-	-	(104,773)	(104,773)
	$ 675,102	$ 56,984	$ 3,713,228	$ 4,445,314

Lease Receivable: In February 2014, the city entered into a lease as lessor for the use of office space in the City's Government Center. This lease was extended on February 1, 2021, for an additional five years. An initial lease receivable was recorded in the amount of $433,413. The lessee is required to make monthly payments of $8,270, with annual increases. The lease has an interest rate of 0%. As of September 30, 2024, the value of the lease receivable and deferred inflow of resources is $123,187 and the City recognized lease revenue of $115,996 during the fiscal year.

NOTE 4. RECEIVABLES (CONTINUED)

The following is a schedule of minimum future revenues from non-cancellable agreements as of September 30, 2024:

Fiscal Year	Principal	Interest	Total
2025	$ 103,476	$ -	$ 103,476
2026	19,711	-	19,711
	$ 123,187	$ -	$ 123,187

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2024 was as follows:

Primary government:	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	$ 3,763,153	$ 204,605	$ -	$ -	$ 3,967,758
Construction in progress	963,999	1,821,167	-	(849,718)	1,935,448
Total assets not being depreciated	4,727,152	2,025,772	-	(849,718)	5,903,206
Capital assets being depreciated					
Buildings	16,275,418	62,759	(3,385)	-	16,334,792
Improvements	28,514,844	14,974	-	689,475	29,219,293
Machinery and equipment	4,520,628	775,193	(240,069)	171,939	5,227,691
Intangibles	684,426	-	-	(11,696)	672,730
Total assets being depreciated	49,995,316	852,926	(243,454)	849,718	51,454,506
Less accumulated depreciation					
Buildings	(4,347,764)	(407,689)	3,385	-	(4,752,068)
Improvements	(8,677,061)	(913,934)	-	-	(9,590,995)
Machinery and equipment	(2,772,059)	(381,135)	229,288	(11,696)	(2,935,602)
Intangibles	(662,782)	(8,903)	-	11,696	(659,989)
Total accumulated depreciation	(16,459,666)	(1,711,661)	232,673	-	(17,938,654)
Total assets depreciated, net	33,535,650	(858,735)	(10,781)	849,718	33,515,852
Governmental activities, net	$ 38,262,802	$ 1,167,037	$ (10,781)	$ -	$ 39,419,058

Business-type activities	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Capital assets not being depreciated					
Land	$ 651,855	$ -	$ -	$ -	$ 651,855
Construction in progress	2,947,244	4,516,173	-	(5,377,257)	2,086,160
Total assets not being depreciated	3,599,099	4,516,173	-	(5,377,257)	2,738,015
Capital assets being depreciated					
Buildings	17,750,340	-	-	-	17,750,340
Improvements	16,182,085	455,045	-	5,377,257	22,014,387
Machinery and equipment	8,355,459	131,986	(98,453)	-	8,388,992
Total assets being depreciated	42,287,884	587,031	(98,453)	5,377,257	48,153,719
Less accumulated depreciation					
Buildings	(5,206,858)	(360,198)	-	-	(5,567,056)
Improvements	(7,706,824)	(520,580)	-	-	(8,227,404)
Machinery and equipment	(7,164,525)	(206,847)	98,453	-	(7,272,919)
Total accumulated depreciation	(20,078,207)	(1,087,625)	98,453	-	(21,067,379)
Total assets depreciated, net	22,209,677	(500,594)	-	5,377,257	27,086,340
Business-type activities, net	$ 25,808,776	$ 4,015,579	$ -	$ -	$ 29,824,355

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental Activities		
General government	$	338,369
Community development services		678,540
Culture and recreation		87,333
Highways and streets		337,757
Culture and recreation		269,662
Total depreciation expense, governmental activities	$	1,711,661
Business-Type Activities		
Water and sewer	$	1,087,132
Three Sisters		493
Total depreciation expense, business-type activities	$	1,087,625

NOTE 6. LONG-TERM DEBT

Long-term debt payable as of September 30, 2024 is composed of the following issues:

Bonds Payable Public Offering	
In 2017, the City issued Tax Increment Revenue Refunding Bonds, Series 2017. These Bonds were issued to fund various City-wide projects and upgrades managed by the Inverness Community Development District. The agreement provided total funding of $12,980,000. The loan period is 27 years with an interest rate of 4%. The bonds are secured by Ad Valorem revenues from the Community Development District and supplemented by general fund ad valorem revenues. Total principal and interest remaining was $15,706,338. For the fiscal year, principal and interest paid was $745,800 and total pledged revenue was $1,533,061.	$ 11,150,000
Total bonds payable	$ 11,150,000
Notes Payable from Direct Borrowings	
In 2005, the City executed a State Revolving Loan agreement for various water and wastewater system upgrades. The amended agreement provides total funding of $16,052,561, including grant funding of $10,000,000 that was funded by the state through a Small Community Wastewater Grant. The loan period is 26 years with an interest rate of 2.3%. The loan is secured by the gross revenues from the water and sewer utility net of operation and maintenance costs. Total principal and interest remaining was $2,707,223. For the fiscal year, principal and interest paid was $208,248 and total pledged revenue was $4,251,438. In the event of default on the State Revolving Fund Loan, the Florida Department of Environmental Protection may cause to establish rates and collect fees, require the City to account for all moneys received and used, appoint a receiver to manager the water and sewer systems, intercept delinquent amounts plus a penalty due to the City under State Revenue Sharing, recover all amounts due including costs of collection and attorney fees, and accelerate the repayment schedule or increase the interest	$ 2,172,941
The City has entered into a financed purchase agreement for financing the acquisition and installation of water meter equipment. Payments are due semiannually. Total principal and interest remaining on the loan was $560,500. For the fiscal year, principal and interest paid was $213,500.	331,177
Total business-type notes payable from direct borrowings	$ 2,504,118

NOTE 6. LONG-TERM DEBT (CONTINUED)

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities					
ICRA refunding revenue bonds	$ 11,485,000	$ -	$ (335,000)	$ 11,150,000	$ 355,000
Bond premium	308,180	-	(14,763)	293,417	-
Total OPEB liability	49,480	23,370	(9,421)	63,429	-
Net pension liability	3,877,521	2,193,917	(2,109,146)	3,962,292	-
Total governmental activities	$ 15,720,181	$ 2,217,287	$ (2,468,330)	$ 15,469,138	$ 355,000
Business-type activities					
SRF note payable	$ 2,328,522	$ -	$ (155,581)	$ 2,172,941	$ 159,180
Financed purchase	537,589	-	(206,412)	331,177	218,252
Net pension liability	411,891	243,769	(234,765)	420,895	-
Total business-type activities	$ 3,278,002	$ 243,769	$ (596,758)	$ 2,925,013	$ 377,432

The annual debt service payments required on outstanding debt at September 30, 2024 are as follows:

Fiscal	Revenue Bonds, Series 2017			State Revolving Fund Loan			Financed Purchase		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	$ 355,000	$ 394,050	$ 749,050	$ 159,180	$ 49,068	$ 208,248	$ 218,252	$ 7,748	$ 226,000
2026	370,000	376,300	746,300	162,863	45,385	208,248	112,925	1,575	114,500
2027	390,000	357,800	747,800	166,630	41,618	208,248	-	-	-
2028	410,000	338,300	748,300	170,484	37,763	208,247	-	-	-
2029	430,000	317,800	747,800	174,428	33,820	208,248	-	-	-
2030-2034	2,400,000	1,342,000	3,742,000	934,564	106,676	1,041,240	-	-	-
2035-2039	2,790,000	948,900	3,738,900	404,792	11,704	416,496	-	-	-
2040-2044	2,580,000	408,625	2,988,625	-	-	-	-	-	-
2045	1,425,000	72,563	1,497,563	-	-	-	-	-	-
	$ 11,150,000	$ 4,556,338	$ 15,706,338	$ 2,172,941	$ 326,034	$ 2,498,975	$ 331,177	$ 9,323	$ 340,500

NOTE 7. INTERFUND BALANCES AND TRANSFERS

Interfund transfers for the year ended September 30, 2024 consisted of the following:

	Transfers In	Transfers Out
General Fund	$ 899,000	$ 2,052,213
Community redevelopment fund	500,000	286,500
Capital projects fund	2,052,213	500,000
Water and sewer fund	-	609,000
Cemetery fund	-	3,500
	$ 3,451,213	$ 3,451,213

NOTE 8. PENSION PLANS

Defined Benefit Plans

The City participates in two defined benefit pension plans (Plans) that are administered by the State of Florida, Department of Management Services, Division of Retirement. The Plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the Plans. That report is available from the Florida Department of Management Services' website at www.dms.myflorida.com.

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

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

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The employer's contribution rates for the period October 1, 2023 through June 30, 2024, and July 1, 2024 through September 30, 2024, were as follows: Regular Class 13.57% and 13.63%, Senior Management 34.52% and 34.52%, Elected Officials 62.72% and 62.97%, and DROP Participants 21.13% and 21.13%.

The City's contributions for the year ended September 30, 2024 were $530,607 to FRS and $58,516 to HIS.

