

CITY OF EAGLE LAKE, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

City of Eagle Lake, Florida

TABLE OF CONTENTS

Financial Section

Independent Auditors' Report 1

Management's Discussion and Analysis (required supplementary information) 4

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position 12

Statement of Activities 13

Governmental Funds:

Balance Sheet – Governmental Funds 14

Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position 15

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 16

Reconciliation of The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 17

Proprietary Funds:

Statement of Net Position – Proprietary Fund 18

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund 19

Statement of Cash Flows - Proprietary Funds 20

Fiduciary Funds:

Statement of Fiduciary Net Position – Fiduciary Fund 22

Statement of Changes in Fiduciary Net Position – Fiduciary Fund 23

Notes to Financial Statements 24

Required Supplementary Information

Budgetary Comparison Schedule – General Fund 47

Budgetary Comparison Schedule – Community Redevelopment Agency 49

Schedule of Changes in the Total Other Post-Employment Benefits Liability and Related Ratios 50

Other Information

Data Elements required by Section 218.32(1)(e), *Florida Statutes* 51

City of Eagle Lake, Florida

TABLE OF CONTENTS

Other Reports

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* 52

Independent Accountants' Report on Compliance with the requirements of Section 218.415, *Florida Statutes* 54

Management Letter Based on Rule 10.554 of the Auditor General of the State of Florida 55

Independent Accountants' Report on Compliance with the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program 57

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council
City of Eagle Lake, 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, and each major fund of the City of Eagle Lake, Florida as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City of Eagle Lake, Florida 's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 City of Eagle Lake, Florida, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 16 to the financial statements, in 2022 the City of Eagle Lake, Florida adopted new accounting guidance *GASBS No. 87, Leases*. Our opinions are not modified with respect to this matter.

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.

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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 City of Eagle Lake, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, 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 City of Eagle Lake, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Eagle Lake, Florida's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and other post-employment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

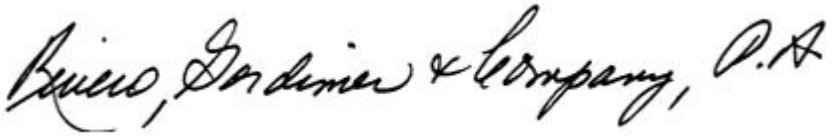
Other Information

Management is responsible for the other information included with the financial statements. The other information comprises the date elements required by Section 218.32, *Florida Statutes*. 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 February 20, 2023 on our consideration of the City of Eagle Lake, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Eagle Lake, Florida's internal control over financial reporting and compliance.



Tampa, Florida
February 20, 2023

As management of the City of Eagle Lake, Florida (the City), we offer readers of the City's financial statements this management's discussion and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the basic financial statements beginning on page 11.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $18,313,097 (net position). Of this amount, $4,678,223 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by $5,510,038 as a result of operations during the year ended September 30, 2022 compared to an increase of $2,682,674 in the prior year.
- As of the close of the current fiscal year, the City's general fund (governmental fund level) reported ending fund balance of $4,569,170 an increase from the prior year balance of $3,154,721. Of this total amount, $2,497,776 is available for spending at the government's discretion (unassigned fund balance). Unassigned fund balance was $1,977,246 at the end of the prior fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and an other information section to report the data elements required by Section 218.32(1)(e), Florida Statutes.

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 and outflows of resources with the residual measure 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 in a manner like the approach used by private-sector business in that revenue is recognized when earned or established criteria are satisfied, and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the year, and expenses are reported even though they may not have used cash during the current fiscal year.

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, building and code enforcement, law enforcement, streets, library, parks and recreation and community redevelopment. The business-type activities of the City include the water, wastewater, stormwater management and sanitation departments.

Overview of the Financial Statements (concluded)

The government-wide financial statements can be found by referencing the table of contents of this report.

Fund financial statements: Funds are a group of self-balancing accounts. Funds are used to account for specific activities of the City, rather than reporting on the City as a whole. 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 three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in 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 funds balance sheet and the governmental funds 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 two individual governmental funds, the general fund and the community redevelopment agency (the CRA) fund. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

Proprietary funds: The City utilizes one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water, wastewater, stormwater management and sanitation departments. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains one fiduciary fund type; a custodial fund. The custodial fund report resources, not in a trust, that are held by the City for other parties outside of City's reporting entity.

The governmental, proprietary, and fiduciary fund financial statements can be found by referencing the table of contents of this report.

All the city's funds are considered major funds.

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.

Required Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund and community redevelopment fund's budgetary comparisons and changes in the other postemployment benefits obligation.

Government-wide Financial Analysis

The following is a summary of the information presented in the Statement of Net Position which can be found by referencing the table of contents of this report.

Statement of Net Position (Summary)
as of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Assets:						
Current and other assets	$ 5,343,992	$ 3,408,084	$ 8,222,123	$ 5,454,182	$ 13,566,115	$ 8,862,266
Capital assets	1,734,394	1,449,530	5,572,422	5,026,703	7,306,816	6,476,233
Total assets	7,078,386	4,857,614	13,794,545	10,480,885	20,872,931	15,338,499
Liabilities:						
Current liabilities	129,844	72,419	1,196,068	1,060,300	1,325,912	1,132,719
Non-current liabilities	133,183	123,997	745,143	1,278,724	878,326	1,402,721
Total liabilities	263,027	196,416	1,941,211	2,339,024	2,204,238	2,535,440
Deferred inflows	355,596	-	-	-	355,596	-
Net position:						
Net investment in capital assets	1,730,390	1,449,530	4,971,254	3,939,522	6,701,644	5,389,052
Restricted	2,259,218	1,336,155	4,674,012	2,661,963	6,933,230	3,998,118
Unrestricted	2,470,155	1,875,513	2,208,068	1,540,376	4,678,223	3,415,889
Total net position	$ 6,459,763	$ 4,661,198	$ 11,853,334	$ 8,141,861	$ 18,313,097	$ 12,803,059

Thirty-seven percent (37%) of the City's net position reflect its investment in capital assets (e.g., land, buildings, water and wastewater system, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. This is a decrease from forty-two percent (42%) as of the prior year-end. 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.

Thirty-eight percent (38%) of the City's net position represents resources that are subject to external restrictions on how they may be used and are reported as restricted net position. This is an increase from thirty-one (31%) as of the prior year-end. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Government-wide Financial Analysis (cont…)

The following is a summary of the information presented in the Statement of Activities which can be found by referencing the table of contents of this report.

Statement of Activities (Summary)
For the year ended September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Revenues:						
Program Revenues:						
Charges for services	$ 1,045,102	$ 711,913	$ 2,740,914	$ 2,235,637	$ 3,786,016	$ 2,947,550
Operating grants/contrib.	10,900	7,645	-	-	10,900	7,645
Capital grants/contrib.	768,637	385,969	2,704,976	1,217,711	3,473,613	1,603,680
General revenues:						
Property taxes - General	942,186	828,305	-	-	942,186	828,305
Property taxes - CRA	64,069	59,920	-	-	64,069	59,920
Pub svc tax/franchise fees	545,333	458,808	-	-	545,333	458,808
State shared revenue	386,308	121,724	-	-	386,308	121,724
Other	160,337	118,697	874	3,760	161,211	122,457
Total revenues	3,922,872	2,692,981	5,446,764	3,457,108	9,369,636	6,150,089
Expenses:						
Governmental activities:						
General government	944,527	697,554	-	-	944,527	697,554
Building and code enf.	174,836	105,823	-	-	174,836	105,823
Library	157,893	147,493	-	-	157,893	147,493
Community redevelopment	34,947	32,090	-	-	34,947	32,090
Law enforcement	563,874	554,025	-	-	563,874	554,025
Streets	124,366	118,730	-	-	124,366	118,730
Parks and recreation	229,750	192,371	-	-	229,750	192,371
Interest on long-term debt	318	32,419	-	-	318	32,419
Business-type activities:						
Water utility	-	-	491,695	546,512	491,695	546,512
Wastewater utility	-	-	738,513	670,482	738,513	670,482
Sanitation	-	-	344,574	313,111	344,574	313,111
Stormwater management	-	-	54,305	56,805	54,305	56,805
Total expenses	2,230,511	1,880,505	1,629,087	1,586,910	3,859,598	3,467,415
Transfers in (out)	106,204	106,204	(106,204)	(106,204)	-	-
Change in Net Position	1,798,565	918,680	3,711,473	1,763,994	5,510,038	2,682,674
Net position - Beginning	4,661,198	3,742,518	8,141,861	6,377,867	12,803,059	10,120,385
Net position - Ending	$ 6,459,763	$ 4,661,198	$ 11,853,334	$ 8,141,861	$ 18,313,097	$ 12,803,059

Government-wide Financial Analysis (concluded)

Governmental activities: Governmental activities' change in net position was an increase of $1,798,565 for 2022 as compared to an increase of $918,680 for the prior year. The main reasons for the increase are as follows:

- Total revenue increased by approximately $1,229,891 or 46% mainly due to the following:
  - Charges for services increased by $333,189 or 47% mainly due to an increase building related fees of approximately $481,000 (235%) due to increased residential construction activity within the City. This increase was partially offset by a change in reporting of certain state shared revenue that was reported as a transportation functional charge for services in the prior year in the amount of approximately $198,000.
  - Capital grants and contributions increased by $382,668 or 99% mainly due to increased impact fee revenue driven by increased residential construction within the City.
  - General revenue increased by $510,779 or 32% mainly due to increased State shared revenues caused by improved economic activity and increased property values which increased ad valorem tax revenue by $113,881 or 14%.
- Total expenses increased by $350,006 or 19% mainly due to increased costs to monitor, oversee and manage the residential construction activity within the City which has increased during 2022.

Business-type activities: Business-type activities increased the City's net position by $3,711,473 in 2022 compared to an increase of $1,763,994 in 2021. The main reasons for the increase are as follows:

- Total revenue increased by $1,989,656 or 58% mainly due to increased capital grants and contributions of $1,487,265 related to increased impact fee revenue driven by strong residential construction within the City. Charges for services revenue increased by $505,277 or 23% due to increased number of utility customers driven by the increased residential construction within the City.
- Total expenses increased by $42,177 or 3% driven by a myriad of changes in a diverse set of expense categories.

Financial Analysis of the Government's Funds

Governmental funds: The focus of the City's governmental funds statements 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. 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 the end of the current fiscal year, the City's governmental funds (the general fund and CRA) reported ending fund balances of $4,756,994, an increase of $1,443,593 in comparison with the previously reported balance in the prior year. Of this total, $2,497,776 for the general fund constitutes unassigned fund balance, which is available for spending at the government's discretion. The total unassigned fund balance represents 100% of 2022 total governmental fund expenditures compared to the prior year percentage of 79%. The remainder of fund balance is restricted by enabling legislation or contract and can only be spent on the purposes for which it is intended.

Financial Analysis of the Government's Funds (concluded)

Activity during the current fiscal year included the following key components:

- Total governmental funds revenue increased by $1,152,278 (44%) mainly due the following:
  - A $201,585 (14%) increase in overall tax revenue,
  - $318,897 (242%) increase in licenses and permits, $139,879 (69%) increase in charges for services and $368,918 (98%) increase in other revenue (mainly caused by increased impact fee revenue) all driven higher by increased residential construction within the City.
- Total governmental funds expenditures decreased by $4,925 (<1%%).

Proprietary funds: The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The major changes between 2022 and 2021 are discussed above under the "business-type activities" heading.

General Fund Budgetary Highlights

Actual resources were more than budgeted resources by $1,135,987 and actual charges to appropriations were $320,597 less than budgeted resulting in an overall positive budget variance of $1,456,584. The budget for the year ended September 30, 2022 was amended by the City Commission increasing budgeted expenditures by $661,000 to reflect capital expenditures that were not included in the original budget and for residential-construction driven expenditures such as engineering review and building inspection fees that exceeded expectations during the year. Budgeted revenue was amended $432,800 higher to partially offset the changes to budgeted expenditures.

Capital Assets and Debt Administration

Capital assets: The city's investment in capital assets for its governmental and business type activities as of September 30, 2022, amounts to $7,306,816 (net of accumulated depreciation) which is an increase of 13%. This increase is the result of current year additions in excess of annual depreciation expense.

Information on the City's capital assets is summarized in the following table.

Capital Assets Activity

(net of accumulated depreciation)

as of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	$ 259,714	$ 259,714	$ 28,527	$ 28,527	$ 288,241	$ 288,241
Buildings and improvements	667,824	717,806	4,896,046	4,748,171	5,563,870	5,465,977
Equipment	167,399	70,218	647,849	250,005	815,248	320,223
Infrastructure	637,840	405,892	-	-	637,840	405,892
Right-to-use leased equipment	1,617	-	-	-	1,617	-
Total	$ 1,734,394	$ 1,453,630	$ 5,572,422	$ 5,026,703	$ 7,306,816	$ 6,480,333

Additional information on the City's capital assets can be found in note 6 of the notes to financial statements.

Long-Term Debt: As shown in the table below, the City had total long-term debt outstanding of $603,700 which represents a decrease of approximately 44% over the prior year due to scheduled debt payments and due to the early payoff of the business-type activities' Installment Note to DEP ($383,461) and Water System Revenue Bonds, Series 2010 ($85,791).

Outstanding Debt

as of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Bonds and notes payable	$ 2,532	$ -	$ 601,168	$ 1,087,181	$ 603,700	$ 1,087,181
Total	$ 2,532	$ -	$ 601,168	$ 1,087,181	$ 603,700	$ 1,087,181

Additional information on the City's long-term debt and other noncurrent liabilities can be found in note 7 of the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

It is anticipated that the following significant items will affect the 2023 fiscal year:

- The City's millage rate in effect for the fiscal year ended September 30, 2023 remains consistent at 7.6516 but because of increased property values, the expected ad valorem tax revenue is expected to increase by 27%.
- The residential construction activity is expected to remain strong in 2023.

These significant factors were considered in preparing the City's budget for the 2022-23 fiscal year and are expected to influence the City's fiscal year 2022-23 financial results.

Requests for information

This financial report is designed to provide a general overview of the City of Eagle Lake, Florida, 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 City of Eagle Lake, P.O. Box 129, Eagle Lake, Florida 33839.

CITY OF EAGLE LAKE, FLORIDA
Statement of Net Position
September 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 2,485,400	$ 2,284,770	$ 4,770,170
Receivables, current:			
Customer accounts, net	122,090	247,434	369,524
Intergovernmental	45,405	-	45,405
Franchise and public service taxes	35,028	-	35,028
Inventory and prepaids	-	10,749	10,749
Internal balances	(1,574)	1,574	-
Lease receivable	359,573	-	359,573
Restricted assets:			
Cash and cash equivalents	2,298,070	5,677,596	7,975,666
Capital assets:			
Non-depreciable	259,714	28,527	288,241
Depreciable, net	1,474,680	5,543,895	7,018,575
TOTAL ASSETS	7,078,386	13,794,545	20,872,931
LIABILITIES			
Accounts payable and accrued expenses	106,563	122,748	229,311
Accrued wages	23,281	29,171	52,452
Unearned revenue	-	685,195	685,195
Accrued interest payable	-	9,373	9,373
Customer deposits	-	309,016	309,016
Long-term obligations:			
Due within one year	2,510	40,565	43,075
Due in more than one year	130,673	745,143	875,816
TOTAL LIABILITIES	263,027	1,941,211	2,204,238
DEFERRED INFLOWS OF RESOURCES			
Lease related	355,596	-	355,596
NET POSITION			
Net investment in capital assets	1,730,390	4,971,254	6,701,644
Restricted for:			
Debt service	-	64,291	64,291
Water system improvements	-	2,366,420	2,366,420
Wastewater system improvements	-	1,908,715	1,908,715
Stormwater management	-	334,586	334,586
Building code enforcement	461,284	-	461,284
Transportation infrastructure	32,705	-	32,705
Public building improvements	1,234,097	-	1,234,097
Parks and recreation facilities	343,308	-	343,308
Community redevelopment	187,824	-	187,824
Unrestricted	2,470,155	2,208,068	4,678,223
TOTAL NET POSITION	$ 6,459,763	$11,853,334	$ 18,313,097