NOTE 8. PENSION PLANS (CONTINUED)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2024, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2024. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS	Total
Net pension liability	$ 3,393,848	$ 989,339	$ 4,383,187
Proportion at:			
Current measurement date	0.008773100%	0.006595161%	
Prior measurement date	0.008242200%	0.006329169%	
Pension expense	$ 582,191	$ 61,528	$ 643,719

As of September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS		Totals	
Description	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 342,870	$ -	$ 9,553	$ 1,900	$ 352,423	$ 1,900
Change of assumptions	465,158	-	17,509	117,125	482,667	117,125
Net difference between projected and actual earnings on Pension Plan investments	-	225,573	-	358	-	225,931
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	237,800	7,698	87,932	4,469	325,732	12,167
City Pension Plan contributions subsequent to the measurement date	153,234	-	16,346	-	169,580	-
Total	$ 1,199,062	$ 233,271	$ 131,340	$ 123,852	$ 1,330,402	$ 357,123

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	FRS	HIS
2025	$ (71,976)	$ (1,437)
2026	781,914	(1,773)
2027	57,000	(2,583)
2028	2,696	(1,806)
2029	42,923	(984)
Thereafter	-	(275)

NOTE 8. PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2024, was determined by an actuarial valuation dated July 1, 2024, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.93%

Mortality assumptions for both plans were based on the PUB-2010 base table, which varies by member category and sex, projected generationally with Scale MP-2021.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2024, were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2024:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.65% to 3.93%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
	100.0%			
Assumed Inflation - Mean			2.4%	1.5%

Discount Rate

The discount rate used to measure the total pension liability for FRS was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because HIS is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

NOTE 8. PENSION PLANS (CONTINUED)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
City's proportionate share of the net pension liability	$ 5,969,660	$ 3,393,848	$ 1,236,059	$ 1,126,235	$ 989,339	$ 875,693

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At September 30, 2024, the City reported a payable in the amount of $61,727 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2024.

Investment Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2023-24 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 11.30%, Special Risk Administrative Support class 12.95%, Special Risk class 19.00%, Senior Management Service class 12.67% and City Elected Officers class 16.34%.

The City's Investment Plan pension expense totaled $123,078 for the fiscal year ended September 30, 2024.

General Employees Defined Contribution Pension Plan

All of the City's full-time general employees hired after January 1, 1996, but before January 1, 2005, participate in a single-employer, defined contribution pension plan.

Chapter 112 of the Florida Statutes provides for a system of retirement plans for general employees. Chapter 112 sets forth maximum benefits, administrative arrangements, and fiduciary responsibilities. Non-bargaining unit employees contribute 3% of their earnings to the fund, union employees make voluntary contributions only, not to exceed 7%, and the City is required to make contributions from general revenues at the rate of 10% of covered earnings

The plan assets are held in trust for the employees by a third-party administrator and are not subject to creditors of the City. Therefore, the assets, liabilities, net assets and operations of this plan are not presented in the City's financial statements.

At September 30, 2024, there were no plan members or City contributions to the plan.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan assets are held in trust for the employees by a third-party administrator and investments are directed by the participating employees. Therefore, the assets, liabilities, net assets and operations of this plan are not presented on the City's financial statements.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City of Inverness's Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under the applicable retirement plan to continue medical insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, the Plan does not meet the requirements for an OPEB plan administered through a trust. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements. This plan does not issue stand-alone financial statements.

Plan Membership

Membership of the OPEB Plan consisted of the following at September 30, 2023, the date of the latest actuarial valuation:

Active participants	53
Retirees, beneficiaries and disabled members	-
Covered spouses	-
	53

Benefits Provided

A retired employee and his or her spouse and eligible dependents are eligible to continue health insurance identical to active employees if they meet the eligibility for retirement under the applicable retirement plan. For retirees over age 60 with at least 25 years of Credited Service, the City contributes $5 per year of Credited Service each month towards each retiree's health premiums until the retiree becomes eligible to receive Medicare. The retiree is responsible for paying the remaining monthly premium for health coverage and that of any covered spouse or eligible dependents.

Total OPEB Liability of the City

The City's total OPEB liability was measured as of September 30, 2024, and was determined by an actuarial valuation as of September 30, 2023 with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2023, updated to September 30, 2024, using the following actuarial assumptions:

Inflation:	2.50%
Salary increases:	2.50%
Discount rate:	4.06%
Initial trend rate:	7.00%
Ultimate trend rate:	4.00%
Years to ultimate:	51
Participation rate:	20% participation assumed, with 50% electing spouse coverage

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

Discount Rate

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.06%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Index as published by S&P Dow Jones Indices. The S&P Municipal Bond 20 Year High Grade Rate Index consists of bonds in the S&P Municipal bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

OPEB Expense

For the year ended September 30, 2024, the City will recognize OPEB Expense of $19,793.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability of the City

The changes in the total OPEB liability of the City for the year ended September 30, 2024 were as follows:

		Total OPEB Liability
Balances at September 30, 2023	$	49,480
Changes for the year:		
Service cost		7,465
Interest		2,341
Experience differences		(8,127)
Assumption changes		13,564
Benefit payments		(1,294)
Net changes		13,949
Balance at September 30, 2024	$	63,429

The required schedule of changes in the City's total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Changes of assumptions reflect a change in the discount rate from 4.87% for the fiscal year ending September 30, 2023, to 4.06% for the fiscal year ending September 30, 2024. Updated healthcare costs and premiums are also reflected ass assumption changes.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.77%) or 1-percentage point higher (5.77%) than the current discount rate:

		1% Decrease 3.06%		Discount Rate 4.06%		1% Increase 5.06%
Total OPEB liability	$	71,205	$	63,429	$	56,855

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (6% decreasing to 3%) or 1-percentage point higher (8% decreasing to 5%) than the current healthcare cost trend rates:

		1% Decrease (6% decreasing to 3%)		Discount Rate (7% decreasing to 4%)		1% Increase (8% decreasing to 5%)
Total OPEB liability	$	55,430	$	63,429	$	73,185

NOTE 10. RISK MANAGEMENT

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

Risk of loss from above is transferred by the City to various commercial insurers through the purchase of insurance. There have been no significant reductions in insurance coverage from the prior year, and settlements have not exceeded insurance coverage during the past three years.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Litigation

The City is engaged in various liability claims incidental to the conduct of its general government operations. While the outcome of the litigation is not presently determinable, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 12. SUBSEQUENT EVENTS

The City has evaluated subsequent events through May 27, 2025 the date which the financial statements were available to be issued and has determined that no material transactions have occurred that would warrant additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting period ending Measurement date	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020
City's proportion of the FRS net pension liability	0.00877310%	0.00824220%	0.00792617%	0.00765012%	0.00773270%
City's proportionate share of the FRS net pension liability	$ 3,393,848	$ 3,284,256	$ 2,949,174	$ 577,879	$ 3,351,466
City's covered payroll	$ 2,792,753	$ 2,510,676	$ 2,278,136	$ 2,013,052	$ 1,962,133
City's proportionate share of the pension liability as a percentage of its covered payroll	121.52%	130.81%	129.46%	28.71%	170.81%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%

Reporting period ending Measurement date	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015
City's proportion of the FRS net pension liability	0.00754651%	0.007301884%	0.007850393%	0.006162172%	0.005609830%
City's proportionate share of the FRS net pension liability	$ 2,598,912	$ 2,199,365	$ 2,322,094	$ 1,555,953	$ 724,585
City's covered payroll	$ 1,935,226	$ 1,709,056	$ 1,805,362	$ 1,615,922	$ 1,455,498
City's proportionate share of the pension liability as a percentage of its covered payroll	134.30%	128.69%	128.62%	96.29%	49.78%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Contractually required FRS contribution	$ 530,607	$ 414,590	$ 368,321	$ 296,126	$ 265,171
FRS contributions in relation to the contractually required FRS contribution	530,607	414,590	368,321	296,126	265,171
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,909,820	$ 2,572,160	$ 2,438,759	$ 2,049,004	$ 1,947,377
FRS contributions as a percentage of covered payroll	18.24%	16.12%	15.10%	14.45%	13.62%

Reporting period ending	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Contractually required FRS contribution	$ 239,744	$ 213,550	$ 203,914	$ 161,581	$ 138,199
FRS contributions in relation to the contractually required FRS contribution	239,744	213,550	203,914	161,581	138,199
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,987,097	$ 1,748,067	$ 1,747,095	$ 1,615,922	$ 1,455,498
FRS contributions as a percentage of covered payroll	12.07%	12.22%	11.67%	10.00%	9.49%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting period ending Measurement date	9/30/2024 6/30/2024	9/30/2023 6/30/2023	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020
City's proportion of the HIS net pension liability	0.00659516%	0.00632917%	0.00619440%	0.00568625%	0.00569690%
City's proportionate share of the HIS net pension liability	$ 989,339	$ 1,005,156	$ 656,086	$ 697,504	$ 697,504
City's covered payroll	$ 2,792,753	$ 2,510,676	$ 2,278,136	$ 2,013,052	$ 1,962,133
City's proportionate share of the pension liability as a percentage of its covered payroll	35.43%	40.04%	28.80%	34.65%	35.55%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.54%	4.12%	4.81%	3.56%	3.00%

Reporting period ending Measurement date	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015
City's proportion of the HIS net pension liability	0.00523520%	0.005235197%	0.005627769%	0.004954573%	0.004605352%
City's proportionate share of the HIS net pension liability	$ 647,441	$ 554,099	$ 601,647	$ 577,435	$ 469,673
City's covered payroll	$ 1,935,226	$ 1,709,056	$ 1,805,362	$ 1,615,922	$ 1,455,498
City's proportionate share of the pension liability as a percentage of its covered payroll	33.46%	32.42%	33.33%	35.73%	32.27%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Contractually required HIS contribution	$ 58,516	$ 44,721	$ 40,028	$ 34,022	$ 32,584
HIS contributions in relation to the contractually required HIS contribution	58,516	44,721	40,028	34,022	32,584
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,909,820	$ 2,572,160	$ 2,438,759	$ 2,049,004	$ 1,947,377
HIS contributions as a percentage of covered payroll	2.01%	1.74%	1.64%	1.66%	1.67%

Reporting period ending	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Contractually required HIS contribution	$ 32,992	$ 29,038	$ 28,851	$ 26,098	$ 19,682
HIS contributions in relation to the contractually required HIS contribution	32,992	29,038	28,851	26,098	19,682
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,987,097	$ 1,748,067	$ 1,747,095	$ 1,615,922	$ 1,455,498
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.65%	1.62%	1.35%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	$ 7,465	$ 5,031	$ 6,865	$ 7,186	$ 8,164	$ 5,874	$ 6,137
Interest	2,341	2,299	1,412	1,198	1,974	1,927	1,689
Experience differences	(8,127)	-	(3,337)	-	(1,330)	-	-
Assumption changes	13,564	(541)	(15,384)	(1,930)	(7,838)	3,335	(2,704)
Benefit payments	(1,294)	(942)	(946)	(442)	(565)	(5,416)	(4,992)
Net change in total OPEB liability	13,949	5,847	(11,390)	6,012	405	5,720	130
Total OPEB liability - beginning	49,480	43,633	55,023	49,011	48,606	42,886	42,756
Total OPEB liability - ending	$ 63,429	$ 49,480	$ 43,633	$ 55,023	$ 49,011	$ 48,606	$ 42,886
Covered-employee payroll	$ 2,493,369	$ 1,951,335	$ 1,903,742	$ 1,894,691	$ 1,848,479	$ 1,589,353	$ 1,550,588
Total OPEB liability as a percentage of covered employee payroll	2.54%	2.54%	2.29%	2.90%	2.65%	3.06%	2.77%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The City is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

Covered Payroll:

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

Changes of assumptions:

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

Fiscal Year Ending September 30, 2024:	4.06%
Fiscal Year Ending September 30, 2023:	4.87%
Fiscal Year Ending September 30, 2022:	4.77%

Updated healthcare costs and premiums are also reflected as assumption changes.

Benefit Payments:

The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2024. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

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SUPPLEMENTARY INFORMATION

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental revenues	$ -	$ 142,675	$ 46,974	$ (95,701)
Investment earnings	60,000	60,000	303,895	243,895
Total revenues	96,000	251,692	350,869	99,177
Expenditures				
Capital outlay	1,783,184	2,767,143	2,277,634	489,509
Total expenditures	1,783,184	2,767,143	2,277,634	489,509
Deficiency of revenues under expenditures	(1,687,184)	(2,515,451)	(1,926,765)	588,686
Other financing sources (uses)				
Transfers in	1,783,184	2,052,213	2,052,213	-
Transfers out	-	(500,000)	(500,000)	-
Total other financing sources, net	1,783,184	1,552,213	1,552,213	-
Change in fund balance	96,000	(963,238)	(374,552)	588,686
Fund balance, beginning of year	7,935,446	7,935,446	7,935,446	-
Fund balance, end of year	$ 8,031,446	$ 6,972,208	$ 7,560,894	$ 588,686

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

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STATISTICAL SECTION

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City-Wide Taxable Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year-End	Residential Property	Commercial Property	Industrial Property	Other Property	Tangible Personal Property (TPP)	Taxable Value Total	Total Direct Tax Rate	Estimated Actual Taxable Value [1]	Factor of Taxable Value [1]	Assessed Value as a Percentage of Actual
2015	-	-	-	-	-	$ 349,709,760	7.0729	-	-	-
2016	163,764,815	161,017,089	3,799,020	90,522,688	58,371,861	477,475,473	7.5729	615,851,685	1.289808	77.53%
2017	172,814,507	158,954,754	4,286,803	97,795,632	58,520,031	492,371,727	8.0729	622,053,577	1.263382	79.15%
2018	192,698,424	154,282,585	4,335,532	79,646,332	56,695,626	487,658,499	8.2729	661,434,142	1.356347	73.73%
2019	206,179,387	159,799,517	4,232,298	94,100,965	62,623,297	526,935,464	8.2729	698,117,300	1.324863	75.48%
2020	222,491,978	166,199,338	4,593,964	92,049,502	66,235,434	551,570,216	7.9730	689,461,115	1.249997	80.00%
2021	243,975,576	165,156,145	4,671,552	91,995,461	64,881,025	570,679,759	7.8211	718,008,728	1.258164	79.48%
2022	294,731,692	171,825,725	5,093,650	89,619,023	65,698,933	626,969,023	7.7600	778,474,207	1.241647	80.54%
2023	349,995,148	184,428,616	5,743,660	90,899,426	72,847,807	703,914,657	7.7600	854,161,721	1.213445	82.41%
2024	376,878,551	194,573,942	6,081,790	95,534,106	83,253,350	756,321,739	7.6600	915,305,863	1.210207	82.63%

Source: Avenu Insights & Analytics

[1] Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.
Based on these calculations a factor was extrapolated and applied to current assessed values.

(-) Data Unavailable.

Note: fiscal year 2016 is the City's first ACFR statitsical section publication, therefore, prior year data availability is limited.

City of Inverness, Florida

Taxable Property by Use Code, City-Wide
Last Nine Fiscal Years

Category	2016	2017	2018	2019	2020	2021	2022	2023	2024
Residential	$163,764,815	$172,814,507	$192,698,424	$206,179,387	$222,491,978	$243,975,576	$294,731,692	$349,995,148	$376,878,551
Commercial	161,017,089	158,954,754	154,282,585	159,799,517	166,199,338	165,156,145	171,825,725	184,428,616	194,573,942
Miscellaneous	88,899,951	95,485,114	77,365,183	90,603,187	88,960,119	88,921,050	83,916,518	87,379,915	89,768,738
Industrial	3,799,020	4,286,803	4,335,532	4,232,298	4,593,964	4,671,552	5,093,650	5,743,660	6,081,790
Agriculture	1,622,737	2,310,518	2,281,149	3,497,778	3,089,383	3,074,411	5,702,505	3,519,511	5,765,368
Taxable Value of Real Property	419,103,612	433,851,696	430,962,873	464,312,167	485,334,782	505,798,734	561,270,090	631,066,850	673,068,389
Tangible Personal Property	58,371,861	58,520,031	56,695,626	62,623,297	66,235,434	64,881,025	65,698,933	72,847,807	83,253,350
Total School Taxable Value	$477,475,473	$492,371,727	$487,658,499	$526,935,464	$551,570,216	$570,679,759	$626,969,023	$703,914,657	$756,321,739

Source: Citrus County Assessor data, Avenu Insights & Analytics

Note: fiscal year 2016 is the City's first ACFR statitsical section publication, therefore, prior year data availability is limited.

City of Inverness, Florida

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year-End	City of Inverness	Citrus County	Citrus County School Board	Hospital Board	Mosquito Control	SWFWMD General	Total
2015	7.0729	7.7887	7.1890	0.0000	0.4478	0.3488	15.6582
2016	7.5729	7.6652	6.9250	0.0000	0.4478	0.3317	22.9426
2017	8.0729	7.4407	6.5810	0.0000	0.4478	0.3131	22.8555
2018	8.2729	7.3561	6.3380	0.0000	0.4478	0.2955	22.7103
2019	8.2729	7.2032	6.1250	0.0000	0.4478	0.2801	22.3290
2020	7.9730	7.2032	5.9300	0.0000	0.4478	0.2669	21.8209
2021	7.8211	7.1742	5.8170	0.0000	0.4307	0.2535	21.4965
2022	7.7600	7.6678	5.5230	0.0000	0.4307	0.2260	21.6075
2023	7.7600	8.3522	5.4440	0.0000	0.3958	0.2043	22.1563
2024	7.6600	8.3469	5.3440	0.0000	0.3708	0.1909	21.9126

Source: Citrus County Property Appraiser , Avenu Insights & Analytics

City of Inverness, Florida

Principal Property Taxpayers
Current and Eight Fiscal Years Ago

	2024		2016	
Taxpayer	Taxable Value ($)	Percent of Total City Taxable Value (%)	Taxable Value ($)	Percent of Total City Taxable Value (%)
Citrus County Hospital Board	$ 66,791,590	8.83%	$ 88,976,473	18.63%
Citrus Memorial Hospital Inc-26670	24,029,433	3.18%		
Duke Energy Florida	18,936,090	2.50%	12,321,077	2.58%
95 FLRPT LLC	9,078,740	1.20%	6,609,630	1.38%
Sembler Gregory S	7,010,470	0.93%	6,017,110	1.26%
Sumter Electric Cooperative Inc.	5,700,487	0.75%	4,891,841	1.02%
Citrus Hospitality LLC	5,033,720	0.67%		
Signet Investments	4,883,620	0.65%	3,819,160	0.80%
701 Medical Court East LLC	4,725,341	0.62%	4,525,990	0.95%
Adams Homes Of Northwest Florida	4,586,121	0.61%		
Brannen Bank	4,040,007	0.53%	3,860,874	0.81%
FL Arbor Trail Holdings LLC	3,808,732	0.50%	3,363,620	0.70%
White Cap Of Florida Inc.	3,509,170	0.46%	2,607,110	0.55%
Colonnade Park Ltd.	3,139,840	0.42%		
Rosenberg Peter Michael	3,084,730	0.41%	2,309,600	0.48%
Citrus Plaza Commons LLC	2,984,071	0.39%	2,611,050	0.55%
Aem Anfang LLC	2,979,850	0.39%	2,141,390	0.45%
Williams Ltc Inc.	2,902,180	0.38%		
Inverness Regional LLC	2,580,640	0.34%		
Hollynn Properties Inc.	2,562,660	0.34%		
Osceola Inc.	2,461,024	0.33%		
Nolette Joseph H	2,338,360	0.31%		
Embarq Florida Inc.	2,328,228	0.31%		
Fitzgerald Way LLC	2,301,930	0.30%		
Bobchad Holdings Inc.	2,247,260	0.30%		
Wells Fargo Bank			7,307,029	1.53%
First Baptist Church Of Inverness			5,141,205	1.08%
Centurylink			4,887,645	1.02%
Wyld Palms Holdings LLC			4,804,180	1.01%
Lynch Robert N As Bishop Of			4,157,820	0.87%
Cornerstone Baptist Church			3,541,647	0.74%
Inverness Church Of God Inc.			2,992,032	0.63%
First Presbyterian Church			2,962,575	0.62%
Publix Super Market #1448			2,443,013	0.51%
Highland Terrace Aid Propco			2,292,432	0.48%
RKM Crystal LLC			2,245,830	0.47%
First Christian Church Of			2,060,298	0.43%
Total Top 25 Taxpayers	194,044,294	25.66%	188,890,631	39.56%
Total Taxable Value	$ 756,321,739	100.00%	$ 477,475,473	100.00%

Source: Citrus County Assessor data, Avenu Insights & Analytics
Note: fiscal year 2016 is the City's first ACFR publication, therefore, historical data availability is limited.