The accompanying notes are an integral part of these financial statements

CITY OF EAGLE LAKE, FLORIDA
Statement of Activities
for the year ended September 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grant and Contributions	Program Revenues: Capital Grant and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	$ 944,527	$ 146,448	$ 600	$ 444,720	$ (352,759)	$ -	$ (352,759)
Building and code enforcement	174,836	686,724	-	-	511,888	-	511,888
Library	157,893	1,313	3,500	139,283	(13,797)	-	(13,797)
Community redevelopment	34,947	-	-	-	(34,947)	-	(34,947)
Law enforcement	563,874	10,352	-	-	(553,522)	-	(553,522)
Streets	124,366	191,515	-	-	67,149	-	67,149
Parks and recreation	229,750	8,750	6,800	184,634	(29,566)	-	(29,566)
Interest on long-term debt	318	-	-	-	(318)	-	(318)
Total governmental activities	2,230,511	1,045,102	10,900	768,637	(405,872)	-	(405,872)
Business-type activities							
Water utility	491,695	1,135,324	-	1,784,865	-	2,428,494	2,428,494
Wastewater utility	738,513	972,372	-	920,111	-	1,153,970	1,153,970
Sanitation	344,574	557,222	-	-	-	212,648	212,648
Stormwater management	54,305	75,996	-	-	-	21,691	21,691
Total business-type activities	1,629,087	2,740,914	-	2,704,976	-	3,816,803	3,816,803
TOTAL PRIMARY GOVERNMENT	$ 3,859,598	$ 3,786,016	$ 10,900	$ 3,473,613	(405,872)	3,816,803	3,410,931
GENERAL REVENUES							
Taxes:							
Property taxes, levied for general purposes					942,186	-	942,186
Property taxes, levied for community redevelopment purposes					64,069	-	64,069
Public service taxes and franchise fees					545,333	-	545,333
State shared revenue					386,308	-	386,308
Investment earnings					4,406	874	5,280
Miscellaneous					155,931	-	155,931
TRANSFERS					106,204	(106,204)	-
Total general revenues and transfers					2,204,437	(105,330)	2,099,107
CHANGE IN NET POSITION					1,798,565	3,711,473	5,510,038
NET POSITION, beginning of year					4,661,198	8,141,861	12,803,059
NET POSITION, end of year					$ 6,459,763	$ 11,853,334	$ 18,313,097

The accompanying notes are an integral part of these financial statements

CITY OF EAGLE LAKE, FLORIDA
Balance Sheet – Governmental Funds
September 30, 2022

	General Fund	Community Redevelopment Agency	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 2,485,400	$ 226,676	$ 2,712,076
Receivables, net			
Customer accounts, net	122,090	-	122,090
Intergovernmental	45,405	-	45,405
Franchise and public service taxes	35,028	-	35,028
Due from community redevelopment fund	38,618	-	38,618
Lease receivable	359,573	-	359,573
Restricted assets:			
Cash and cash equivalents	2,071,394	-	2,071,394
TOTAL ASSETS	$ 5,157,508	$ 226,676	$ 5,384,184
LIABILITIES			
Accounts payable	$ 106,329	$ 234	$ 106,563
Accrued wages and benefits	23,281	-	23,281
Due to general fund	-	38,618	38,618
Due to enterprise fund	1,574	-	1,574
TOTAL LIABILITIES	131,184	38,852	170,036
DEFERRED INFLOWS OF RESOURCES			
Lease related	355,596	-	355,596
Unavailable revenue	101,558	-	101,558
TOTAL DEFERRED INFLOWS OF RESOURCES	457,154	-	457,154
FUND BALANCE			
Restricted for:			
Building code enforcement	461,284	-	461,284
Transportation infrastructure	32,705	-	32,705
Public building improvements	1,234,097	-	1,234,097
Parks and recreation facilities	343,308	-	343,308
Community redevelopment	-	187,824	187,824
Unassigned:			
General fund	2,497,776	-	2,497,776
TOTAL FUND BALANCES	4,569,170	187,824	4,756,994
TOTAL LIABILITIES AND FUND BALANCE	$ 5,157,508	$ 226,676	$ 5,384,184

The accompanying notes are an integral part of these financial statements

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

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	4,756,994
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		1,734,394
Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities		101,558
Long-term liabilities (including bonds, notes and leases payable, compensated absences liability and the other postemployment benefit liability) are not due and payable in the current period and, therefore are not reported in the governmental funds.		
This is the amount of the long-term liabilities		(133,183)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	6,459,763

The accompanying notes are an integral part of these financial statements

CITY OF EAGLE LAKE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
for the year ended September 30, 2022

	General Fund	Community Redevelopment Agency	Total
REVENUES:			
Taxes	$ 1,628,863	$ 64,069	$ 1,692,932
Licenses and permits	450,612	-	450,612
Intergovernmental revenue	581,234	-	581,234
Charges for services	342,031	-	342,031
Fines and forfeitures	10,352	-	10,352
Other	746,392	22	746,414
Total revenues	3,759,484	64,091	3,823,575
EXPENDITURES:			
Current:			
General government	815,413	-	815,413
Public safety	737,863	-	737,863
Economic environment	-	34,947	34,947
Transportation	99,341	-	99,341
Culture/recreation	336,371	-	336,371
Capital outlay	459,569	-	459,569
Debt service			
Principal	593	-	593
Interest	2,089	-	2,089
Total expenditures	2,451,239	34,947	2,486,186
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,308,245	29,144	1,337,389
OTHER FINANCING SOURCES (USES)			
Transfers in	106,204	-	106,204
TOTAL OTHER FINANCING SOURCES (USES)	106,204	-	106,204
NET CHANGE IN FUND BALANCE	1,414,449	29,144	1,443,593
FUND BALANCE, beginning of year	3,154,721	158,680	3,313,401
FUND BALANCE, end of year	$ 4,569,170	$ 187,824	$ 4,756,994

The accompanying notes are an integral part of these financial statements

CITY OF EAGLE LAKE, FLORIDA
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, 2022

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	1,443,593
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
This is the amount of capital assets recorded in the current period.		372,375
This is the amount of depreciation recorded in the current period.		(93,725)
Restatement to add book value of unrecorded financed equipment as of October 1, 2021 (Note 16)		4,100
Restatement to add book value of leased assets as of October 1, 2021 (Note 16)		2,114
Revenue not received within the "availability" period are not reported as revenues at the fund level and are recognized as revenue in the statement of activities.		
This represents the change caused by the "availability" criterion		79,294
Long-term obligations including bonds and notes payable, compensated absences and the other postemployment benefits liabilities are reported as liabilities in the government-wide statement of net position but are not reported as liabilities in the governmental funds because they do not require the use of current financial resources:		
This is the repayment of long-term debt principal reported as expenditures in governmental funds.		2,364
This is the change in accrued compensated absences during the year.		(10,767)
Restatement to add loan payable for unrecorded financed equipment as of October 1, 2021 (Note 16)		(4,303)
Restatement to add lease payable liability as of October 1, 2021 (Note 16)		(2,065)
This is the change in the total other postemployment benefit liability during the year.		5,585
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	1,798,565

The accompanying notes are an integral part of these financial statements

CITY OF EAGLE LAKE, FLORIDA
Statement of Net Position – Proprietary Fund
September 30, 2022

	Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 2,284,770
Receivables:	
Customers, net	247,434
Inventory	10,749
Due from general fund	1,574
Total current assets	2,544,527
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	5,677,596
Capital assets:	
Non-depreciable	28,527
Depreciable, net	5,543,895
Total noncurrent assets	11,250,018
TOTAL ASSETS	13,794,545
LIABILITIES	
Current liabilities:	
Accounts payable	122,748
Accrued wages	29,171
Unearned revenue	685,195
Bonds and notes payable, current	40,565
Total current liabilities	877,679
Noncurrent liabilities:	
Liabilities payable from restricted assets:	
Customer deposits	309,016
Interest payable	9,373
Due to other governments	71,820
Compensated absences	78,578
Post employment obligation payable	34,142
Bonds and notes payable, noncurrent portion	560,603
Total noncurrent liabilities	1,063,532
TOTAL LIABILITIES	1,941,211
NET POSITION	
Net investment in capital assets	4,971,254
Restricted for:	
Water system improvements (expendable)	2,366,420
Wastewater system improvements (expendable)	1,908,715
Stormwater management (expendable)	334,586
Revenue bond retirement (expendable)	64,291
Unrestricted	2,208,068
TOTAL NET POSITION	$ 11,853,334

The accompanying notes are an integral part of these financial statements

CITY OF EAGLE LAKE, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund
for the year ended September 30, 2022

	Enterprise Fund
OPERATING REVENUES:	
Charges for services	
Water and wastewater customer user fees	$ 2,107,696
Sanitation customer user fees	557,222
Stormwater customer user fees	75,996
Total charges for services	2,740,914
Total operating revenues	2,740,914
OPERATING EXPENSES:	
Personnel services	468,972
Operating expenses	839,278
Depreciation	288,346
Total operating expenses	1,596,596
OPERATING INCOME (LOSS)	1,144,318
NONOPERATING REVENUE (EXPENSE)	
Interest revenue	874
Interest expense	(29,567)
Other, net	(2,924)
Total nonoperating revenues (expense)	(31,617)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,112,701
CAPITAL CONTRIBUTIONS	
Capital grants and contributions	716,504
Impact fees	1,988,472
Total capital contributions	2,704,976
TRANSFERS IN (OUT)	(106,204)
CHANGE IN NET POSITION	3,711,473
NET POSITION, beginning of year	8,141,861
NET POSITION, end of year	$ 11,853,334