Demographic and Economic Statistics
Last Eight Fiscal Years

Fiscal Year	Population [1]	Personal Income	Per Capita Personal Income [1]	Median Age [2]	Public School Enrollment [3]	County Unemployment Rate [4]	City Unemployment Rate [4]	County Population [1]
2016	7,233	136,667,535	18,895	51.0	14,881	6.9%	6.9%	141,058
2017	7,347	142,496,314	19,395	55.0	14,991	6.0%	6.0%	143,621
2018	7,304	150,673,778	20,629	55.1	15,083	4.7%	4.7%	145,647
2019	7,390	160,799,749	21,759	58.6	15,098	4.3%	4.3%	147,929
2020	7,414	167,784,825	22,631	57.3	15,611	10.2%	10.2%	149,657
2021	7,543	184,260,404	24,428	58.1	15,413	7.2%	7.2%	153,843
2022	7,624	213,918,156	28,059	58.5	15,663	4.4%	4.4%	158,083
2023	7,602	248,793,923	32,727	56.7	16,070	4.2%	4.2%	162,529
2024	7,543	276,179,327	36,614	56.0	15,691	4.5%	4.2%	153,843

Source: Avenu Insights & Analytics
(1) Data is provided by the U.S. Census Bureau.
(2) Median Age reflects the U.S. Census data estimation table.
(3) Student Enrollment reflects the total number of students enrolled in Citrus County School District.
(4) Unemployment rates data from www.homefacts.com.
Note: fisal year 2016 is the City's first ACFR publication, therefore, prior year data availability is limited.

City of Inverness, Florida

Principal Employers
Current and Eight Years Ago

Employer	2024 Number of Employees	2024 Percent of Total Employment	2016 Number of Employees	2016 Percent of Total Employment
Citrus County School District *	2,311	34.21%	2,234	38.52%
Citrus County	1,284	19.01%	1,416	24.41%
HCA Florida - Citrus Hospital	1,150	17.02%	878	15.14%
Publix Super Market	232	3.43%	170	2.93%
Citrus Health & Rehabilitation	194	2.87%	130	2.24%
Winn-Dixie - 2 locations	185	2.74%	184	3.17%
Lowe's Home Improvement	175	2.59%	185	3.19%
Avante At Inverness	162	2.40%		
Arbor Trail Rehab & Nursing	127	1.88%	130	2.24%
Nick Nicholas Ford	107	1.58%		
Walmart Supercenter			388	6.69%
Brannen Bank			110	1.90%
Total Top 10 Employers	5,927	87.74%	5,825	100.43%
Total City Labor Force [1]	6,755		5,800	

Source: Avenu Insights & Analytics
Results based on direct correspondence with City’s local businesses.
[1] Labor Force data is provided by the U.S. Census Bureau.

Notes:
* District-Wide employee count.

OTHER REPORTS

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MAULDIN & JENKINS
CPAs & ADVISORS

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

Honorable Mayor and Members of
the City Council,
City of Inverness, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Inverness, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 27, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 City'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.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 27, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.550, Rules of the Auditor General

Honorable Mayor and Members of
the City Council,
City of Inverness, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project
We have audited the City of Inverness, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major state financial assistance project for the year ended September 30, 2024. The City's major state financial assistance project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state project for the year ended September 30, 2024.

Basis for Opinion on Each Major State Project
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards and Chapter 10.550, Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's state projects.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 27, 2025

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	CSFA Number	Grant ID Number	Actual Expenditures
State Projects			
State of Florida Department of Environmental Protection			
Statewide Water Quality Restoration - Pine Avenue	37.039	LPQ0033	$ 56,984
Statewide Water Quality Restoration - Septic to Sewer	37.039	WG068	70,558
Florida Springs Grant Program	37.052	LPS0050	2,551,399
Total Department of Environmental Protection			2,678,941
State of Florida Division of Emergency Management			
Firefighter Assistance Grant Program	43.006	FM841	46,974
Total Division of Emergency Management			46,974
Total Expenditures of State Projects.			$ 2,725,915

Notes to the Schedule:

This schedule includes the state grant activity of the City of Inverness, Florida for the fiscal year ended September 30, 2024, and is presented using modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of the basic financial statements.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Award Programs

There was not an audit of major federal programs for the fiscal year ended September 30, 2024 due to the total amount expended being less than $750,000.

State Financial Assistance Projects

Internal control over major state projects: Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Type of auditor's report issued on compliance for major state projects:	Unmodified
Any audit findings disclosed that are required to Be reported in accordance with Chapter 10.550, Rules of the Auditor General?	____ yes __X__ no

Identification of major state projects:

CSFA Number	Name of State Project
66.468	Florida Springs Grant Program

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None.

SECTION III
STATE AWARDS FINDINGS AND QUESTIONED COSTS

None.

SECTION IV
STATUS OF PRIOR YEAR AUDIT FINDINGS

None.

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Management Letter

Honorable Mayor and Members of
the City Council,
City of Inverness, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Inverness, Florida's (the "City"), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 27, 2025.

Auditor's Responsibility

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

Other Reports and Schedule

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 Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated May 27, 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 annual financial audit report. There were no such findings in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Additional information on the City's creation and the City's component units is disclosed within the City's footnotes.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City'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 abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
May 27, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Accountant's Report

Honorable Mayor and Members of
the City Council,
City of Inverness, Florida

We have examined the City of Inverness, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2024.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
May 27, 2025

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GOING FURTHER

CITY OF INVERNESS
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Inverness, Florida)

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

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FINANCIAL SECTION

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

Board of Directors
City of Inverness Community Redevelopment Agency
Inverness, Florida

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities and major fund (the "General Fund") of the City of Inverness Community Redevelopment Agency (the "CRA"), (a component unit of the City of Inverness, Florida), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA'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 and major fund of the CRA, as of September 30, 2024, and the respective changes in financial position and budgetary comparison for the General Fund 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 CRA 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 CRA'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.

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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 CRA'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 CRA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2025, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA'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 CRA's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 27, 2025

Management's Discussion and Analysis

This narrative overview and analysis of the financial activities of the City of Inverness Community Redevelopment Agency (the "CRA") for the fiscal year ended September 30, 2024 is designed to assist the reader in: (a) focusing on significant financial issues, (b) providing an overview of the CRA's financial activity, (c) identifying changes in the CRA's financial position, (d) identifying any material deviations from the approved budget, and (e) identifying individual fund issues or concerns. Please read it in conjunction with the CRA's Independent Auditor's Report, financial statements, and accompanying notes.

Financial Highlights

- The liabilities of the CRA exceeded its assets at the close of the most recent fiscal year by $(8,404,984) (*net deficit*). Of this amount, $2,470,642 represents restricted net position, which is to be used to meet the CRA's ongoing obligations for redevelopment.
- The CRA's total net position increased by $1,215,322.
- As of the close of the current fiscal year, the CRA's governmental fund reported ending fund balance of $2,634,830. The total amount, $2,634,335 is restricted for the purpose of community redevelopment.

Using this Annual Report

The financial statement's focus is on the CRA as a whole (government-wide) and on the individual fund. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

This discussion and analysis are intended to serve as an introduction to the CRA's basic financial statements, which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The *statement of net position* presents information on all of the CRA's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

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

The government-wide financial statements distinguish functions of the CRA that are principally supported by taxes and intergovernmental revenues (*governmental activities*).

The government-wide financial statements include only the CRA itself (known as the *primary government*). The government-wide financial statements can be found on pages 7 and 8 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 CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The General Fund of the CRA can be categorized as a governmental 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 spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The CRA adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget on page 13.

The basic governmental fund financial statements can be found on pages 9 through 12 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 22 of this report.

Government-Wide Financial Analysis

Statement of Net Position
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the CRA, the liabilities and deferred inflows exceeded the assets and deferred outflows by $(8,404,984) at the close of the most recent fiscal year. The following table reflects the condensed statement of net position for the current and prior year. For more detail see the statement of net position on page 7.

Statement of Net Position

	2024	2023	Change
Current and other assets	$ 2,669,254	$ 2,051,141	$ 618,113
Capital assets	567,792	295,300	272,492
Total assets	$ 3,237,046	$ 2,346,441	$ 890,605
Long-term liabilities	$ 11,443,418	$ 11,793,181	$ (349,763)
Other liabilities	198,612	173,566	25,046
Total liabilities	$ 11,642,030	$ 11,966,747	$ (324,717)
Net investment in capital assets	$ (10,875,626)	$ (9,988,851)	$ (886,775)
Restricted	2,470,642	368,545	2,102,097
Total net position	$ (8,404,984)	$ (9,620,306)	$ 1,215,322

The CRA's net position of $(8,404,984) is reflected in investment in capital assets, less any outstanding related debt used to acquire those assets. The CRA uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the CRA's investment in its capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The CRA conveyed its assets to the City, therefore, caused a negative net position in net investment in capital assets.

The CRA's net position increased by $1,215,322 during the current fiscal year. The following table reflects the condensed statement of activities for the current year. For more detail see the statement of activities on page 8.

Changes in Net Position
For the Years Ended September 30,

Statement of Activities

	2024	2023	Change
Revenues			
Program revenues			
Operating grants and contributions	$ 500,000	$ -	$ 500,000
General revenues			
Property tax assessments	1,533,061	1,375,706	157,355
Investment income	75,916	70,588	5,328
Total revenues	2,108,977	1,446,294	662,683
Expenses			
Economic environment	893,655	843,603	50,052
Total expenses	893,655	843,603	50,052
Change in net position	1,215,322	602,691	612,631
Beginning net position	(9,620,306)	(10,222,997)	602,691
Ending net position	$ (8,404,984)	$ (9,620,306)	$ 1,215,322

Governmental Activities
Governmental activities increased the CRA's net position by $1,215,322. This was due to reduced expenses and increased revenues.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of September 30, 2024, the CRA's governmental fund reported an ending fund balance of $2,634,830, an increase of $586,088. The fund balance is restricted for community redevelopment.

General Fund Budgetary Highlights

Budgets are conservatively developed to control costs with little growth or change. All functional expenditure areas expended less than budgeted for a total positive variance of $2,568,484 due to underspending in capital outlay in the current year.

Capital Asset and Debt Administration

Capital Assets
At September 30, 2024, the CRA had $567,792 invested in capital assets. At year-end, the entire balance was considered construction in progress.

Additional information on the City's capital assets can be found in Note 4 on page 20 of this report.

Long-Term Debt
At the end of the current fiscal year, the City had total debt outstanding of $11,443,418.

In August 2017, the City issued ICRA Refunding Revenue Bonds of $12,980,000 for the construction of various improvements within the CRA.

Additional information on the City's long-term debt can be found in Note 5 on pages 20 and 21 of this report.

Next Year's Budget and Rates

During the next fiscal year, the CRA is expecting to incur enough revenues to cover operating expenditures.

Requests for Information

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 212 West Main Street, Inverness, Florida 34450.

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	1,698,355
Investments		970,404
Prepaid expenses		495
Capital assets:		
Capital assets, nondepreciable		567,792
Total assets		3,237,046
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		34,424
Accrued interest		164,188
Noncurrent liabilities		
Due within one year		355,000
Due in more than one year		11,088,418
Total liabilities		11,642,030
NET POSITION (DEFICIT)		
Net investment in capital assets		(10,875,626)
Restricted		2,470,642
Total net position	$	(8,404,984)

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

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities				
Economic development	$ 504,597	$ -	$ 500,000	$ (4,597)
Interest and other fiscal charges	389,058	-	-	(389,058)
Total governmental activities	$ 893,655	$ -	$ 500,000	(393,655)
General revenues				
Property taxes				1,533,061
Interest				75,916
Total general revenues				1,608,977
Change in net position				1,215,322
Net deficit, beginning				(9,620,306)
Net deficit, ending				$ (8,404,984)

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

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2024

ASSETS		
Cash and cash equivalents	$	1,698,355
Investments		970,404
Prepaid items		495
Total assets	$	2,669,254
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	$	34,424
Total liabilities		34,424
FUND BALANCE		
Nonspendable:		
Prepaids		495
Restricted for:		
Community redevelopment		2,634,335
Total fund balance		2,634,830
Total liabilities and fund balance	$	2,669,254

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

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2024

Total fund balance, General Fund		$ 2,634,830
Amounts reported for the governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets		567,792
Long-term liabilities are not due and payable in the current period and therefore are not reported in the General Fund.		
ICRA Refunding Revenue Bonds	(11,150,000)	
Bond premium	(293,418)	
Accrued interest expense	(164,188)	
		(11,607,606)
Total net position, governmental activities		$ (8,404,984)

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

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

REVENUES		
Property taxes	$	1,533,061
Investment earnings		75,916
Intergovernmental		500,000
Total revenues		2,108,977
EXPENDITURES		
Current		
Community development services		356,375
Debt service		
Principal		335,000
Interest		410,800
Capital outlay		420,714
Total expenditures		1,522,889
Net change in fund balance		586,088
Fund balance, beginning		2,048,742
Fund balance, ending	$	2,634,830

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

(A Component Unit of the City of Inverness, Florida)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE–GENERAL FUND TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance, General Fund		$ 586,088
The General Fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay		412,476
Conveyance of capital assets is recorded as an expense in the statemnet of activities, while the amount does not affect the fund financial statements as the amount had previously been recorded as an expenditure for capital outlay.		(139,984)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Current year includes principal paid on long-term debt.		
Amortization of bond premium	$ 14,763	
Principal payments	335,000	349,763
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are used. The net change associated with these expenses/expenditures is as follows:		
Change in accrued interest		6,979
Change in net position of governmental activities		$ 1,215,322

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

City of Inverness Community Redevelopment Agency

(A Component Unit of the City of Inverness, Florida)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL−GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes	$ 1,522,631	$ 1,522,631	$ 1,533,061	$ 10,430
Investment earnings	20,000	20,000	75,916	55,916
Intergovernmental	-	500,000	500,000	-
Total revenues	1,542,631	2,042,631	2,108,977	66,346
Expenditures				
Current				
Economic development	667,979	1,458,178	356,375	1,101,803
Debt service				
Principal	335,000	335,000	335,000	-
Interest	410,800	410,800	410,800	-
Capital outlay	450,000	1,887,395	420,714	1,466,681
Total expenditures	1,863,779	4,091,373	1,522,889	2,568,484
Change in fund balances	(321,148)	(2,048,742)	586,088	2,634,830
Fund balances, beginning	2,048,742	2,048,742	2,048,742	-
Fund balances, ending	$ 1,727,594	$ -	$ 2,634,830	$ 2,634,830

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

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Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Inverness (the “City”) created the Downtown Redevelopment Agency (the “CRA") by City Resolution No. 90.07 in 1990. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Then in 2014, the City expanded the CRA in accordance with Chapter 163 of the Florida Statutes designating the expanded area and passed Ordinance 2014-703 adopting the CRA plan amendment to extend the boundaries and extend the implementation period for 30 years following the amendment of the existing plan. The incremental annual increase in tax over the base years (1990 and 2014) will be used to fund projects designed to enhance and improve the described area. The CRA is governed by a Board of seven appointed by the City Council.

In evaluating how to define the government, for financial reporting purposes, the CRA has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government: (a) is entitled to the organizations’ resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. The CRA is a component unit of the City of Inverness.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the CRA. For the most part, the effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the CRA.

The government reports the following fund:

The *General Fund* - established as a dependent taxing district. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area.

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

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

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

The government’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the CRA are reported at fair value. The CRA’s investments consist of investments authorized per the investment policy adopted in accordance with Section 218.415, Florida Statutes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables

All receivables are shown net of an allowance for uncollectible.

The CRA's primary source of revenue is tax-increment funds. This revenue is computed by applying the respective operating tax rates for the City and the County, multiplied by increased value of property located within the boundaries of the redevelopment areas of the CRA in excess of the base property value, minus 5%. The City and the County, are required to fund this amount annually without regard to tax collections or other obligations.

Capital Assets

Capital assets are defined by the CRA as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Any assets purchased with the CRA funds are conveyed to the City for ownership and maintenance once the asset is placed into service. At year end, the CRA has construction in progress and no assets in service. The construction in progress will be conveyed to the City upon completion of the project at the time the asset is placed into service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA does not have any item that qualifies for reporting in this category for the year ended September 30, 2024.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The CRA does not have any item that qualifies for reporting in this category for the year ended September 30, 2024.

Net Position Flow Assumptions

Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the CRA's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The CRA itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The CRA Board is the highest level of decision making authority for the CRA that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classifications are intended to be used by the CRA for specific purposes but do not meet the criteria to be classified as committed. The Council has the responsibility for assigning fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the CRA, except as described below under Budget Basis of Accounting. All annual appropriations lapse at fiscal year-end. The CRA follows these procedures set forth below in establishing the budgetary data reflected in the financial statements.

1. Prior to August 1st, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers comments.
3. On or before September 30th of year, public hearings are completed, and the Council adopts the final budget and establishes the ad valorem tax millage.
4. The City cannot legally exceed the budget; however, the City Manager is authorized to transfer budgeted amounts within departments within any fund unless the transfer affects a budgeted reserve. The City Council must approve revisions that alter the total expenditures of any department. The legal level of budgetary control is department.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

All bank deposits were covered by Federal Depository Insurance or held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. This limits local government deposits to "authorized depositories." The State of Florida Collateral Pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails. For this reason, the City considers its deposits insured or collateralized.

Investments

The City's investment policy is governed by State Statutes and City ordinances. The investment policy does not apply to funds related to the issuance of debt where there are other existing policies or indentures in effect. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with chapter 280 of the Florida Statutes. Authorized investments are:

1. Direct obligations of the U.S. Government, its Agencies or Instrumentalities;
2. Securities and Exchange Commission registered money market mutual funds with the highest credit quality rating from a nationally recognized rating agency;
3. Insured or fully collateralized Certificates of Deposit and other forms of deposit in financial institutions that are qualified public depositories of the State as determined by the State Treasurer, in accordance with Chapter 280.02 of the State Statutes;
4. Financial institution deposits that are in qualified public depositories of the State in accordance with Chapter 280.02, where the selected depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured financial institutions, wherever located, for the account of the City in amounts that ensure that each certificate of deposit is insured by the Federal Deposit Insurance Corporation, and meet the requirements of Chapter 218.415 (23);
5. The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01;
6. Repurchase agreements secured by direct obligations of the U.S. Government, its Agencies, or Instrumentalities, pledged with an independent third party approved by the City, and having a market value of not less than 102% if investment balance plus interest. All repurchase agreement transactions shall be governed in accordance with a master repurchase agreement executed in compliance with State law.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments made by the CRA at September 30, 2023 are summarized below:

Investments	Maturities	Rating	Fair Value
Florida SAFE Money Market	N/A	AAAm	$ 44,500
Florida SAFE Treasury Note	30.02 days	Not Rated	925,904
			$ 970,404

Fair Value

The CRA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The CRA uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the CRA's own data in measuring unobservable inputs. The CRA had no investments as defined by GASB Statement No. 72 as of September 30, 2024.

Credit Risk

The CRA's investment policy limits credit risk by restricting authorized investments to those described above. The policy requires that investments in U.S. Government Agency Securities be guaranteed by the full faith of the U.S. Government. Also, term repurchase agreements must be collateralized by U.S. Treasury securities and overnight (sweep) repurchase agreements must be collateralized by the full faith or general faith and credit obligations of the U.S. Government or U.S. Government Agency Securities. Securities of registered investment companies must be limited to U.S. Government obligations and to repurchase agreements fully collateralized by such U.S. Government obligations.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the CRA's deposits may not be returned to it. The CRA's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2024, all of the CRA's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. At September 30, 2024, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The policy has no limitations on portfolio composition.