The accompanying notes are an integral part of these financial statements

CITY OF EAGLE LAKE, FLORIDA
Statement of Cash Flows - Proprietary Funds
for the year ended September 30, 2022

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	$ 2,764,944
Payments to suppliers	(810,404)
Payments for salaries and benefits	(460,776)
Net cash flows from operating activities	1,493,764
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers (to) from other funds, net of change in due to/from	2,579
Net cash flows from noncapital financing activities	2,579
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets, net of related payables	(834,065)
Principal paid on notes, bonds and lease obligations	(486,013)
Interest paid on borrowings and other debt costs	(31,994)
Capital contributions and impact fees received, net of change in related receivables	2,715,711
Net cash flows from capital and related financing activities	1,363,639
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on invested funds	874
Other nonoperating payments	(2,924)
Net cash flows from investing activities	(2,050)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,857,932
CASH AND CASH EQUIVALENTS, beginning of year	5,104,434
CASH AND CASH EQUIVALENTS, end of year	$ 7,962,366
As shown in the Accompanying Financial Statements	
Equity in pooled cash and cash equivalents	$ 2,284,770
Restricted equity in pooled cash and cash equivalents	5,677,596
Total cash and cash equivalents	$ 7,962,366
Noncash financing and investing activities:	
None	$ -

Continued…

The accompanying notes are an integral part of these financial statements

	Enterprise Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ 1,144,318
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	288,346
(Increase) decrease in accounts receivable	(18,792)
Increase (decrease) in accounts payable	28,874
Increase (decrease) in customer deposits	42,822
Increase (decrease) in accrued wages and compensated absences	10,989
Increase (decrease) in the other postemployment benefit obligation	(2,793)
Net cash flows from operating activities	$ 1,493,764

The accompanying notes are an integral part of these financial statements

CITY OF EAGLE LAKE, FLORIDA
Statement of Fiduciary Net Position – Fiduciary Fund
September 30, 2022

	Custodial Fund
ASSETS	
Cash and cash equivalents	$ 247,925
TOTAL ASSETS	247,925
LIABILITIES	
Due to other governments	247,925
TOTAL LIABILITIES	247,925
NET POSITION	
TOTAL NET POSITION	$ -

The accompanying notes are an integral part of these financial statements

CITY OF EAGLE LAKE, FLORIDA
Statement of Changes in Fiduciary Net Position – Fiduciary Fund
for the year ended September 30, 2022

	Custodial Fund
ADDITIONS:	
Fees collected on behalf of other governments	$ 969,816
Total additions	969,816
DEDUCTIONS:	
Remittance of fees to other governments	969,816
Total deductions	969,816
NET INCREASE (DECREASE)	-
NET POSITION - beginning of year	-
NET POSITION - end of year	$ -

The accompanying notes are an integral part of these financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its statements (GASBS) and Interpretations (GASBI). The more significant accounting policies established in GAAP and used by the City are discussed below.

REPORTING ENTITY

The City of Eagle Lake, Florida (the "City") is a Municipal Corporation incorporated in 1921 by Chapter 8943, Laws of Florida. The Corporation operates under a charter form of government created by an unnumbered City Ordinance dated November 11, 1975, and most recently recodifed and readopted by Ordinance No. 596 in 1978 and again in 1993 by Ordinance No. 93-7. The City is governed by a board of five elected commissioners. These financial statements include all of the funds, organizations, agencies, and departments of the City (the "primary government") and any "legally separate entities ("component units") required by generally accepted accounting principles to be included in the reporting entity.

The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Criteria for determining if other entities are potential component units of the City which should be reported with the City's basic financial statements are identified and described in the GASB Codification of Governmental Accounting and Financial Reporting Standards. The application of these criteria provides for identification of any entities for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. A blended component unit, although legally separate, is in substance part of the City's operations and presented in the financial statements as "blended" components. Blending refers to the fact that the component unit's funds are combined with those of the primary government for financial reporting purposes.

Based on these criteria, the entity included as a blended component unit of the primary government is the Eagle Lake Community Redevelopment Agency ("CRA"), created by Ordinance 00-06, because the CRA exclusively benefits the primary government. The CRA does not issue a separately audited Component Unit Financial Statement (CUFS).

The financial reporting entity does not include the assets of the employee defined contribution pension plans, which were determined not to be assets of the City.

BASIS OF PRESENTATION

The basic financial statements consist of the government-wide financial statements and fund financial statements.

Government-wide Financial Statements - The required government-wide financial statements are the Statement of Net Position and the Statement of Activities, which report information on all of the nonfiduciary activities of the City. The effects of interfund activity have been removed from these statements. The City’s fiduciary fund is excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to fund activities or obligations of the government.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

BASIS OF PRESENTATION (cont.…)

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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment, including depreciation. The City does not allocate the interest expense of governmental fund debt or indirect costs such as finance, personnel, legal, etc. 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.

Fund Financial Statements - The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures/expenses. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Cod. Sec 2200 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Non-major funds by category are summarized into a single column. Due to the City's fund structure, there were no non-major funds. The various funds are reported by type within the financial statements.

Funds are classified into three categories: governmental, proprietary and fiduciary. The funds used by the City are as follows:

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

- **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

- **Eagle Lake Community Redevelopment Agency** (the "CRA") was created by City Ordinance No. 00-06 pursuant to Florida Statutes Chapter 163. Due to its profile in the community, the City electively added the Eagle Lake CRA as a major fund. The CRA has the power to levy taxes or appropriate funds to preserve and enhance the downtown Eagle Lake area. The CRA receives the incremental ad valorem taxes generated in future years by the increase in property values in the redevelopment area. The CRA's property taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. The City commission also serves as the CRA's Board of Directors along with two additional appointed board members.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

BASIS OF PRESENTATION (concluded)

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

- **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City has one Enterprise Fund which accounts for the activities associated with providing potable water, sanitary sewer/wastewater collection, stormwater management and sanitation services to area residents.

Fiduciary Fund - The City also reports one fiduciary fund type; a custodial fund, which is used to account for impact fees collected on behalf of Polk County, Florida (the "County"). These funds are collected on behalf of the County as new construction takes place within the City and remitted to the County monthly.

BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

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

Governmental 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 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition under capital leases are reported as other financing sources.

Property taxes are recognized as revenues in the year for which they are levied. Franchise and public service taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (concluded)

Imposed nonexchange resources (property taxes, fines) are reported as deferred inflows if received before the tax is levied or before the date when use is first permitted. Government mandated nonexchange transactions and voluntary nonexchange transactions are reported as liabilities until the eligibility requirements (excluding time requirements) are met and as deferred inflows if received before time requirements are met and all other eligibility requirements have been satisfied.

Proprietary fund operating revenues generally result from producing or providing goods and services related to sanitation, water and wastewater services and stormwater management. Operating expenses for these operations include all costs related to providing the service or product. These costs include billing and collection, personnel and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

CASH AND CASH EQUIVALENTS

The financial caption “cash and cash equivalents” includes all bank demand deposits, certificates of deposit, money-market and savings accounts and all short-term, highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less when purchased. On September 30, 2022, all of the City's cash and investments met this definition.

RESTRICTED CASH AND CASH EQUIVALENTS

Include cash and cash equivalents that are legally restricted to specific uses by external parties or enabling legislation. The City generally uses restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

RECEIVABLES

The City accrues the unbilled service of its enterprise fund which represents the estimated value of service from the last billing date to year end and totaled $60,860 on September 30, 2022. A reserve for doubtful accounts is maintained in the enterprise fund equal to the value of the utility customer receivables that are not expected to be collected. On of September 30, 2022, such reserves totaled $7,390.

INTERFUND BALANCES

To the extent any current interfund balances exist, management anticipates that they will be settled in cash as opposed to a permanent transfer.

INVENTORY

Enterprise fund inventories are valued at the lower of cost or market determined on a first-in, first-out basis.

PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The Cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., utility systems and roads), 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 estimated useful life in excess of one year and individual cost of more than $1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Donated assets are recorded at acquisition cost. Depreciation of exhaustible fixed assets used by these funds is charged as an expense against operations and, accumulated depreciation is reported on the statement of net position of the funds in which the assets are capitalized. Depreciation has been provided over the estimated useful life of each asset using the straight-line method. The range of estimated useful lives of capital assets are:

Asset Type	Years
Buildings and improvements	20-40
Utility plant in service	38-49
Machinery and equipment	3-15
Infrastructure	20-30

INTEREST COSTS

Interest costs incurred before the end of a construction period is a financing activity separate from the related capital asset and interest costs incurred before the end of the construction period are recognized as an expense in the period in which the cost is incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net 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 position that applies to a future period(s) and will *not* be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applied to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (concluded)

The City has two items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The amounts reported as unavailable revenue are deferred and recognized as an inflow of resources in the period that amounts become available. The City also reports deferred amounts related to leases.

LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary 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 bonds outstanding method. Debt issuance costs are reported as an expense in the period incurred. Bond premiums and discounts are reported, net of amortization, in the related debt balances shown in the financial statements. For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is the shorter. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements; rather the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

COMPENSATED ABSENCES

Employees accumulate vacation days ranging from 6 to 20 days per year to a maximum total of 30 days (15 days for permanent part-time employees). Accrued vacation is paid by the City upon retirement or termination at the employee's current hourly rate of pay. Accrued vacation paid upon the death of an active employee is not subject to the 15 or 30 day maximum.

Employees accumulate sick days ranging from 6 to 12 days per year without limitation. The City pays accrued sick leave to employees retiring or terminating with continuous service of at least two years at 25 percent to 50 percent of accrued sick leave depending on their years of service up to a maximum of 800 paid hours for employees hired prior to September 25, 2006 and 400 paid hours for employees hired thereafter.

INTERFUND TRANSFERS

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide presentation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

CONNECTION FEES AND IMPACT FEES

Water and wastewater connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities and are recorded as operating revenue when received. Impact fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as capital contributions when received. Prepaid impact fees received, which reserve capacity in the City's future water or wastewater facilities, are deferred and reported as capital contributions when the requirements of the developer agreements are met by the City.

EQUITY CLASSIFICATIONS

Government-wide Statements - The difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and displayed in three components:

a) *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b) *Restricted net position* - Consists of restricted assets reduced by liabilities related to those assets. Net position is reported as restricted only when restricted by outside parties or enabling legislation.

c) *Unrestricted net position* - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

Fund Statements - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. Spendable resources are to be shown as restricted, committed, assigned and unassigned as considered appropriate in the City's circumstances. The following classifications describe the relative strength of the spending constraints:

a) *Nonspendable* - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. These amounts also include long-term interfund receivables.

b) *Restricted* - amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

EQUITY CLASSIFICATIONS (concluded)

c) *Committed* - amounts constrained to specific purposes by formal action (ordinance) of the City using its highest level of decision-making authority (the City Commission). To be reported as committed, amounts cannot be used for any other purpose unless the City Commission takes the same highest-level action (ordinance) to remove or change the constraint.

d) *Assigned* - amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Commission or through the City Commission delegating this responsibility to the City Manager through the budgetary process. The City Commission has not established a formal policy regarding authorization to assign fund balance amounts for a specific purpose.

e) *Unassigned* - all other spendable amounts.

The City uses restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

USE OF ESTIMATES

The preparation of the basic financial statements in conformity with generally accepted accounting principles, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the basic financial statements. Actual results could differ from estimates.

LEASES

Lessee: The City is a lessee for a noncancellable lease of equipment and recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $1,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term, subsequently reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include the determination of the discount rate used to discount the lease payments to present value and determination of the lease term.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate for a similar transaction as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase price that the City is reasonably certain to exercise.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

LEASES (concluded)

Lessor: The City is a lessor for a noncancellable lease of City property for cell phone antenna placement. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund 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 received at or before the lease commencement date and recognized as revenue over the life of the lease term on a straight-line basis. Key estimates and judgements include how the City determines the discount rate it uses to discount the lease receipts to present value and determination of the lease term.

- The City's lease agreement does not contain an explicit interest component that is charged to the lessee and has decided to discount the lease receipts using the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices as a proxy for the incremental borrowing rate for general City obligations.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

NOTE 2 - PROPERTY TAX CALENDAR

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The tax levy of the City is established by the City commission prior to October 1 of each year and the Polk County Property Appraiser incorporates the millages into the total tax levy, which includes the municipalities, the County, independent districts and the County School Board tax requirements. State statutes permit cities to levy property taxes at a rate of up to 10 mills. The City's millage rate in effect for the fiscal year ended September 30, 2022 was 7.6516.

All taxes are due and payable on November 1 (levy date) of each year and unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment as follows: 4% in November, 3% in December, 2% in January, 1% in February. The taxes paid in March are without discount. Delinquent taxes on real and personal property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property.

NOTE 3 - BUDGETARY LAW AND PRACTICE

The budget is adopted by Ordinance on a City-wide basis for all City funds on or before October 1 of each year as required by State Statute. City Ordinance establishes the legal level of budgetary control at the individual fund level. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations subject to notification of the City commission; however, any revisions that alter the total expenditure of any fund must be approved by Ordinance. Budgets for all funds are adopted on the basis of cash receipts and disbursements which differs from the basis used for financial reporting purposes. These differences are usually not significant for the governmental funds, however they are for the enterprise fund as the budget includes capital outlay and debt principal repayments as expenses and does not include depreciation.

During the year and subsequent to year-end, the City Commission may adopt an amended budget approving such additional expenditures/expenses. A budgetary comparison schedule is presented as required supplementary information for the general fund and the community redevelopment agency special revenue fund.

All final budget amounts presented in the accompanying supplementary information have been adjusted for legally authorized amendments.

NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions - the City had no material violations of finance related legal and contractual provisions.

Deficit Fund Balance or Net Position of Individual Funds - As of September 30, 2022, no individual fund had a deficit fund balance or net position deficit.

Excess of Expenditures Over Budget Appropriations in Individual Funds - For the year ended September 30, 2022, no budgetary fund had an excess of expenditures over appropriations.

NOTE 5 - DEPOSITS AND INVESTMENTS

On September 30, 2022, the carrying amount of the City's deposits and investments is summarized below:

Cash and cash equivalents:		
Cash on hand	$	2,744
Cash deposits in financial institutions:		
Insured or fully collateralized bank deposits		12,743,092
Total cash and cash equivalents	$	12,745,836
Investments:		
None	$	-

DEPOSITS IN FINANCIAL INSTITUTIONS

All of the City's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280. Qualified public depositories are required to pledge collateral to the Chief Financial Officer, State of Florida ("CFO") with a market value equal to 50% of the average daily balance of all public deposits in excess of any federal deposit insurance. In addition, to the extent that total public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a market value equal to 125% of the deposits. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the CFO from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are considered fully insured or collateralized.

INVESTMENTS

The types of investments in which the City may invest are governed by State Statutes and City Policy. According to State Statutes, the City is authorized to invest in the following instruments: Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized through the Florida Interlocal Cooperation Act; S.E.C. registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories or direct obligations of the U.S. Treasury.

NOTE 6 - CAPITAL ASSETS

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

	Balance October 1, 2021 (*)	Increases	Decreases	Balance September 30, 2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 259,714	$ -	$ -	$ 259,714
Total capital assets, not being depreciated	259,714	-	-	259,714
Capital assets, being depreciated:				
Buildings and improvements	2,987,181	12,390	-	2,999,571
Equipment	185,762	111,698	(1,956)	295,504
Infrastructure	488,916	248,287	-	737,203
Right-to-use leased equipment	2,487	-		2,487
Total capital assets, being depreciated	3,664,346	372,375	(1,956)	4,034,765
Less accumulated depreciation for:				
Buildings and improvements	(2,269,375)	(62,372)	-	(2,331,747)
Equipment	(115,544)	(14,517)	1,956	(128,105)
Infrastructure:	(83,024)	(16,339)	-	(99,363)
Right-to-use leased equipment	(373)	(497)	-	(870)
Total accumulated depreciation	(2,468,316)	(93,725)	1,956	(2,560,085)
Total capital assets being depreciated, net	1,196,030	278,650	-	1,474,680
Governmental activities capital assets, net	$ 1,455,744	$ 278,650	$ -	$ 1,734,394
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 28,527	$ -	$ -	$ 28,527
Total capital assets, not being depreciated	28,527	-	-	28,527
Capital assets, being depreciated:				
Buildings, utility plant and improvements	9,954,214	352,399	-	10,306,613
Equipment	635,132	481,666	-	1,116,798
Total capital assets, being depreciated	10,589,346	834,065	-	11,423,411
Less accumulated depreciation for:				
Buildings, utility plant and improvements	(5,206,043)	(204,524)	-	(5,410,567)
Equipment	(385,127)	(83,822)	-	(468,949)
Total accumulated depreciation	(5,591,170)	(288,346)	-	(5,879,516)
Total capital assets being depreciated, net	4,998,176	545,719	-	5,543,895
Business-type activities capital assets, net	$ 5,026,703	$ 545,719	$ -	$ 5,572,422

(*) During 2022, the City implemented the provisions of GASB Statement No. 87, Leases and as a result, the previously reported balances in the table above have been restated. See Note 16 for details.