The policy minimizes interest rate risk by structuring investments to meet cash requirements and diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

NOTE 4. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Construction in progress	$ 295,300	$ 412,476	$ (139,984)	$ 567,792
Total capital assets not being depreciated	$ 295,300	$ 412,476	$ (139,984)	$ 567,792

During the year, the CRA contributed $139,984 of completed CIP improvements to the City for ownership and maintenance.

NOTE 5. LONG-TERM LIABILITIES

Bonds Payable Public Offering

In 2017, the City issued Tax Increment Revenue Refunding Bonds, Series 2017. These Bonds were issued to fund various City-wide projects and upgrades managed by the Inverness Community Development District. The agreement provided total funding of $12,980,000. The loan period is 27 years with an interest rate of 4%. The bonds are secured by Ad Valorem revenues from the Community Development District and supplemented by City ad valorem revenues. Total principal and interest remaining was $15,212,422. For the fiscal year, principal and interest paid was $745,800 and total pledged revenue was $1,533,061.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Notes Payable:					
ICRA Refunding Revenue Bonds	$ 11,485,000	$ -	$ (335,000)	$ 11,150,000	$ 355,000
Bond premium	308,181	-	(14,763)	293,418	-
Total governmental activities long-term liabilities	$ 11,793,181	$ -	$ (349,763)	$ 11,443,418	$ 355,000

NOTE 5. LONG-TERM LIABILITIES

Changes in Long-Term Liabilities (Continued)

Annual debt service requirements to maturity for bonds payable are as follows:

Fiscal Year Ending	Principal	Interest	Total
2025	$ 355,000	$ 394,050	$ 749,050
2026	370,000	376,300	746,300
2027	390,000	357,800	747,800
2028	410,000	338,300	748,300
2029	430,000	317,800	747,800
2030-2034	2,400,000	1,342,000	3,742,000
2035-2039	2,790,000	948,900	3,738,900
2040-2044	2,580,000	408,625	2,988,625
2045	1,425,000	72,563	1,497,563
	$ 11,150,000	$ 4,556,338	$ 15,706,338

NOTE 6. RISK MANAGEMENT

The CRA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters for which the CRA carries commercial insurance.

Risk of loss from above is transferred by the CRA to various commercial insurers through the purchase of insurance. There have been no significant reductions in insurance coverage from the prior year, and settlements have not exceeded insurance coverage during the past three years.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Litigation

The CRA is engaged in various liability claims incidental to the conduct of its general government operations. While the outcome of the litigation is not presently determinable, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the CRA expects such amounts, if any, to be immaterial.

NOTE 8. RELATED PARTY TRANSACTIONS

The CRA is component unit of the City of Inverness, Florida. For the year ended September 30, 2023, the CRA's tax increment revenues include $766,530, and intergovernmental revenues of $500,000, received from the City. In addition, the CRA paid $286,500 to the City for general administrative direct, and indirect cost paid during the year, and conveyed assets of $139,984 to the City.

NOTE 9. SOURCE OF DEPOSITS AND PURPOSE OF WITHDRAWALS

Pursuant to Florida Statue 163.387, listed below is a summary of the sources and amounts of deposits into, and the amount and purpose of withdrawals from the CRA for the fiscal year ended September 30, 2024:

	Revenues	Expenditures
Source of Revenues		
City property tax increment	$ 1,533,061	$ -
Interest income	75,916	-
Intergovernmental	500,000	-
Other revenues	-	-
Purpose of Expenditures		
Economic development	-	356,375
Capital improvements	-	420,714
Debt service	-	745,800
	$ 2,108,977	$ 1,522,889

NOTE 10. SUBSEQUENT EVENTS

The CRA has evaluated all subsequent events through May 27, 2025 the date the financial statements were available to be issued.

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OTHER REPORTS

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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*

Board of Directors
City of Inverness Community Redevelopment Agency
Inverness, 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 and major fund of the Inverness Community Redevelopment Agency (the "CRA"), (a component unit of the City of Inverness, Florida), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated May 27, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Bradenton, Florida
May 27, 2025

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting: Material weaknesses identified?	____ Yes	_X_ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes	_X_ None reported
Noncompliance material to financial statements noted?	____ Yes	_X_ No

Federal Awards and State Financial Assistance Projects

The CRA did not expend $750,000 in federal or state funds during its fiscal year ended September 30, 2024.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

None.

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Management Letter

Board of Directors
City of Inverness Community Redevelopment Agency
Inverness, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Inverness Community Redevelopment Agency (the "CRA"), (a component unit of the City of Inverness, Florida) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 27, 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 Financial Statements Performed in Accordance with *Government Auditing Standard* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 27, 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 in the preceding annual financial report requiring correction.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The CRA has made these disclosures in the notes to the financial statements. There are no component units.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the CRA 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. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by the 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)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the CRA's geographical boundaries during the fiscal year under audit.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the CRA reported:

a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year as zero.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as four.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as none.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $20,000.
e. Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with total expenditures for such project as: Downtown Landscaping - $171,500.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, has been presented on page 13 of this report.

Additional Matters

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

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
May 27, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Accountant's Report

Board of Directors
City of Inverness Community Redevelopment Agency
Inverness, Florida

We have examined the City of Inverness Community Redevelopment Agency (the "CRA"), (a component unit of the City of Inverness, Florida) compliance with Sections 218.415, 163.387(6), and 163.387(7), Florida Statutes, during the year ended September 30, 2024. Management of the CRA is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

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

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

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2024.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
May 27, 2025

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Agenda Memorandum - ***City of Inverness***

June 3, 2025

TO: Elected Officials

FROM: Eric Williams, City Manager

SUBJECT: FY 2025 Mid-Year Budget Amendment

CC: Frank Calascione, Assistant City Manager, Susan Jackson, City Clerk, Alexis Koter, Finance Director

Enclosures:
1. Resolution 2025-02
2. Notice of Budget Hearing
3. Budget Summary Insert

This is an annual activity to amend the FY 2025 Budget to correct and adjust various departmental contracts, operational expenditures and capital projects. The total amount being amended represents an increase of $635,317 to the City's Fiscal 2025 budget. The increase is a result of amendments and transfers within the General, ICRA, Capital Projects, and Utility Funds. Detailed information is listed on the resolution. The summarized impacts of each fund is listed below.

General Fund

The impact on the General Fund is an increase in budget of $111,863. An adjustment to sanitation revenues and expenses is being made to reflect the increased costs caused by the increased volume of customers. An adjustment is also being made to show the allocation of contingency funds to contractual services for Roads & Streets. Additionally, an adjustment is being made to reserves to reflect the allocation of reserve funds to projects advanced to the current Fiscal Year to meet City needs. Please note the IGC Upgrades project noted in the Capital fund.

Inverness Community Redevelopment Agency (ICRA) Fund

The net impact on the ICRA fund budget is zero. The changes in budget reflect shifts in funding related to projects built into the current budget. Items to note included within these shifts are the transfer of funding to RV Campground, Community Center, and City Walk. Due to proposed changes in the legislature and shifts in the needs of the City it was deemed in the best interest to bring forward certain planned CIP items to the current fiscal year. Funding from completed projects is utilized to bring these projects to the current fiscal year, as opposed to the originally projected out years.

Capital Improvement Projects (CIP) Fund

The impact on the CIP fund is an increase in budget of $523,454. The changes in budget reflect an increase due to the advancement of the IGC Upgrades project to the current Fiscal Year. The upgrades needed to the Government Center will improve the ability to lease to other local entities. This project utilizes funding from other projects budgeted in addition to the use of reserves. In addition, the changes in budget reflect transfers from completed projects to projects that experience unforeseen increases in cost.

Utility Fund

The net impact on the Utility Fund budget is zero. The changes in budget reflect shifts in funding related to projects built into the current budget. These shifts occur between completed projects and projects that experience unforeseen increases in cost.

Recommended Action:

1. Open the Public Hearing
2. Motion, second, and vote to read Resolution 2025-02 by title only.
3. Allow Staff to Speak
    1. Those For
    2. Those Against
    3. Deliberate the Matter
4. Motion, second, and vote to adopt Resolution 2025-02 by roll call.
5. Close the Public Hearing

If you wish to discuss this further, please contact me at your convenience.

Eric C. Williams
City Manager

RESOLUTION 2025-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INVERNESS, FLORIDA AMENDING THE ADOPTED BUDGET FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2024 AND ENDING SEPTEMBER 30, 2025, AMENDING THE GENERAL FUND, ICRA FUND, CAPITAL PROJECTS FUND, AND UTILITY FUND, REVENUES AND EXPENDITURES AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Inverness desires to amend the Fiscal Year 2025 budget to provide for recognition of adjustments to reserves, expenditures and revenues in the General, ICRA, Capital Projects, and Utility funds.

WHEREAS, the City Council desires to appropriate the reserves and amend authorized project expenses appropriated in Fiscal Year 2025; and

WHEREAS, the City Council held a public hearing on June 3, 2025; as required by Florida Statute 200.065; and

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF INVERNESS AS FOLLOWS:

Section 1. That expenditure accounts in the General Fund shall be amended as follows:

Expenditure	**Current Budget**	**Revised Budget**	**Adjustment**
General Gov.'t Contingency	$ 400,000.00	$ 371,470.00	($ 28,530.00)
Sanitation Contract	$ 372,372.00	$ 400,0000	$ 27,628.00
Sanitation Contract Commercial	$ 895,765.0	$ 980,000.00	$ 84,235.00
Road & Streets Contractual Services	$ 30,000.00	$ 58,530.00	$ 28,530.00
Transfer to CIP – General Projects	$ 90,000.00	$ 592,965.00	$ 502,965.00
Equipment Reserve	$ 1,613,329.00	$ 1,585,364.00	($ 27,965.00)
Building Reserve	$ 4,000,000.00	$ 3,525,000.00	($ 475,000.00)

Section 2. That revenue accounts in the General Fund shall be amended as follows:

Revenue	**Current Budget**	**Revised Budget**	**Adjustment**
Entertainment District Cup Sales	($ 974,000.00)	($ 1,058,235.00)	($ 84,235.00)
Valerie Ticket - Distribution	($ 563,000.00)	($ 590,628.00)	($ 27,628.00)

Section 3. That expenditure accounts in the ICRA Fund shall be amended as follows:

Expenditure	Current Budget	Revised Budget	Adjustment
Community Center	$ 0.00	$ 50,000.00	$ 50,000.00
Downtown Landscaping	$ 256,940.00	$ 289,929.00	$ 32,989.00
Downtown Lighting	$ 26,821.16	$ 30,372.16	$ 3,551.00
Downtown Parking	$ 500,000.00	$ 200,000.00	($ 300,000.00)
Corridor Study	$ 81,636.65	$ 7,324.65	($ 74,312.00)
City Walk	$ 0.00	$ 10,000.00	$ 10,000.00
RV Campground	$ 0.00	$ 300,000.00	$ 300,000.00
ICRA Fund Balance	$ 1,028,155.50	$ 1,005,927.50	($ 22,228.00)

Section 4. That expenditure accounts in the Capital Projects Fund shall be amended as follows:

Expenditure	Current Budget	Revised Budget	Adjustment
IGC Upgrades	$ 0.00	$ 500,000.00	$ 500,000.00
Admin. Vehicle Replacement	$ 0.00	$ 27,965.00	$ 27,965.00
Council Chambers AV	$ 25,000.00	$ 0.00	($ 25,000.00)
Fire Station Bay Renovations	$ 100,000.00	$ 95,684.00	($ 4,316.00)
Diesel Exhaust System	$ 10,000.00	$ 14,316.00	$ 4,316.00
Fire 5 Sets Protective Gear	$ 0.00	$ 20,489.15	$20,489.15
Landscaping Equipment	$ 25,000.00	$ 23,536.51	($ 1,463.49)
Roads & Streets Vehicle Replacement	$ 36,400.00	$ 38,999.45	$ 2,599.45
Roads & Streets Equipment Replacement	$ 38,000.00	$36,864.04	($ 1,135.96)
Valerie Exterior Painting	$ 10,000.00	$ 8,878.00	($ 1,122.00)
Theater Audio/Video	$ 18,317.00	$ 19,439.00	$ 1,122.00

Section 5. That revenue accounts in the Capital Projects Fund shall be amended as follows:

Revenue	Current Budget	Revised Budget	Adjustment
State Grant Fire	$ 0.00	($ 20,489.15)	($ 20,489.15)
Transfer From General Fund – General Project	($ 90,000.00)	($ 592,965.00)	($ 502,965.00)

Section 6. That expenditure accounts in the Utility Fund shall be amended as follows:

Expenditure	Current Budget	Revised Budget	Adjustment
County Interconnect	$ 125,027.50	$ 137,540.50	$ 12,513.00
Booster Station Generator	$ 150,000.00	$ 87,487.00	($62,513.00)
Maintenance – Meters	$ 100,000.00	$ 150,000.00	$ 50,000.00

PASSED AND ADOPTED THIS 3RD DAY OF June 2025, _____PM.

____

Gene Davis, Council President

ATTEST:

____

Susan Jackson, City Clerk

NOTICE OF BUDGET HEARING

The City Council of the City of Inverness will hold a public hearing on Tuesday June 3, 2025 at 5:30 p.m. at the Inverness Government Center, 212 W. Main Street, Inverness, FL to consider and finalize a resolution amending the adopted budget for all funds for the fiscal year commencing October 1, 2024 and ending September 30, 2025.

BUDGET SUMMARY

CITY OF INVERNESS

2024-2025 FISCAL YEAR

THE PROPOSED OPERATING EXPENDITURES OF THE CITY OF INVERNESS ARE 46.5% HIGHER THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES

GENERAL FUND 7.6600

ESTIMATED REVENUES	GENERAL FUND	CAPITAL PROJECTS	WATER & SEWER	CEMETERY	IMPACT FEE FUND	PENSION FUNDS	*SUB-TOTAL (BEFORE COMPONENT UNIT)*	I.C.R.A. TRUST FUND	TOTAL ALL FUNDS
TAXES									
AD-VALOREM MILLAGE PER $1000 7.6600	**4,983,744**						**4,983,744**		**4,983,744**
AD-VALOREM Delinquent Taxes	**75,000**						**75,000**		**75,000**
SALES & USE TAXES	350,000						**350,000**		**350,000**
UTILITY SERVICE TAXES	961,000						**961,000**		**961,000**
COMMUNICATIONS SERVICES TAX	360,000						**360,000**		**360,000**
LOCAL BUSINESS TAX	63,000						**63,000**		**63,000**
FRANCHISE FEES	970,000						**970,000**		**970,000**
LICENSES & PERMITS	471,800						**471,800**		**471,800**
GRANTS	310,394	1,574,788	7,171,456				**9,056,638**	1,000,000.00	**10,056,638**
STATE SHARED REVENUE	930,000						**930,000**	848,736	**1,778,736**
CHARGES FOR SERVICES	2,236,863		4,899,700	76,580			**7,213,143**		**7,213,143**
FINES & FORFEITS	38,215						**38,215**		**38,215**
INTEREST EARNINGS	676,070	-	561,400	34,200	500	65,000	**1,337,170**	50,000	**1,387,170**
RENTS & ROYALTIES	188,000		600				**188,600**		**188,600**
SPECIAL ASSESSMENTS/IMPACT FEE			100,000		58,000		**158,000**		**158,000**
CONTRIBUTIONS/DONATIONS	-						-		-
SALE OF FIXED ASSET-EQUIP							-		-
PENSION CONTRIBUTIONS							-		-
OTHER MISCELLANEOUS REVENUES	30,000		14,062,000				**14,092,000**		**14,092,000**
TOTAL SOURCES	**12,644,086**	**1,574,788**	**26,795,156**	**110,780**	**58,500**	**65,000**	**41,248,310**	**1,898,736**	**43,147,046**
TRANSFERS IN	7,906,970	2,392,543		-			**10,299,513**	848,736	**11,148,249**
FUND BALANCES/RESERVES/NET ASSETS	14,190,547	7,311,988	15,002,487	1,181,068	677,358	262,699	**38,626,147**	2,406,251	**41,032,398**
TOTAL REVENUES, TRANSFERS & BALANCES	**34,741,603**	**11,279,320**	**41,797,643**	**1,291,848**	**735,858**	**327,699**	**90,173,970**	**5,153,723**	**95,327,693**
EXPENDITURES									
GENERAL GOVERNMENTAL	$2,753,727	605,757	-			11,000	**$3,370,484**		**$3,370,484**
ECONOMIC ENVIRONMENT	554,554						**554,554**		**554,554**
PUBLIC SAFETY	2,394,234	200,329					**$2,594,563**		**$2,594,563**
PHYSICAL ENVIRONMENT	1,687,630		18,415,182	59,269			**20,162,081**	3,103,651	**23,265,732**
TRANSPORTATION	1,485,545	3,046,224					**4,531,769**		**4,531,769**
CULTURE AND RECREATION	2,389,182	503,817					**2,892,999**		**2,892,999**
DEBT SERVICE			434,250				**434,250**	749,050	**1,183,300**
TOTAL EXPENDITURES	**11,264,872**	**4,356,127**	**18,849,432**	**59,269**	**-**	**11,000**	**34,540,700**	**3,852,701**	**38,393,401**
TRANSFERS OUT	3,241,279	6,900,000	648,270	63,605			**10,853,154**	295,095	**11,148,249**
FUND BALANCE RESERVES AND NET ASSETS	20,235,452	23,192	22,299,941	1,168,974	735,858	316,699	**44,780,116**	1,005,928	**45,786,044**
TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES & BALANCES	**34,741,603**	**11,279,320**	**41,797,643**	**1,291,848**	**735,858**	**327,699**	**90,173,970**	**5,153,723**	**95,327,693**

CITY OF INVERNESS

CASH REQUIREMENTS REPORT

VENDOR DOCUMENT	INVOICE	VOUCHER	DESCRIPTION	DUE DATE	DUE 09/30/25
	TOTALS FOR ACE HARDWARE CO OF INV INC				29.67
	TOTALS FOR CITRUS COUNTY BOARD OF COMMISSIONER				109,171.58
	TOTALS FOR CORE & MAIN LP				2,022.80
	TOTALS FOR DUKE ENERGY				880.93
	TOTALS FOR GOLF COAST CONTRUCTION LLC.				128,819.00
	TOTALS FOR KIMLEY-HORN AND ASSOCIATES, INC				3,615.00
	[redacted]				[redacted]
	[redacted]				[redacted]
	TOTALS FOR SUMTER ELECTRIC COOPERATIVE INC				15,157.64
	TOTALS FOR UNIFIRST CORPORATION				127.82
	TOTALS FOR VANASSE HANGEN BRUSTLIN, INC				4,011.70
	TOTALS FOR WASTE MANAGEMENT OF CENTRAL FL				19,926.24
	REPORT TOTALS				283,762.38

** END OF REPORT - Generated by Stacey Iddings **

***Please note: Redacted items are credit balances owed to COI by Vendors - thus not payable and not included on report.

May 20, 2025
5:30 PM

The City Council of the City of Inverness met on the above date in Regular Session at 212 W. Main Street, with the following members present:

President Davis
Vice President Lizanich
Councilwoman Bega
Councilwoman Hepfer
Councilman Craig
Mayor Plaisted

Also present were City Manager Williams, City Attorney Hartley, Staff Members, and City Clerk Jackson.

The Invocation was given by Mayor Plaisted and the Pledge of Allegiance was led by the City Council.

ACCEPTANCE OF AGENDA
Councilwoman Hepfer motioned to accept the Agenda as presented. Seconded by Councilwoman Lizanich. The motion carried.