NOTE 6 - CAPITAL ASSETS (concluded)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:		
General government	$	38,733
Law enforcement		846
Streets		24,184
Library		473
Parks and recreation		29,489
Total depreciation expense - governmental activities	$	93,725

Business-type Activities:		
Water	$	126,587
Wastewater		107,454
Stormwater		54,305
Total depreciation expense - business-type activities	$	288,346

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2022:

	Balance October 1, 2021 (*)	Increases	Decreases	Balance September 30, 2022	Amounts Due within One Year
Governmental Activities:					
Long-term debt:					
Notes payable:					
Equipment purchase note, 2020	$ 4,303	$ -	$ (1,771)	$ 2,532	$ 1,880
Other liabilities:					
Leases	2,065	-	(593)	1,472	630
Other postemployment benefits	51,726	-	(5,585)	46,141	-
Compensated absences	72,271	58,822	(48,055)	83,038	-
Total long-term obligations	$ 130,365	$ 58,822	$ (56,004)	$ 133,183	$ 2,510
Less amounts due in one year				(2,510)	
Total noncurrent obligations due in more than one year				$ 130,673	
Business-type Activities:					
Long-term debt:					
Bonds and notes payable:					
CS12090401P installment note to DEP	$ 383,461	$ -	$ (383,461)	$ -	$ -
Water System Revenue Bonds, Series 2007	229,936	-	(9,934)	220,002	33,485
Water System Revenue Bonds, Series 2010	85,719	-	(85,719)	-	-
Wastewater System Revenue Bonds, Series 2015	388,065	-	(6,899)	381,166	7,080
Total long-term debt	1,087,181	-	(486,013)	601,168	40,565
Other liabilities:					
Other postemployment benefits	36,935	-	(2,793)	34,142	-
Compensated absences	82,788	29,734	(33,944)	78,578	-
Prepaid impact fees due to City of Bartow, Florida	71,820	-	-	71,820	-
Total other liabilities	191,543	29,734	(36,737)	184,540	-
Total long-term obligations	$ 1,278,724	$ 29,734	$ (522,750)	785,708	$ 40,565
Less amounts due in one year				(40,565)	
Total noncurrent obligations due in more than one year				$ 745,143	

(*) During 2022, the City implemented the provisions of GASB Statement No. 87, Leases and as a result, the previously reported balances in the table above have been restated. See Note 16 for details.

Notes to Long-Term Obligations Table

Long term liabilities, including accumulated compensated absences are typically liquidated by the individual fund to which the liability is directly associated.

All the City's long-term debt arose through direct borrowings or direct placements.

NOTE 7 - LONG-TERM OBLIGATIONS (cont…)

Governmental Activities:

- The Equipment Purchase Note, 2020 was issued to purchase a multifunction copier at an implied interest rate of 6% and maturing in January 2024. The loan is secured by the equipment and requires monthly payments of principal and interest totaling $165. This purchase was previously accounted for as an operating lease and during GASB Statement No. 87, *Leases*, this was reclassified as a financed purchase in accordance with the pronouncement.

- Leases Payable – In 2022 the City implemented GASB Statement No. 87, *Leases* and as a result identified a reportable lease executed in 2020 for the right-to-use a postage processing machine. The previously reported long term obligations balances in the long-term obligations table was restated to add this lease payable liability balance as of October 1, 2021 in the amount of $2,095. The City is required to make monthly principal and interest payments of $58 and maturing in December 2024. The lease agreement does not have an explicit interest rate and the City utilized an estimated incremental borrowing rate of 6% to determine the lease liability. The book value of this right-to-use asset as the end of the current fiscal year is $1,617 and has a five-year estimated useful life.

Business-Type Activities:

- The 2001 State of Florida Department of Environmental Protection ("FDEP) Revolving Fund Water and Sewer Revenue Certificates (CS 12090401P) are secured by water and wastewater revenues and were used to fund the construction of collection and transmission facilities of the City's wastewater system. The loan was payable semiannually with principal and interest payments due on January 15 and July 15. The loan bore interest at a weighted average rate of 2.453% with a final maturity of January 15, 2025. The City made a lump-sum payment to fully satisfy this liability during the year ended September 30, 2022.

- The USDA Rural Utilities Service Series 2010 Water Revenue Bonds were secured by the net revenues of the water system. The bonds bore interest at 3.250% with an originally scheduled final maturity of September 1, 2025. The bond proceeds were used to replace the City's aging water meters. The City made a lump-sum payment to fully satisfy this liability during the year ended September 30, 2022.

- The USDA Rural Utilities Service Series 2007 Water Revenue Bonds are secured by the net revenues of the water system. The bonds bear interest at 4.125% with a final maturity of September 1, 2046. The bond proceeds were used to construct extensions and improvements to the water system. The bonds require the maintenance of sinking, reserve and renewal and replacement funds.

  In the event of default, the bond holders have the right to take whatever action necessary to collect the amounts due including the appointment of a receiver to manage the water system.

  The City was in compliance with all significant requirements of the loan resolutions as of September 30, 2022.

NOTE 7 - LONG-TERM OBLIGATIONS (concluded)

- The USDA Rural Utilities Service Series 2015 Wastewater System Revenue Bonds are secured by the net revenues of the wastewater system. The bonds bear interest at 2.625% with a final maturity of November 19, 2055. The bond proceeds were used for lift station improvements to the wastewater system. The bonds require the maintenance of sinking, reserve and short-lived asset reserve funds.

  In the event of default, the bond holders have the right to take whatever action necessary to collect the amounts due including the appointment of a receiver to manage the water system.

  The City was in compliance with all significant requirements of the loan resolutions as of September 30, 2022.

- The amount due to City of Bartow, Florida represent the portion of wastewater impact fees paid in advance that are due to the City of Bartow in accordance with their wastewater service agreement with the City of Eagle Lake. In accordance with the agreement, these amounts are due when a utility customer connects to the City's wastewater system and were paid in advance by a property developer in September 2007.

Annual debt service requirements as of September 30, 2022, are as follows:

	Governmental Activities		Business-type Activities	
Fiscal Year Ending	Principal	Interest	Principal	Interest
2023	$ 2,510	$ 101	$ 40,565	$ 19,713
2024	1,494	8	30,887	18,104
2025	-	-	32,080	16,910
2026	-	-	33,324	15,668
2027	-	-	34,616	14,376
2028-2032	-	-	128,303	52,086
2033-2037	-	-	48,342	38,874
2038-2042	-	-	55,028	32,188
2043-2047	-	-	62,638	24,578
2048-2052	-	-	71,303	15,913
2053-2057	-	-	64,082	5,691
Total	$ 4,004	$ 109	$ 601,168	$ 254,101

NOTE 8 - INTERFUND TRANSACTIONS

Interfund receivables and payables as of September 30, 2022 consisted of:

Receivable Fund	Payable Fund	Amount
Enterprise fund	General fund	$ 1,574
General fund	Community Redevelopment Fund	38,618

Interfund receivables represent expenditures paid by those funds on behalf of another fund that were not repaid until after year end.

Interfund transfers for the year ended September 30, 2022, consisted of:

Receiving Fund	Paying Fund	Amount
General fund	Enterprise fund	$ 106,204

The transfer from the enterprise fund to the general fund is the budgeted annual transfer to finance services accounted for in the general fund.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The Other Postemployment Benefits Plan (OPEB Plan) is a single employer defined benefit plan administered by the City. The OPEB Plan allows employees who retire and meet retirement eligibility requirements under the City's defined contribution plan to continue medical insurance coverage as a participant in the City's health insurance plan.

Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the City are eligible to participate in the City's healthcare and life insurance benefits. The City subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The City does not offer any explicit subsidies for retiree coverage. The City doesn't issue a stand-alone report for the OPEB Plan, and the OPEB Plan is not included in the annual report of a public employee retirement system or another entity.

There are currently 15 active plan members and no inactive plan members who are receiving benefits.

Funding Policy – OPEB Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes. The City has not advance-funded or established a funding methodology for the annual other postemployment benefit (OPEB) costs or the OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis.

Benefits Provided – The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the City who meet the eligibility requirements of the City's defined contribution plan are eligible to receive postemployment health care benefits. All retiree, spouse and dependent coverage is at the expense of the retiree.

Total OPEB Liability – The City's total OPEB liability was determined by an actuarial valuation as of September 30, 2021, updated to September 30, 2022 (measurement date) using the assumptions below.

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.77%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Year to Ultimate Trend Rate	53

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

Discount Rate – The discount rate was based on a high-quality municipal bond rate of 4.77%, The high-quality bond rate was based on the week closest but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate 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 AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch, if there are multiple ratings, the lowest rate is used.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (concluded)

OPEB Expense – For the year ended September 30, 2022, the City recognized negative OPEB expense of ($363).

Changes in Total OPEB Liability:

	Total OPEB Liability
Reporting period ending September 30, 2021	$ 88,661
Changes for the year:	
Service cost	7,473
Interest	2,624
Differences between expected and actual experience	14,615
Changes of assumptions	(27,425)
Benefit payments	(5,665)
Net changes	(8,378)
Reporting period ending September 30, 2022	$ 80,283

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 or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.77%)	Discount Rate (4.77%)	1% Increase (5.77%)
Total other postemployment benefits liability	$ 87,831	$ 80,283	$ 73,658

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 or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.00% to 6.50%)	Discount Rate (4.00% to 7.50%)	1% Increase (5.00% to 8.50%)
Total other postemployment benefits liability	$ 72,675	$ 80,283	$ 89,076

NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN

The City commission has established by Resolution an Internal Revenue Code Section 457 and a 401(a) defined contribution pension plan covering all full-time employees and permanent part-time employees who have completed one year of employment. The plan trust is administered by the Florida League of Cities, Inc. and the assets of the plans are not considered part of the City's reporting entity. Benefits vest at a rate of 20% per year of service up to 100% vesting upon completion of the sixth year of service. Participation is voluntary, and the employee determines the amount of their contribution. The City contributes seven percent of the employees' compensation regardless of the employee contribution. Most employees of the City were eligible and did participate in the plan during the year ended September 30, 2022. Pension costs are accrued and funded on a current basis and all required contributions for the year were made. Contributions for the fiscal year ended September 30, 2022 totaled $94,384 which consisted of $44,411 contributed by employees and $49,973 contributed by the City. The City's payroll totaled approximately $821,000 of which pension contributions were provided on approximately $714,000.

NOTE 11 - RISK MANAGEMENT

During the ordinary course of its operations, the City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees, and natural disasters. The City maintains commercial insurance coverage in amounts management feels is adequate to protect and safeguard the assets of the City. There have been no significant reductions in coverage nor have settlement amounts exceeded the City's coverage during the year ended September 30, 2022 or the previous two fiscal years. In the opinion of the City's management and legal counsel, legal claims and litigation are not anticipated to have material impact on the financial position of the City. The City's workers compensation coverage is provided through a nonassessable, nonprofit, tax-exempt risk sharing pool. Settled claims resulting from these risks have not exceeded insurance coverage.

NOTE 12 - COMMITMENT AND CONTINGENCIES

The City participates in several programs that are fully or partially funded by grants received from Federal, state, or county agency sources. Expenditures financed by grants are subject to audit by the appropriate grantor government/agency. If expenditures are disallowed due to non-compliance with grant program regulations, the City may be required to reimburse the grantor government/agency. As of September 30, 2022, the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

NOTE 13 - SEGMENT INFORMATION FOR ENTERPRISE FUND

The City has outstanding debt secured by its water and wastewater system revenues. The water and wastewater operations are accounted for in a single enterprise fund along with sanitation and stormwater management. Because many of the assets and liabilities of the enterprise fund are not separately identifiable with any one operating segment (e.g. cash, accounts receivable, accounts payable, etc.), it is not possible to present segment information disclosures for some components of net position, revenues and cash flows. Segment financial information that can be separately identified for the water and wastewater system operations as of and for the year ended September 30, 2022, is presented below:

	Water System	Wastewater System	Combined Water & Wastewater System
Condensed statement of revenues, expenses and changes in net position:			
Operating revenues	$ 1,135,324	$ 972,372	$ 2,107,696
Operating expenses	(350,841)	(612,835)	(963,676)
Depreciation	(126,587)	(107,454)	(234,041)
Nonoperating revenues (expenses):			
Interest income	874	-	874
Interest expense	(11,343)	(18,224)	(29,567)
Other nonoperating expense	(2,924)	-	(2,924)
Capital contributions	1,784,865	920,111	2,704,976
Transfers	(42,500)	(42,500)	(85,000)
Change in net position	$ 2,386,868	$ 1,111,470	$ 3,498,338
Summary information from statement of net position:			
Capital assets, net	$ 1,621,027	$ 2,616,755	$ 4,237,782
Long-term debt	$ 220,002	$ 381,166	$ 601,168

NOTE 14 - FUTURE REVENUES THAT ARE PLEDGED

The City has pledged various future revenue sources for various debt issues. For the water and wastewater systems, the City has pledged future revenues, net of certain operating expenses. The following table provides a summary of the pledged revenues for the City's outstanding debt issues. Additional information regarding the City's pledged revenue can be found in note 7.

Pledged Revenue	Revenue Pledged Through	Total Principal and Interest Outstanding	Current Year Principal and Interest Paid	Current Year Net Revenue	Percentage of Net Revenues to Principal and Interest Paid
Water and wastewater system net revenue	11/19/2055	$ 855,269	$ 240,852	$ 3,133,366	1300.95%

NOTE 15 – JOINT VENTURE

The Polk Regional Water Cooperative (PRWC) was created on April 1, 2016 by a interlocal agreement between the City of Eagle Lake, City of Auburndale, City of Bartow, City of Davenport, City of Fort Meade, City of Frostproof, City of Haines City, City of Lake Alfred, City of Lakeland, City of Lake Wales, City of Mulberry, Polk City, City of Winter Haven, Town of Dundee, Town of Lake Hamilton and Polk County in accordance with Chapters 163 and 373 of the Florida Statutes. These local government units are collectively considered the Member Governments. The PRWC is a separate legal entity organized under the laws of the State of Florida, and the City Member Governments have no equity ownership in the PRWC.

The PRWC is devoted to encouraging the development of fully integrated, robust public water supply systems comprised of diverse sources managed in a manner that take full advantage of Florida’s intense climatic cycles to ensure reliable, sustainable and drought resistant systems which maximize the use of alternative water supplies to the greatest extent practicable. The PRWC will evaluate, plan and implement water projects and coordinate partnerships with other water users.

The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC’s annual working capital needs which are established annually by a resolution of the PRWC’s Board of Directors. For the year ended September 30, 2022, the total annual working capital needs of the PRWC was $198,000 of which the City’s proportionate share was $1,036.

During 2022, the City agreed to be a project participant in the West Polk Lower Floridan Aquifer Wellfield (the Project), a new lower Floridan aquifer public water supply wellfield located in west Polk County, Florida. Project participants agree to receive potable water from the Project once completed. The Project is being funded through the PRWC using a combination of grants and loans and the ultimate debt service and operating costs of the project will be passed through to the project participants through the water service charges which have not been determined as of the date of this report.

Complete financial statements of the PRWC may be obtained from the PRWC’s Executive Director at 330 W. Church Street, P.O. Box 9005, Drawer CA01, Bartow, FL 33831-9005.

NOTE 16 – IMPLEMENTATION OF ACCOUNTING STANDARD

For the fiscal year ended September 30, 2022, the City implemented the provision of GASB Statement 87-*leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

As lessee: During implementation the City identified one lease of a right-to-use asset and one financed purchase that are required to be reported as assets and liabilities under this Statement and that were previously reported as operating leases. Due to the immaterial nature of the net effect of retrospective implementation of this guidance, net position was not restated but the previously reported balances of capital assets and long-term obligations were restated to reflect the right-to-use leased asset balances and leases payable as well as a previously unrecorded financed purchase of equipment and the related note payable as follows:

	Capital Assets		Long-Term Obligations		
	Right-to-use Leased Equipment	Equipment, Net	Leases Payable	Equipment Purchase Note, 2020	Net
Previously reported, October 1, 2021	$ -	$ 66,118	$ -	$ -	
Implementation of GASB 87:					
Right-to-use leased mail machine, net	2,114	-	2,065		49
Financed purchase of copier, net		4,100		4,303	(203)
Restated, October 1, 2021	$ 2,114	$ 70,218	$ 2,065	$ 4,303	$ (154)

The net effect of the above restatements was recorded as a 2022 expense in the statement of activities due to the immaterial nature of the net difference between the capital assets and long-term debt restatements.

As lessor: During implementation the City identified one lease receivable related to a cell phone antenna placement agreement executed in a prior year that is required to be reported under this Statement. While the provisions of this Statement are required to be applied retroactively, the Statement allows for leases to be recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation. As a result, the City measured its lease receivable and related deferred inflows as of October 1, 2021, based upon the remaining lease term as of that date, as opposed to determination of the lease receivable and deferred inflow of resources based upon the origination date of the lease agreement. The effects of the implementation resulted in the measurement and reporting of a lease receivable and lease-related deferred inflows of resources totaling $453,750 at October 1, 2021.

The future lease receipts were discounted using the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices which was 2.43% as of the restatement date. Because the measurement was based on the facts and circumstances that existed on October 1, 2021, this resulted in the present value of lease receipts (lease receivables) being equal to lease related deferred inflows of resources as of the restatement date and as such, this implementation has no effect on beginning net position.



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EAGLE LAKE, FLORIDA
Budgetary Comparison Schedule – General Fund
for the year ended September 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
RESOURCES (inflows):				
Taxes	$ 1,542,469	$ 1,612,469	$ 1,648,863	$ 36,394
Licenses and permits	20,900	92,900	450,612	357,712
Intergovernmental revenue	482,836	581,636	581,234	(402)
Charges for services	109,284	109,284	342,031	232,747
Fines and forfeitures	5,100	5,100	10,352	5,252
Other	22,500	214,500	746,392	531,892
Transfers in	163,008	163,008	135,400	(27,608)
Total revenues	2,346,097	2,778,897	3,914,884	1,135,987
CHARGES TO APPROPRIATIONS (outflows):				
General government	660,272	962,329	864,609	97,720
Public safety	686,770	758,770	737,863	20,907
Transportation	123,115	123,115	99,341	23,774
Culture/recreation	336,775	346,371	336,371	10,000
Capital outlay	262,000	539,347	459,569	79,778
Debt service	91,100	91,100	2,682	88,418
Total expenditures	2,160,032	2,821,032	2,500,435	320,597
EXCESS OF RESOURCES OVER CHARGES TO APPROPRIATIONS	186,065	(42,135)	$ 1,414,449	$ 1,456,584
Surplus carried forward to subsequent fiscal year	(186,065)	-		
Prior year fund balances used in current fiscal year	-	42,135		
NET CHANGE IN FUND BALANCE	$ -	$ -		

Continued…

Reconciliation of the budgetary comparison schedule – general to the statement of revenues, expenditures and changes in fund balances – governmental funds.

Explanation of differences between budgetary inflows and outflows of GAAP Revenues and Expenditures:

Sources/inflows of resources	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	$ 3,914,884
Differences - budget to GAAP:	
Budgetary inflows representing interfund reimbursements that are recorded as expenditures for financial reporting purposes.	(29,196)
Budgetary outflows representing interfund transactions that are recorded as revenues for financial reporting purposes.	(20,000)
Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$ 3,865,688

Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriation" from the budgetary comparison schedule.	$ 2,500,435
Differences - budget to GAAP:	
Budgetary inflows representing interfund reimbursements that are recorded as expenditures for financial reporting purposes.	(29,196)
Budgetary outflows representing interfund transactions that are recorded as revenues for financial reporting purposes.	(20,000)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$ 2,451,239

CITY OF EAGLE LAKE, FLORIDA
Budgetary Comparison Schedule – Community Redevelopment Agency
for the year ended September 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RESOURCES (inflows):				
Taxes	$ 60,500	$ 60,500	$ 64,069	$ 3,569
Other	400	400	22	(378)
Total resources	60,900	60,900	64,091	3,191
CHARGES TO APPROPRIATIONS (outflows)				
Economic environment	36,204	36,204	34,947	1,257
Total charges to appropriations	36,204	36,204	34,947	1,257
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	24,696	24,696	$ 29,144	$ 4,448
Surplus carried forward to subsequent year	(24,696)	(24,696)		
NET CHANGE IN FUND BALANCE	$ -	$ -		

CITY OF EAGLE LAKE, FLORIDA

Schedule of Changes in the Total Other Post-Employment Benefits Liability and Related Ratios

Last 10 Fiscal Years

Measurement date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Reporting period ending	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability					
Service cost	$ 7,473	$ 7,176	$ 7,727	$ 6,302	$ 6,584
Interest	2,624	1,954	3,494	3,412	2,895
Change in assumptions	(27,425)	(2,554)	(12,605)	4,879	(4,200)
Differences between expected and actual experience	14,615	-	3,828	-	-
Benefit payments	(5,665)	(3,971)	(4,821)	(2,976)	(2,743)
Net change in total pension liability	(8,378)	2,605	(2,377)	11,617	2,536
Total OPEB liability, beginning	88,661	86,056	88,433	76,816	74,280
Total OPEB liability, ending	$ 80,283	$ 88,661	$ 86,056	$ 88,433	$ 76,816
Covered payroll	$ 726,814	$ 602,680	$ 587,981	$ 508,213	$ 495,818
Total OPEB liability as a percentage of covered-employee payroll	11.05%	14.71%	14.64%	17.40%	15.49%

Notes to Schedule:

No assets are being accumulated in a trust to pay for plan benefits.

Information is not available for years preceding fiscal year 2018.

Changes in Assumptions:

- For measurement date September 30, 2022 the discount rate was 4.77%
- For measurement date September 30, 2021 the discount rate was 2.43%
- For measurement date September 30, 2020 the discount rate was 2.14%
- For measurement date September 30, 2019 the discount rate was 3.58%
- For measurement date September 30, 2018 the discount rate was 4.18%
- For measurement date September 30, 2017 the discount rate was 3.64%



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OTHER INFORMATION

Data Element	Reference	Comment
The total number of CRA employees compensated in the last pay period of the CRA's fiscal year being reported	Section 218.32(1)(e)(2)(a)	The CRA has no employees.
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year being reported.	Section 218.32(1)(e)(2)(b)	None
All compensation earned by or awarded to CRA employees, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(c)	The CRA has no employees.
All compensation earned by or awarded to CRA nonemployee independent contractors, whether paid or accrued, regardless of contingency.	Section 218.32(1)(e)(2)(d)	None
Budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amended a final adopted budget under Section 189.016(6), Florida Statutes.	Section 218.32(1)(e)(3)	See page 47 of this annual financial report. The CRA did not amend their budget for 2022.
Each construction project with a total cost of at least $65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.	Section 218.32(1)(e)(2)(e)	None

OTHER REPORTS

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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 City Council
City of Eagle Lake, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of City of Eagle Lake, Florida as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Eagle Lake, Florida's basic financial statements, and have issued our report thereon dated February 20, 2023 .

Internal Control Over Financial Reporting

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

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

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

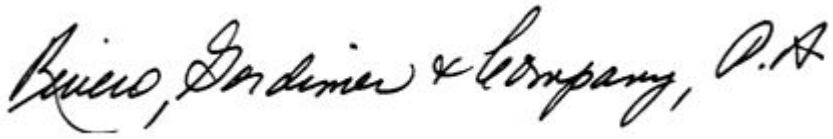
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Report on Compliance and Other Matters

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

Purpose of this Report

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



Tampa, Florida
February 20, 2023

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, *FLORIDA STATUTES*

Honorable Mayor and Members of City Council
City of Eagle Lake, Florida

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

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether City of Eagle Lake, , Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether City of Eagle Lake, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that 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 City of Eagle Lake, Florida's compliance with specified requirements.

In our opinion, City of Eagle Lake, Florida complied, in all material respects, investment policy compliance with the requirements of Section 218.415, *Florida Statutes* during the year ended September 30, 2022.

Rivero, Gordimer & Company, P.A.

Tampa, Florida
February 20, 2023

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MANAGEMENT LETTER BASED ON RULE 10.554 OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor and Members of City Council
City of Eagle Lake, Florida

Report on the Financial Statements

We have audited the financial statements of City of Eagle Lake, Florida, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated February 20, 2023 .

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 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* and Independent Accountant's Report on Compliance with the Requirements of Section 218.415, Florida Statutes on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated, February 20, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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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. See Note 1 to the financial statements for such information.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City of Eagle Lake, Florida'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.

Specific Information

City of Eagle Lake, Florida has included certain information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General for the Eagle Lake Community Redevelopment Agency in Other Information included on page 51.

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, 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.

Brucker, Gardenier & Company, P.A.

Tampa, Florida
February 20, 2023

RIVERO, GORDIMER & COMPANY, P.A.

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE US DEPARTMENT OF TREASURY CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM

Honorable Mayor and Members of City Council
City of Eagle Lake, Florida

We have examined City of Eagle Lake, Florida's compliance "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB Compliance Supplement (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended September 30, 2022. Management of City of Eagle Lake, Florida is responsible for City of Eagle Lake, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on City of Eagle Lake, Florida's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether City of Eagle Lake, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether City of Eagle Lake, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on City of Eagle Lake, Florida's compliance with specified requirements.

In our opinion, City of Eagle Lake, Florida complied, in all material respects, with the specified requirements referenced above during the year ended September 30, 2022.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on City of Eagle Lake, Florida's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on City of Eagle Lake, Florida's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether City of Eagle Lake, Florida complied, in all material respects with the specified requirements referenced above during the year ended September 30, 2022. Accordingly, this report is not suitable for any other purpose.

Tampa, Florida
February 20, 2023