PRE-SCHEDULED APPEARANCES
4) US Water Annual Report with Public Works Director Pell introducing US Water representatives, Chris Saliba and Dennis Muldoon. It was noted since 2018, the City has enjoyed a successful public private partnership (PPP) for the operation of the City's utility plant facilities and other specified services. This has proven to be the most effective and efficient way of operating the City's utility plants and lift stations. City Staff continues to manage all the distribution and transmission lines for the water and wastewater systems and handle the direct customer service elements as well. This annual report outlined FY 2025 accomplishments and milestones reached, and looked at items planned for FY 2026. Councilwoman Hepfer stated the rehab/refurbishment of equipment saves the City money and that is great. Mayor Plaisted questioned what happens during repairs if there would be a system failure. City Manager Williams spoke of Inverness utility rates being the lowest in the surrounding areas and the Utility Master Plan. President Davis questioned future plans and the difference between a target need and a wish list. Dennis Muldoon explained the rotation of certain equipment and a predictive list of needs. ***No Action Needed.***

PUBLIC HEARINGS / WORKSHOP
None

OPEN PUBLIC MEETING
Debbie Wheatley – Silverwood spoke of water issue in Oldsmar and questioned the safeguards for the City of Inverness.

CITY ATTORNEY REPORT
City Attorney Hartley detailed options regarding the CRA to extend an ending date and will present a resolution at a future Council meeting.

CONSENT AGENDA

a) Bill Listing*
   - Recommendation – Approval

b) Council Minutes* – 05/06/2025
   - Recommendation - Approval

Councilwoman Hepfer motioned to accept the Consent Agenda. Seconded by Councilwoman Lizanich. The motion carried.

CITY CLERK'S REPORT

None

CITY MANAGER'S REPORT

10)a) Facility Use Agreement for Boathouse – ROCCS* with Parks & Rec Director Worley stating the Boathouse and dock at Wallace Brooks Park were planned and built in part to provide space for the Rowing Organization of Citrus County Students (ROCCS) to house their equipment, promote/grow the sport of rowing, and provide a space to be a competitive contender to bring more regattas and winter training events to Inverness. ROCCS' mission is to promote competitive rowing (crew & sculling) in Citrus County and to obtain and provide rowing facilities, services, and equipment to carry on the sport. The City partnered with ROCCS for a number of years, with ROCCS hosting several regattas and scrimmage events annually that bring visitors to Inverness to participate in or spectate this growing sport. The current agreement is for another 5-year term, to continue to utilize the Boathouse. Motion, and second, to approve the renewed User Agreement with the Rowing Organization of Citrus County Students (ROCCS) and authorize City Manager to execute the document. **Councilwoman Bega motioned to approve the renewed User Agreement with the Rowing Organization of Citrus County Students (ROCCS) and authorize the City Manager to execute the document. Seconded by Councilwoman Lizanich. The motion carried.**

10)b) Public Art Project – Grace Street Crosswalk* with Program Coordinator Brown stating in April 2021, the City of Inverness initiated its new public art program. The plan was to annually bring a public art installation to Inverness. In that initial year the City unveiled the mural on the side of Coach's Pub & Eatery. In 2022, the City brought forth three projects. The Wallace Brooks Turtle Sculpture and Withlacoochee Trail Bench were repainted, the Outdoor Bike Sculptures were added, and the trash receptacles were wrapped with art from local artists. In 2023, two murals were painted on the side of buildings along N Pine Avenue. In 2024, the Painted Turtle Project was unveiled, which saw 11 turtles displayed in six different locations within the historic downtown. In 2025, the City of Inverness will partner with HCA Florida Citrus Hospital to create a public art crosswalk in front of the emergency room entrance and Grace Street. Recently, there have been pedestrian safety issues at this location. The City has taken steps to slow traffic in this area but sees this location as the perfect opportunity to bring functional public art to the medical district arts district while doubling as traffic-calming measure for the area. Councilwoman Bega questioned if a painted surface cause more maintenance over using pavers. City Manager Williams reminded that this is in the conceptual stage and spoke of the recent traffic incident that brought about the new 3-way stop and streetscape proposal. Councilwoman Hepfer realized this would be traffic calming and spoke of the encouraging view for the patients to look on. Councilman Craig looks forward to future presentation of design, etc. ***No Action Needed.***

10)c) Parks & Recreation Current CIP Projects Update* with Parks & Rec Director Worley stating the Parks & Recreation Department has quite a few projects underway currently. The Liberty Park Boardwalk Rehabilitation Project has been finished. All decking was replaced with premium WearDeck™ composite decking. The walkway railings were strengthened and stabilized, portions of the framing were repaired and strengthened, hardware was added in locations that needed it or where it was missing originally, and a portion of the walkway where benches are located was raised back to the proper level. Whispering Pines Park's new entrance project has been put out for bid with submittals due later this month with anticipated start in the early summer. The Shoreline Restoration project at Wallace Brooks Park has been progressing. This four-part project has been underway for some time and involves multi-agency coordination. Texas Aquatics has completed the shoreline restoration component. American Marine Contractors is handling the other three parts of the project, modifying the T Docks to remove the boat slips and turn the existing gangway into a fixed portion of the pier. The pilings were installed, and the gangway is in place. The final stages of completion are underway and include the metal fabrication of railings so that it is safe for patrons to enjoy. The setting of pilings and buoys for the no-vessel/swim area and dropping the no-wake buoys in the lake are scheduled next, to be completed by the end of the month. The last portion of the project is moving the floating docks down to the Gazebo at Liberty Park and waiting for the permit. This is awaiting permit issuance and will allow the City to move quickly to complete the project. The last project currently underway is the installation of shade structures at the Liberty Park Playground. The structures are scheduled to ship from the manufacturer by the end of the month and the timeline for installation should be within a few weeks of arrival. Mayor Plaisted praised the staff for a great job. He was asked how potential alligator issues will be handled. Councilwoman Hepfer noted it was so nice to see all of this happening and thanked staff. President Davis spoke of the playground shade structures being delivered and hopes that project is completed soon. ***No Action Needed.***

10)d) WWTP Spray Field Lease* with Public Works Director Pell stating the City's wastewater treatment plant includes approximately 100 acres of effluent spray fields that support the City's reclaimed water program. For many years, the City maintained the fencing and managed the mowing of the spray fields. In 2020, the City entered into an agreement to lease the approximately 100 acres of spray fields to Mr. John Thomas for a period of (5) years for an annual sum of $200.00 paid each year for growing hay and grazing cattle. Mr. Thomas is also responsible for the mowing and upkeep of the fencing for the spray fields. The current Spray Field Lease expires on May 29, 2025. A renewal of the lease extends the lease another 5 years until 2030. **Councilwoman Hepfer motioned to approve the renewed Spray Field Lease with Mr. John Thomas and authorize the City Manager to execute the document. Seconded by Councilwoman Lizanich. The motion carried.**

10)e) Project/Program Updates with City Manager Williams ***(Verbal)***

- Annual Audit and Financial Report will be presented at the next Council meeting with the Auditor present.
- Mid-Year Budget Amendment will be addressed at the next Council meeting and the CRA projects will also be discussed at that time.

- Upcoming Events included Small Town Saturday Night in June, drawing in more partners, etc. Market at the Depot continues and upcoming Memorial Day holiday.
- Other with City Manager referencing prior to July 1, fluoride will cease, and the City will be compliant with the State legislature. Spoke of excessive park use into the evenings and will need to keep the gates closed by 2:00-3:00pm at the Depot Pavilion and Water Tower. Noted that area could be available by prior scheduling with Parks.

COUNCIL/MAYOR SUBJECTS

Councilwoman Lizanich reported on the recent grant awards from the Citrus County Community Charitable Foundation. Questioned discussions of Whispering Pines Park with the State with City Manager Williams stating the State definitely wants to work together.

Councilman Craig attended his first TDC meeting and spoke of upcoming legislation. Noted the funds spent on extra advertising increased tourism and provided details regarding recognition of The Cove campground and the Withlacoochee State Trail.

Council President Davis thanked everyone.

CITIZENS NOT ON AGENDA

Debbie Wheatley spoke of her use and familiarity of Whispering Pines Park and compared park users from the City and from outside the City.

Meeting adjourned at 6:40 p.m.

______________________________	______________________________
City Clerk	Council President

Interoffice Memorandum – ***City of Inverness***

June 3, 2025

TO: Elected Officials

FROM: City Clerk

SUBJECT: Oak Ridge Cemetery Burial Space Repurchase

The Oak Ridge Cemetery records indicate that Citrus/Line Addition Lot 109 South ½ only burial rights are assigned to Martha Carter. Ms. Carter contacted the Clerk's Office to state that the space is no longer needed and she wishes to sell it back to the City. The records show the price of $985.00.

Oak Ridge Cemetery
Inverness, Florida

Right to Burial

For, and in consideration of the sum of $1970.00 to us in hand paid, receipt of which is hereby acknowledged, the City of Inverness, Florida, by virtue of title vested in it has granted to ***CARTER, MARTHA*** *his/her heirs and assigns the burial rights in the following property in Oak Ridge Cemetery, to-wit:*

Lot Number ***CITRUS / LINE ADDITION LOT 109 N & S 1/2****,*

as per the plat thereof on file in the office of the City Clerk, City of Inverness, Florida and recorded in the office of the Clerk of the Circuit Court, Citrus County, Florida. Said space is to be used for cemetery purposes only, that is for the sole purpose of internment, subject to the Code of the City of Inverness, the Rules and Regulations of said City of Inverness and the Laws of the State of Florida applicable thereto.

The City agrees to provide Endowed Perpetual Care. The nature and extent of the care to be furnished shall be the care and maintenance, necessitated by natural growth, which can be provided at reasonable intervals with income from the perpetual care fund. The City shall maintain developed portions of the premises until such time as income for the perpetual care fund is sufficient to provide such care.

In testimony whereof the said City of Inverness, Florida has caused this instrument to be signed by its Council President and City Clerk, and its corporate seal is to be affixed this 24th Day of January, 2012.

Attest:

Deborah Davis
City Clerk

City of Inverness, Florida
Oak Ridge Cemetery

Council President

Agenda Memorandum - ***City of Inverness***

June 3, 2025

TO: Elected Officials

FROM:

SUBJECT: Project and Program Updates

- Patriotic Evening
- Small Town Saturday Night
- IGC Upgrades - County Space Needs
- Other

CC:

Enclosures: