

**CITY OF MACCLENNY  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
SEPTEMBER 30, 2023**

**LYONS AND LYONS  
CERTIFIED PUBLIC ACCOUNTANTS**

**CITY OF MACCLENNY, FLORIDA**  
**AUDIT REPORT**  
**SEPTEMBER 30, 2023**  
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**CITY OF MACCLENNY, FLORIDA**  
**CITY OFFICIALS**  
**SERVING AS OF SEPTEMBER 30, 2023**

**CITY COMMISSIONERS**

**Mark Bryant (Mayor)**

**Cecil Horne, Jr.**

**Danny Norton**

**Lynward Bones**

**Sam Kitching**

**CITY MANAGER**

**Mike Griffis**

**CITY ATTORNEY**

**Frank E. Maloney, Jr.**

# LYONS AND LYONS

## CERTIFIED PUBLIC ACCOUNTANTS

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Macclenny, Florida 32063

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### **INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and  
Members of the City Commission  
City of Macclenny, Florida

#### **Report on the Audit of the Financial Statements**

##### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Macclenny, Florida (the "City") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### **Basis for Opinions**

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

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

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

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

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

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

Misstatements are considered material if there is a substantial likelihood that individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

#### **Required Supplementary Information**

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

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of State financial assistance, as required Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual

nonmajor fund financial statements and the schedule of expenditures of State financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lyons and Lyons, CPA".

June 17, 2024  
Macclenny, Florida

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Macclenny, Florida's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the City's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2022-2023.

- The City's overall net position increased by \$2,048,390 from \$24,546,740 to \$26,595,130.
- Total ending unrestricted net position decreased by \$1,601,030 from \$10,143,674 to \$8,542,644.
- The City's notes and capital lease payable decreased by \$52,807, from \$1,113,568 to \$1,060,761. Bonds payable decreased by \$266,000, from \$3,242,628 to \$2,976,628.

### OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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. The report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide Financial Statements

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

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

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, sanitation services, street and storm water maintenance, and culture and recreation. The business-type activities of the City include water and sewer operations and rental of five residential properties. These activities are financed in whole or in part by fees charged to external parties for goods and services.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City currently maintains three fund types: 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 used in evaluating a government's near-term financial requirements.

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

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Small County Outreach Program and the Florida Legislative Appropriation Fund which are considered to be major funds. Data from the Special Revenue Funds are combined into a single, aggregated presentation as non-major governmental funds. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in the report.

**Proprietary funds** – The City maintains one type of proprietary fund, the Enterprise Fund. The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the Enterprise Fund to account for its water and sewer operations and five residential rental homes. 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 the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the City's own programs.

### **Notes to the Financial Statements**

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

### **Other Information**

In addition to the basic financial statements, and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general fund and the special revenue fund, and other postemployment benefits information. Supplementary information and additional elements as required by the auditor general, as listed in the table of contents, are also presented.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$26,595,130 at the close of the fiscal year ended September 30, 2023.

#### City of Macclenny's Net Position

|                                        | Governmental Activities |                     | Business-type Activities |                     | Total               |                     |
|----------------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|                                        | FY 23                   | FY 22               | FY 23                    | FY 22               | FY 23               | FY 22               |
| Current and other assets               | \$10,344,962            | \$ 9,137,291        | \$ 7,130,996             | \$ 6,840,566        | \$17,475,958        | \$15,977,857        |
| Capital assets                         | 6,907,280               | 5,094,994           | 14,478,012               | 14,678,371          | 21,385,292          | 19,773,365          |
| Total assets                           | <u>17,252,242</u>       | <u>14,232,285</u>   | <u>21,609,008</u>        | <u>21,518,937</u>   | <u>38,861,250</u>   | <u>35,751,222</u>   |
| Deferred outflows                      | 749,981                 | 652,138             | 493,498                  | 445,554             | 1,243,479           | 1,097,692           |
| Total assets and deferred outflows     | <u>18,002,223</u>       | <u>14,884,423</u>   | <u>22,102,506</u>        | <u>21,964,491</u>   | <u>40,104,729</u>   | <u>36,848,914</u>   |
| Current and other liabilities          | 1,161,078               | 355,506             | 523,219                  | 507,947             | 1,684,297           | 863,453             |
| Long-term liabilities                  | 4,391,430               | 3,854,531           | 4,725,507                | 4,714,197           | 9,116,937           | 8,568,728           |
| Total liabilities                      | <u>5,552,508</u>        | <u>4,210,037</u>    | <u>5,248,726</u>         | <u>5,222,144</u>    | <u>10,801,234</u>   | <u>9,432,181</u>    |
| Deferred inflows                       | 36,022                  | 62,033              | 2,672,343                | 2,807,960           | 2,708,365           | 2,869,993           |
| Total liabilities and deferred inflows | <u>5,588,530</u>        | <u>4,272,070</u>    | <u>7,921,069</u>         | <u>8,030,104</u>    | <u>13,509,599</u>   | <u>12,302,174</u>   |
| Net position:                          |                         |                     |                          |                     |                     |                     |
| Net investment in capital assets       | 5,475,873               | 3,605,215           | 11,867,825               | 10,172,126          | 17,343,698          | 13,777,341          |
| Restricted                             | -                       | 1,870               | 708,788                  | 623,855             | 708,788             | 625,725             |
| Unrestricted                           | 6,937,820               | 7,005,268           | 1,604,824                | 3,138,406           | 8,542,644           | 10,143,674          |
| Total net position                     | <u>\$12,413,693</u>     | <u>\$10,612,353</u> | <u>\$14,181,437</u>      | <u>\$13,934,387</u> | <u>\$26,595,130</u> | <u>\$24,546,740</u> |

## Changes in Net Position

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

|                                                 | <b>City of Macclenny's Changes in Net Position</b> |                     |                          |                     |                     |                     |
|-------------------------------------------------|----------------------------------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|                                                 | Governmental Activities                            |                     | Business-type Activities |                     | Total               |                     |
|                                                 | FY 23                                              | FY 22               | FY 23                    | FY 22               | FY 23               | FY 22               |
| Revenues:                                       |                                                    |                     |                          |                     |                     |                     |
| Program revenues                                |                                                    |                     |                          |                     |                     |                     |
| Charges for services                            | \$ 1,877,925                                       | \$ 1,436,878        | \$ 3,288,525             | \$ 3,374,103        | \$ 5,166,450        | \$ 4,810,981        |
| Operating grants and contributions              | -                                                  | -                   | -                        | -                   | -                   | -                   |
| Capital grants and contributions                | 1,133,076                                          | 792,664             | 169,666                  | 1,803,445           | 1,302,742           | 2,596,109           |
| General revenues                                |                                                    |                     |                          |                     |                     |                     |
| Property taxes                                  | 1,254,309                                          | 1,109,586           | -                        | -                   | 1,254,309           | 1,109,586           |
| Other taxes                                     | 2,611,028                                          | 2,384,927           | 94,617                   | 86,250              | 2,705,645           | 2,471,177           |
| State shared revenues                           | 775,737                                            | 748,524             | -                        | -                   | 775,737             | 748,524             |
| Interest and other                              | 206,312                                            | 350,131             | 164,213                  | 36,645              | 370,525             | 386,776             |
| Total revenues                                  | <u>7,858,387</u>                                   | <u>6,822,710</u>    | <u>3,717,021</u>         | <u>5,300,443</u>    | <u>11,575,408</u>   | <u>12,123,153</u>   |
| Expenses:                                       |                                                    |                     |                          |                     |                     |                     |
| General government                              | 1,495,152                                          | 1,204,981           | -                        | -                   | 1,495,152           | 1,204,981           |
| Public safety                                   | 2,422,360                                          | 1,931,782           | -                        | -                   | 2,422,360           | 1,931,782           |
| Physical environment                            | 1,313,975                                          | 879,907             | 3,391,463                | 3,154,511           | 4,705,438           | 4,034,418           |
| Transportation                                  | 563,269                                            | 677,866             | -                        | -                   | 563,269             | 677,866             |
| Culture and recreation                          | 216,750                                            | 206,618             | -                        | -                   | 216,750             | 206,618             |
| Interest on long-term debt                      | 45,541                                             | 47,085              | 78,508                   | 83,792              | 124,049             | 130,877             |
| Total expenses                                  | <u>6,057,047</u>                                   | <u>4,948,239</u>    | <u>3,469,971</u>         | <u>3,238,303</u>    | <u>9,527,018</u>    | <u>8,186,542</u>    |
| Change in net position                          | 1,801,340                                          | 1,874,471           | 247,050                  | 2,062,140           | 2,048,390           | 3,936,611           |
| Beginning net position - as previously reported |                                                    |                     |                          |                     |                     |                     |
|                                                 | <u>10,612,353</u>                                  | <u>8,737,882</u>    | <u>13,934,387</u>        | <u>11,872,247</u>   | <u>24,546,740</u>   | <u>20,610,129</u>   |
| Ending net position                             | <u>\$12,413,693</u>                                | <u>\$10,612,353</u> | <u>\$14,181,437</u>      | <u>\$13,934,387</u> | <u>\$26,595,130</u> | <u>\$24,546,740</u> |

## OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

### Governmental and Business-Type Activities

The governmental activities generated \$1,877,925 in program revenues and \$4,847,386 of general revenues and capital grants of \$1,133,076 and incurred \$6,057,047 of program expenses. This resulted in a \$1,801,340 increase in net assets from current operations. The business-type activities generated operating revenue of \$3,288,525 while expending \$3,391,463 resulting in a net decrease from operations of \$102,938. Non-operating revenues and expenses of \$180,322 together with capital grant revenue of \$169,666 less the net decrease from operations of \$102,938 resulted in a total increase of \$247,050 in net position.

## **THE CITY'S INDIVIDUAL FUNDS**

The General Fund's fund balance increased by \$1,060,854 from \$8,180,552 to \$9,241,406. The Special Revenue Fund's fund balance decreased by \$651,874 from \$651,874 to \$0. The Proprietary Fund's net position increased by \$247,050 from \$13,934,387 to \$14,181,437; net position from operations decreased \$102,938; net cash increased \$225,321. The City's utility system was operated principally from charges to customers.

## **BUDGETARY HIGHLIGHTS**

General Fund revenues were greater than budgeted amounts by \$913,313 and expenditures were less than budgeted amounts by \$698,109.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The City had significant capital asset activity during the year. Please refer to the note to the accompanying financial statements entitled *Capital Assets* for more detailed information about the City's capital asset activity. Several construction projects were in progress at September 30, 2023, totaling \$1,156,820. These projects include continuation of sewer rehabilitation, water extension, fire station training facility, paving, bathroom rehabilitation, and dock rehabilitation.

### **Debt Administration**

The City incurred no new debt during the year. The City's notes and revenue bonds payable decreased by \$318,808. Please refer to the note to the accompanying financial statements entitled *Changes in Long-Term Liabilities* for more detailed information about the City's changes in long-term liabilities.

## **ECONOMIC FACTORS**

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

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City of Macclenny at 118 East Macclenny Ave., Macclenny, Florida 32063.

**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                                             | <b>Primary Government</b>          |                                     |                      |
|-------------------------------------------------------------|------------------------------------|-------------------------------------|----------------------|
|                                                             | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>         |
| <b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>     |                                    |                                     |                      |
| Current assets:                                             |                                    |                                     |                      |
| Cash and equivalents                                        | \$ 9,291,183                       | \$ 2,620,145                        | \$ 11,911,328        |
| Accounts receivable (net)                                   | 810,851                            | 332,239                             | 1,143,090            |
| Due from other funds                                        | 162,367                            | (162,367)                           | -                    |
| Due from other agencies                                     | 37,286                             | 5,246                               | 42,532               |
| Accrued interest receivable                                 | -                                  | 352                                 | 352                  |
| Inventories                                                 | 28,825                             | 103,607                             | 132,432              |
| Prepaid expenses                                            | 2,250                              | -                                   | 2,250                |
| Total current assets                                        | <u>10,332,762</u>                  | <u>2,899,222</u>                    | <u>13,231,984</u>    |
| Noncurrent assets:                                          |                                    |                                     |                      |
| Restricted assets:                                          |                                    |                                     |                      |
| Cash                                                        | 12,200                             | 4,231,774                           | 4,243,974            |
| Capital assets:                                             |                                    |                                     |                      |
| Non-depreciable                                             | 817,037                            | 1,607,863                           | 2,424,900            |
| Depreciable, net                                            | 6,090,243                          | 12,870,149                          | 18,960,392           |
| Total noncurrent assets                                     | <u>6,919,480</u>                   | <u>18,709,786</u>                   | <u>25,629,266</u>    |
| Deferred outflows of resources                              | 749,981                            | 493,498                             | 1,243,479            |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>      | <u>18,002,223</u>                  | <u>22,102,506</u>                   | <u>40,104,729</u>    |
| <b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b> |                                    |                                     |                      |
| Current liabilities:                                        |                                    |                                     |                      |
| Accounts payable                                            | 877,104                            | 107,046                             | 984,150              |
| Accrued interest payable                                    | 34,979                             | 48,678                              | 83,657               |
| Accrued payroll payable                                     | 23,781                             | 8,078                               | 31,859               |
| Right of use lease liability                                | 4,205                              | -                                   | 4,205                |
| Notes and financing lease payable                           | 14,435                             | 41,316                              | 55,751               |
| Bonds payable                                               | 45,000                             | 234,000                             | 279,000              |
| Net pension liabilities                                     | 6,082                              | 3,079                               | 9,161                |
| Due to other governments                                    | 128                                | -                                   | 128                  |
| Accrued compensated absences                                | 155,364                            | 81,022                              | 236,386              |
| Total current liabilities                                   | <u>1,161,078</u>                   | <u>523,219</u>                      | <u>1,684,297</u>     |
| Noncurrent liabilities:                                     |                                    |                                     |                      |
| Customer deposits                                           | 12,200                             | 736,064                             | 748,264              |
| Notes and financing lease payable                           | 15,139                             | 989,871                             | 1,005,010            |
| Bonds payable                                               | 1,352,628                          | 1,345,000                           | 2,697,628            |
| Net pension liabilities                                     | 2,907,370                          | 1,587,046                           | 4,494,416            |
| Accrued compensated absences                                | 53,721                             | 41,128                              | 94,849               |
| Accrued insurance supplement                                | -                                  | 900                                 | 900                  |
| Accrued other post employment obligation                    | 50,372                             | 25,498                              | 75,870               |
| Total noncurrent liabilities                                | <u>4,391,430</u>                   | <u>4,725,507</u>                    | <u>9,116,937</u>     |
| Deferred inflows of resources                               | 36,022                             | 2,672,343                           | 2,708,365            |
| <b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>  | <u>5,588,530</u>                   | <u>7,921,069</u>                    | <u>13,509,599</u>    |
| <b><u>NET POSITION</u></b>                                  |                                    |                                     |                      |
| Net investment in capital assets                            | 5,475,873                          | 11,867,825                          | 17,343,698           |
| Restricted                                                  | -                                  | 708,788                             | 708,788              |
| Unrestricted                                                | 6,937,820                          | 1,604,824                           | 8,542,644            |
| <b>TOTAL NET POSITION</b>                                   | <u>\$ 12,413,693</u>               | <u>\$ 14,181,437</u>                | <u>\$ 26,595,130</u> |

The accompanying "Notes to financial statements" form an integral part of this statement.

**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

| Functions/Programs                      | Expenses            | Program Revenues        |                                          |                                        | Net (Expenses) Revenues<br>and Changes in Net Position |                             |                      |
|-----------------------------------------|---------------------|-------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------------|-----------------------------|----------------------|
|                                         |                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                             | Business-type<br>Activities | Total                |
| <b>Governmental activities:</b>         |                     |                         |                                          |                                        |                                                        |                             |                      |
| General government                      | \$ 1,495,152        | \$ 13,880               | \$ -                                     | \$ -                                   | \$ (1,481,272)                                         | \$ -                        | \$ (1,481,272)       |
| Public safety                           | 2,422,360           | -                       | -                                        | 37,286                                 | (2,385,074)                                            | -                           | (2,385,074)          |
| Physical environment                    | 1,313,975           | 1,731,784               | -                                        | -                                      | 417,809                                                | -                           | 417,809              |
| Transportation                          | 563,269             | 132,261                 | -                                        | 1,074,790                              | 643,782                                                | -                           | 643,782              |
| Culture and recreation                  | 216,750             | -                       | -                                        | 21,000                                 | (195,750)                                              | -                           | (195,750)            |
| Interest on long-term debt              | 45,541              | -                       | -                                        | -                                      | (45,541)                                               | -                           | (45,541)             |
| <b>Total Governmental activities</b>    | <b>6,057,047</b>    | <b>1,877,925</b>        | <b>-</b>                                 | <b>1,133,076</b>                       | <b>(3,046,046)</b>                                     | <b>-</b>                    | <b>(3,046,046)</b>   |
| <b>Business-type activities:</b>        |                     |                         |                                          |                                        |                                                        |                             |                      |
| Water and sewer                         | 3,379,229           | 3,264,525               | -                                        | 169,666                                | -                                                      | 54,962                      | 54,962               |
| Rental                                  | 12,234              | 24,000                  | -                                        | -                                      | -                                                      | 11,766                      | 11,766               |
| Interest on long-term debt              | 78,508              | -                       | -                                        | -                                      | -                                                      | (78,508)                    | (78,508)             |
| <b>Total Business-type activities</b>   | <b>3,469,971</b>    | <b>3,288,525</b>        | <b>-</b>                                 | <b>169,666</b>                         | <b>-</b>                                               | <b>(11,780)</b>             | <b>(11,780)</b>      |
| <b>Total</b>                            | <b>\$ 9,527,018</b> | <b>\$ 5,166,450</b>     | <b>\$ -</b>                              | <b>\$ 1,302,742</b>                    | <b>(3,046,046)</b>                                     | <b>(11,780)</b>             | <b>(3,057,826)</b>   |
| <b>General Revenues:</b>                |                     |                         |                                          |                                        |                                                        |                             |                      |
| Property taxes                          |                     |                         |                                          |                                        | 1,254,309                                              | -                           | 1,254,309            |
| Sales and use taxes                     |                     |                         |                                          |                                        | 912,370                                                | -                           | 912,370              |
| Local option taxes                      |                     |                         |                                          |                                        | 154,114                                                | -                           | 154,114              |
| Franchise fees                          |                     |                         |                                          |                                        | 563,739                                                | -                           | 563,739              |
| Utility service tax                     |                     |                         |                                          |                                        | 688,949                                                | 94,617                      | 783,566              |
| Communication service tax               |                     |                         |                                          |                                        | 291,856                                                | -                           | 291,856              |
| State shared revenue                    |                     |                         |                                          |                                        | 775,737                                                | -                           | 775,737              |
| Fines and forfeitures                   |                     |                         |                                          |                                        | 5,440                                                  | -                           | 5,440                |
| Interest income                         |                     |                         |                                          |                                        | 2,794                                                  | 153,278                     | 156,072              |
| Miscellaneous                           |                     |                         |                                          |                                        | 198,078                                                | 10,935                      | 209,013              |
| <b>Total General Revenues</b>           |                     |                         |                                          |                                        | <b>4,847,386</b>                                       | <b>258,830</b>              | <b>5,106,216</b>     |
| <b>Change in net position</b>           |                     |                         |                                          |                                        | <b>1,801,340</b>                                       | <b>247,050</b>              | <b>2,048,390</b>     |
| <b>Net position, October 1, 2022</b>    |                     |                         |                                          |                                        | <b>10,612,353</b>                                      | <b>13,934,387</b>           | <b>24,546,740</b>    |
| <b>Net position, September 30, 2023</b> |                     |                         |                                          |                                        | <b>\$ 12,413,693</b>                                   | <b>\$ 14,181,437</b>        | <b>\$ 26,595,130</b> |

The accompanying "Notes to financial statements" form an integral part of this statement.

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2023**

**CITY OF MACCLENNY, FLORIDA**

|                                           | <u>GENERAL</u>      | <u>SMALL COUNTY<br/>OUTREACH<br/>PROGRAM</u> | <u>FLORIDA<br/>LEGISLATURE<br/>APPROPRIATION</u> | <u>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</u> | <u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u> |
|-------------------------------------------|---------------------|----------------------------------------------|--------------------------------------------------|---------------------------------------------|-----------------------------------------|
| <b><u>ASSETS</u></b>                      |                     |                                              |                                                  |                                             |                                         |
| Cash                                      | \$ 8,768,428        | \$ 522,755                                   | \$ -                                             | \$ -                                        | \$ 9,291,183                            |
| Cash - restricted                         | 12,200              | -                                            | -                                                | -                                           | 12,200                                  |
| Accounts receivable (net)                 | 229,497             | -                                            | -                                                | -                                           | 229,497                                 |
| Due from other agencies                   | -                   | 553,604                                      | -                                                | 65,036                                      | 618,640                                 |
| Due from other funds                      | 781,007             | -                                            | -                                                | -                                           | 781,007                                 |
| Inventory                                 | 28,825              | -                                            | -                                                | -                                           | 28,825                                  |
| Prepaid expenses                          | 2,250               | -                                            | -                                                | -                                           | 2,250                                   |
| <b>TOTAL ASSETS</b>                       | <b>\$ 9,822,207</b> | <b>\$ 1,076,359</b>                          | <b>\$ -</b>                                      | <b>\$ 65,036</b>                            | <b>\$ 10,963,602</b>                    |
| <b><u>LIABILITIES AND FUND EQUITY</u></b> |                     |                                              |                                                  |                                             |                                         |
| <b><u>LIABILITIES</u></b>                 |                     |                                              |                                                  |                                             |                                         |
| Accounts payable                          | \$ 354,349          | \$ 522,755                                   | \$ -                                             | \$ -                                        | \$ 877,104                              |
| Accrued payroll                           | 23,781              | -                                            | -                                                | -                                           | 23,781                                  |
| Accrued compensated absences              | 155,364             | -                                            | -                                                | -                                           | 155,364                                 |
| Accrued interest                          | 34,979              | -                                            | -                                                | -                                           | 34,979                                  |
| Due to other governments                  | 128                 | -                                            | -                                                | -                                           | 128                                     |
| Due to other funds                        | -                   | 553,604                                      | -                                                | 65,036                                      | 618,640                                 |
| Customer deposits                         | 12,200              | -                                            | -                                                | -                                           | 12,200                                  |
| <b>TOTAL LIABILITIES</b>                  | <b>580,801</b>      | <b>1,076,359</b>                             | <b>-</b>                                         | <b>65,036</b>                               | <b>1,722,196</b>                        |
| <b><u>FUND EQUITY</u></b>                 |                     |                                              |                                                  |                                             |                                         |
| Fund balances:                            |                     |                                              |                                                  |                                             |                                         |
| Nonspendable                              |                     |                                              |                                                  |                                             |                                         |
| Inventory                                 | 28,825              | -                                            | -                                                | -                                           | 28,825                                  |
| Prepaid expenses                          | 2,250               | -                                            | -                                                | -                                           | 2,250                                   |
| Due from W&S Utility Fund                 | 162,367             | -                                            | -                                                | -                                           | 162,367                                 |
| Unassigned                                | 9,047,964           | -                                            | -                                                | -                                           | 9,047,964                               |
| <b>TOTAL FUND EQUITY</b>                  | <b>9,241,406</b>    | <b>-</b>                                     | <b>-</b>                                         | <b>-</b>                                    | <b>9,241,406</b>                        |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b>  | <b>\$ 9,822,207</b> | <b>\$ 1,076,359</b>                          | <b>\$ -</b>                                      | <b>\$ 65,036</b>                            | <b>\$ 10,963,602</b>                    |

The accompanying "Notes to financial statements" form an integral part of this statement.

**RECONCILIATION OF BALANCE SHEET TO STATEMENT OF NET POSITION -**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                                                                                                                                            |                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| <b>FUND BALANCES--TOTAL GOVERNMENTAL FUNDS</b>                                                                                                             | <b>\$ 9,241,406</b>         |
| Amounts reported for governmental activities in the statement of net position are different because:                                                       |                             |
| Capital assets used in governmental activities are not reported in the governmental funds:                                                                 |                             |
| Capital assets--net                                                                                                                                        | 6,907,280                   |
| Deferred outflows of resources related to pension earnings are not recognized in the governmental funds and are recorded in the statement of net position. |                             |
| Change in pension assumptions                                                                                                                              | 749,981                     |
| Deferred inflows of resources related to pension earnings are not recognized in the governmental funds and are recorded in the statement of net position.  |                             |
| Change in pension assumptions                                                                                                                              | (36,022)                    |
| Liabilities are not reported in the governmental funds:                                                                                                    |                             |
| Notes payable                                                                                                                                              | (29,574)                    |
| Right of use lease liabilities                                                                                                                             | (4,205)                     |
| Compensated absences (noncurrent)                                                                                                                          | (53,721)                    |
| Bonds payable                                                                                                                                              | (1,397,628)                 |
| Other post employment benefits payable                                                                                                                     | (50,372)                    |
| Net pension liabilities                                                                                                                                    | <u>(2,913,452)</u>          |
| <b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>                                                                                                             | <b><u>\$ 12,413,693</u></b> |

The accompanying "Notes to financial statements" form an integral part of this statement.

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -

## GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

## CITY OF MACCLENNY, FLORIDA

|                                                                                          | SMALL COUNTY<br>OUTREACH | FLORIDA<br>LEGISLATURE | NON-MAJOR<br>GOVERNMENTAL | TOTALS<br>(Memorandum<br>Only) |
|------------------------------------------------------------------------------------------|--------------------------|------------------------|---------------------------|--------------------------------|
|                                                                                          | GENERAL                  | PROGRAM                | FUNDS                     |                                |
| <b>REVENUES</b>                                                                          |                          |                        |                           |                                |
| Taxes                                                                                    | \$ 3,301,598             | \$ -                   | \$ -                      | \$ 3,301,598                   |
| Licenses and permits                                                                     | 115,266                  | -                      | -                         | 115,266                        |
| Franchise fees                                                                           | 563,739                  | -                      | -                         | 563,739                        |
| Intergovernmental                                                                        | 794,541                  | -                      | -                         | 794,541                        |
| Charges for services                                                                     | 1,877,925                | -                      | -                         | 1,877,925                      |
| Fines and forfeitures                                                                    | 5,440                    | -                      | -                         | 5,440                          |
| Grant revenues                                                                           | -                        | 1,074,790              | -                         | 1,133,076                      |
| Miscellaneous revenues                                                                   | 64,010                   | -                      | -                         | 64,010                         |
| <b>TOTAL REVENUES</b>                                                                    | <b>6,722,519</b>         | <b>1,074,790</b>       | <b>58,286</b>             | <b>7,855,595</b>               |
| <b>EXPENDITURES</b>                                                                      |                          |                        |                           |                                |
| Current:                                                                                 |                          |                        |                           |                                |
| General government                                                                       | 1,290,218                | -                      | -                         | 1,290,218                      |
| Public safety                                                                            | 1,902,463                | -                      | -                         | 1,902,463                      |
| Physical environment                                                                     | 1,189,022                | -                      | -                         | 1,189,022                      |
| Transportation                                                                           | 442,286                  | -                      | -                         | 442,286                        |
| Culture and recreation                                                                   | 147,920                  | -                      | -                         | 147,920                        |
| Capital outlay:                                                                          | 527,916                  | 1,151,982              | 650,000                   | 2,388,184                      |
| Debt service:                                                                            |                          |                        |                           |                                |
| Principal                                                                                | 44,000                   | -                      | -                         | 44,000                         |
| Interest and fiscal charges                                                              | 45,316                   | -                      | -                         | 45,316                         |
| <b>TOTAL EXPENDITURES</b>                                                                | <b>5,589,141</b>         | <b>1,151,982</b>       | <b>650,000</b>            | <b>7,449,409</b>               |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b>                                  | <b>1,133,378</b>         | <b>(77,192)</b>        | <b>(650,000)</b>          | <b>406,186</b>                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                                                    |                          |                        |                           |                                |
| Transfers in/(out)                                                                       | (75,302)                 | 77,192                 | -                         | (1,890)                        |
| Interest on investments                                                                  | 2,778                    | -                      | -                         | 16                             |
| <b>TOTAL OTHER FINANCING SOURCES<br/>(USES)</b>                                          | <b>(72,524)</b>          | <b>77,192</b>          | <b>-</b>                  | <b>(1,874)</b>                 |
| <b>EXCESS OF REVENUES AND OTHER SOURCES OVER<br/>(UNDER) EXPENDITURES AND OTHER USES</b> | <b>1,060,854</b>         | <b>-</b>               | <b>(650,000)</b>          | <b>408,980</b>                 |
| <b>FUND BALANCES, October 1, 2022</b>                                                    | <b>8,180,552</b>         | <b>-</b>               | <b>650,000</b>            | <b>8,832,426</b>               |
| <b>FUND BALANCES, September 30, 2023</b>                                                 | <b>\$ 9,241,406</b>      | <b>\$ -</b>            | <b>\$ -</b>               | <b>\$ 9,241,406</b>            |

The accompanying "Notes to financial statements" form an integral part of this statement.

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS**                   \$           408,980

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

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

|                                   |           |
|-----------------------------------|-----------|
| Acquisition of capital assets     | 2,361,130 |
| Current year depreciation expense | (548,845) |

The issuance of long-term debt provides current financial resources to governmental funds, however this does not affect net position

|                                   |           |
|-----------------------------------|-----------|
| Increase in net pension liability | (598,394) |
| Right of use asset lease payment  | 4,831     |
| Financing lease payment           | 13,747    |
| Bond principal repayment          | 44,000    |

|                                                |        |
|------------------------------------------------|--------|
| Change in deferred outflows related to pension | 17,146 |
|------------------------------------------------|--------|

|                                               |        |
|-----------------------------------------------|--------|
| Change in deferred inflows related to pension | 26,011 |
|-----------------------------------------------|--------|

|                                                                        |        |
|------------------------------------------------------------------------|--------|
| Deferred outflows for contributions subsequent to the measurement date | 80,696 |
|------------------------------------------------------------------------|--------|

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

|                                                                      |         |
|----------------------------------------------------------------------|---------|
| Increase in compensated absences                                     | (6,251) |
| Increase in other post employment benefits expense and miscellaneous | (1,711) |

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**                   \$           1,801,340

**STATEMENT OF NET POSITION-**  
**PROPRIETARY FUND TYPE (ENTERPRISE FUND)**  
**SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                                             | <b>TOTALS</b>        |
|-------------------------------------------------------------|----------------------|
| <b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>     |                      |
| Current assets:                                             |                      |
| Cash and equivalents                                        | \$ 2,620,145         |
| Accounts receivable (net)                                   | 332,239              |
| Due from other agencies                                     | 5,246                |
| Accrued interest receivable                                 | 352                  |
| Inventories                                                 | 103,607              |
| Total current assets                                        | 3,061,589            |
| Noncurrent assets:                                          |                      |
| Restricted assets:                                          |                      |
| Cash                                                        | 4,231,774            |
| Total cash, restricted                                      | 4,231,774            |
| Capital assets:                                             |                      |
| Land                                                        | 511,669              |
| Construction in progress                                    | 1,096,194            |
| Buildings, improvements and infrastructure                  | 26,358,794           |
| Machinery and equipment                                     | 3,547,063            |
| Right of use assets                                         | 150,000              |
| Less: accumulated depreciation                              | (17,185,708)         |
| Total capital assets net                                    | 14,478,012           |
| Total noncurrent assets                                     | 18,709,786           |
| Deferred outflows of resources                              |                      |
| Net underwriter's discount                                  | 13,400               |
| Deferred gain on early retirement                           | 1,434                |
| Change in pension assumptions                               | 478,664              |
| Total deferred outflow of resources                         | 493,498              |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>      | <b>22,264,873</b>    |
| <b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b> |                      |
| Current liabilities:                                        |                      |
| Accounts payable                                            | 107,046              |
| Accrued interest payable                                    | 48,678               |
| Accrued payroll payable                                     | 8,078                |
| Due to other funds                                          | 162,367              |
| Notes payable                                               | 41,316               |
| Bonds payable                                               | 234,000              |
| Net pension liabilities                                     | 3,079                |
| Accrued compensated absences                                | 81,022               |
| Total current liabilities                                   | 685,586              |
| Noncurrent liabilities:                                     |                      |
| Customer deposits                                           | 736,064              |
| Notes payable                                               | 989,871              |
| Bonds payable                                               | 1,345,000            |
| Net pension liabilities                                     | 1,587,046            |
| Accrued compensated absences                                | 41,128               |
| Accrued insurance supplement                                | 900                  |
| Accrued OPEB obligation                                     | 25,498               |
| Total noncurrent liabilities                                | 4,725,507            |
| Deferred inflows of resources                               |                      |
| Change in pension assumptions                               | 101,359              |
| Unearned revenue                                            | 2,570,984            |
| Total deferred inflows of resources                         | 2,672,343            |
| <b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>  | <b>8,083,436</b>     |
| <b><u>NET POSITION</u></b>                                  |                      |
| Net investment in capital assets                            | 11,867,825           |
| Restricted for water and sewer development                  | 708,788              |
| Unrestricted                                                | 1,604,824            |
| <b>TOTAL NET POSITION</b>                                   | <b>\$ 14,181,437</b> |

The accompanying "Notes to financial statements" form an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUND TYPE (ENTERPRISE FUND)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                                     |                             |
|-----------------------------------------------------|-----------------------------|
| <b><u>OPERATING REVENUES</u></b>                    |                             |
| Charges for services                                | \$ <u>3,288,525</u>         |
| <b>TOTAL OPERATING REVENUES</b>                     | <u>3,288,525</u>            |
| <br><b><u>OPERATING EXPENSES</u></b>                |                             |
| Personal services                                   | 1,548,935                   |
| Materials, supplies and other expenses              | 912,162                     |
| Depreciation expense                                | 928,782                     |
| Amortization expense                                | <u>1,584</u>                |
| <b>TOTAL OPERATING EXPENSES</b>                     | <u>3,391,463</u>            |
| <b>OPERATING INCOME (LOSS)</b>                      | <u>(102,938)</u>            |
| <br><b><u>NON-OPERATING REVENUES (EXPENSES)</u></b> |                             |
| Utility tax                                         | 94,617                      |
| Grant revenues                                      | 169,666                     |
| Miscellaneous income                                | 10,935                      |
| Interest income                                     | 153,278                     |
| Interest expense                                    | <u>(78,508)</u>             |
| <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>       | <u>349,988</u>              |
| Changes in net position                             | 247,050                     |
| <b>NET POSITION - October 1, 2022</b>               | <u>13,934,387</u>           |
| <b>NET POSITION - September 30, 2023</b>            | <u><u>\$ 14,181,437</u></u> |

The accompanying "Notes to financial statements" form an integral part of this statement.

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE (ENTERPRISE FUND)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|                                                   |                         |
|---------------------------------------------------|-------------------------|
| Cash received from customers                      | \$ 3,364,045            |
| Cash payments to suppliers for goods and services | (886,449)               |
| Cash payments to employees for services           | <u>(1,297,923)</u>      |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>  | <b><u>1,179,673</u></b> |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|                                                                  |                           |
|------------------------------------------------------------------|---------------------------|
| Acquisition of capital assets                                    | (806,763)                 |
| Proceeds from capital grants                                     | 47,216                    |
| Amount due from other governmental agencies                      | (5,246)                   |
| Interest paid on long term debt                                  | (81,669)                  |
| Principle paid on right of use lease liability                   | (107)                     |
| Principle paid on notes payable                                  | (39,061)                  |
| Principle paid on bonds payable                                  | <u>(222,000)</u>          |
| <b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b> | <b><u>(1,107,630)</u></b> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|                                                  |                       |
|--------------------------------------------------|-----------------------|
| Interest income                                  | <u>153,278</u>        |
| <b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b> | <b><u>153,278</u></b> |

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 225,321

**CASH AND CASH EQUIVALENTS - October 1, 2022** 6,626,598  
**CASH AND CASH EQUIVALENTS - September 30, 2023** \$ 6,851,919

**CASH AND CASH EQUIVALENTS CLASSIFIED AS:**

|                                                   |                                   |
|---------------------------------------------------|-----------------------------------|
| Cash and cash equivalents - unrestricted          | \$ 2,620,145                      |
| Cash and cash equivalents - restricted            | <u>4,231,774</u>                  |
| <b>TOTAL CASH AND CASH EQUIVALENTS CLASSIFIED</b> | <b><u><u>\$ 6,851,919</u></u></b> |

**RECONCILIATION OF OPERATING INCOME TO**

**NET CASH PROVIDED BY OPERATING ACTIVITIES:**

|                                                                                                   |                                   |
|---------------------------------------------------------------------------------------------------|-----------------------------------|
| Operating income (loss)                                                                           | \$ (102,938)                      |
| Utility tax and miscellaneous nonoperating revenue                                                | 105,551                           |
| Adjustments to reconcile operating income (loss) to net cash provided<br>by operating activities: |                                   |
| Depreciation                                                                                      | 928,782                           |
| Amortization                                                                                      | 1,584                             |
| Change in assets and liabilities:                                                                 |                                   |
| Accounts receivable                                                                               | (42,656)                          |
| Accounts payable                                                                                  | 42,924                            |
| Accrued compensated absences                                                                      | 10,215                            |
| Due to other funds                                                                                | 5,245                             |
| Net pension liability                                                                             | 240,212                           |
| Net other post employment benefit obligation                                                      | 154                               |
| Accrued payroll                                                                                   | 431                               |
| Customer deposits                                                                                 | 12,624                            |
| Inventory                                                                                         | <u>(22,455)</u>                   |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                                                  | <b><u><u>\$ 1,179,673</u></u></b> |

The accompanying "Notes to financial statements" form an integral part of this statement.

**STATEMENT OF FIDUCIARY NET POSITION**  
**SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                      | HRA Fund   | Baker Co<br>School Board<br>Impact Fees | Total      |
|--------------------------------------|------------|-----------------------------------------|------------|
| <b><u>ASSETS</u></b>                 |            |                                         |            |
| Cash and cash equivalents            | \$ 132,862 | \$ -                                    | \$ 132,862 |
| <b>TOTAL ASSETS</b>                  | 132,862    | -                                       | 132,862    |
| <b><u>NET POSITION</u></b>           |            |                                         |            |
| Held in trust and due other agencies | \$ 132,862 | \$ -                                    | \$ 132,862 |

The accompanying "Notes to financial statements" form an integral part of this statement.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                            | <u>HRA Fund</u>   | <u>Baker Co<br/>School Board<br/>Impact Fees</u> | <u>Total</u>      |
|--------------------------------------------|-------------------|--------------------------------------------------|-------------------|
| <b>ADDITIONS</b>                           |                   |                                                  |                   |
| Contributions                              | \$ 62             | \$ 37,495                                        | \$ 37,557         |
| Total additions                            | <u>62</u>         | <u>37,495</u>                                    | <u>37,557</u>     |
| <b>DEDUCTIONS</b>                          |                   |                                                  |                   |
| Health reimbursements paid and remittances | <u>6,005</u>      | <u>42,575</u>                                    | <u>48,580</u>     |
| Total deductions                           | <u>6,005</u>      | <u>42,575</u>                                    | <u>48,580</u>     |
| Changes in net position                    | (5,943)           | (5,080)                                          | (11,023)          |
| Net position, October 1, 2022              | <u>138,805</u>    | <u>5,080</u>                                     | <u>143,885</u>    |
| Net position, September 30, 2023           | <u>\$ 132,862</u> | <u>\$ -</u>                                      | <u>\$ 132,862</u> |

The accompanying "Notes to financial statements" form an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. The more significant of the City's accounting policies are hereafter described.

**Reporting Entity**

The City is a unit of local government, established under Section 166, Florida Statutes and Chapter 24670, Laws of the State of Florida, and operates under a Commissioners-Manager form of government. As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the City as a primary government.

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

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

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

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

The Macclenny Housing Authority is a legally separate fiscally independent organization in which the City Commissioners appoint the Authority Board. The City is not able to impose its will on the Authority and no financial responsibility of the Authority rests with the City. The Authority is not included as a component unit of the City's financial statements since the City does not exercise sufficient oversight responsibility.

There were no additional entities for which there were positive responses to specific criteria used for establishing oversight responsibility that were excluded from the City's financial statements.

The City did not participate in any joint ventures during the 2022–2023 fiscal year.

**Basis of Presentation**

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Presentation (continued)**

Government-wide Financial Statements (concluded)

normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

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

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate financial statements are presented for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements, but all non-major funds are aggregated and presented in a single column. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The City reports the General Fund, Small County Outreach Program Fund, and Florida Legislative Appropriation Fund as major governmental funds. The General Fund is the primary operating fund. It is used to account for all activities except those required to be accounted for in another fund. The Small County Out Reach Program Fund is a Special Revenue Fund used to account for funding received by the State of Florida Transportation Department for the repaving and widening of East Boulevard. The Florida Legislative Appropriation Fund is a Special Revenue Fund used to account for funding received from the Florida Legislature for the purchase of a fire truck. All other Special Revenue Funds are combined and reported as non-major governmental funds and are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

The City reports the Proprietary Fund (enterprise fund) as a major fund. The Proprietary Fund consists of two separate funds identified as the Water and Sewer Utility and Rental Funds. The City provides services for water and sewer to its residents, which are financed by user charges. The City also maintains several homes located adjacent to the City's sewer treatment plant which are rented to tenants. Activities of the Water and Sewer Utility Fund include administration, operation and maintenance of the water and sewer system, and billing and collection activities. The Water and Sewer Utility Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds. The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets.

The City's fiduciary funds include the Health Reimbursement Account and impacts fees collected for the Baker County School Board. These funds are held in a purely custodial capacity and are reported using the accrual basis of accounting.

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fund Balance – Governmental Funds

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

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

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

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

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

*Assigned Fund Balance* – Assigned fund balances are amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the City Manager; or (b) a body or official to whom the City Manager has delegated the authority to assign amounts to be used for specific purposes.

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

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

Governmental fund balances with restrictions as of September 30, 2023, are as follows:

|              | Classification    |             |             |             |                     | Total               |
|--------------|-------------------|-------------|-------------|-------------|---------------------|---------------------|
|              | Nonspendable      | Restricted  | Committed   | Assigned    | Unassigned          |                     |
| General Fund | \$ 193,442        | \$ -        | \$ -        | \$ -        | \$ 9,047,964        | \$ 9,241,406        |
|              | <u>\$ 193,442</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,047,964</u> | <u>\$ 9,241,406</u> |

**Measurement Focus and Basis of Accounting**

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

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Measurement Focus and Basis of Accounting (concluded)**

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

**Budgets and Budgetary Accounting**

The City adopts annual budgets for the General, Special Revenue and Enterprise Funds. The following procedures are used in establishing the budgetary data reflected in the financial statements:

- Prior to July 1, the City Manager submits to the City Commissioners a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of an ordinance.
- Any revision that alters total expenditures of any fund or to transfer budgeted amounts between departments within any fund must be approved by the City Commissioners. Budgetary control is maintained at the department level. The fund is the legal level of control. Budgetary data presented in the accompanying financial statements represent the “final” budget data; i.e., the effects of budget amendments have been applied to “original” budgetary data. Budgeted appropriations lapse at year-end.
- The budget amounts presented in the accompanying financial statements were prepared on the modified accrual basis of accounting.
- All budget changes during the fiscal year are approved by the City Commissioners.
- Appropriations lapse at the end of the fiscal year.

Budgets are adopted for the General, Special Revenue and Enterprise Funds on a basis that does not differ materially from accounting principles generally accepted in the United States of America. In accordance with Section 166.241(3), Florida Statutes, total expenditures did not exceed budget appropriations for the fiscal year ended September 30, 2023.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Application of FASB Pronouncements**

For its enterprise fund, the City applies all applicable GASB pronouncements. Additionally, the City applies pronouncements of the FASB and its predecessor bodies issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the enterprise funds consider all highly liquid investments, including restricted assets to be cash equivalents. Restricted cash for customer deposits, bond reserves, impact fees, unspent funds from the Clean Water State Revolving Fund Planning Loan Agreements, and funds received from the American Rescue Act totaled \$4,243,974. Unrestricted resources are used first when expense is incurred for both restricted and unrestricted purposes.

**Deposits with Financial Institutions**

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

**Inventory**

Inventory is valued at the lower of cost (first-in, first-out) or market.

**Prepaid Expenses**

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

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses.

Assets capitalized generally have an original cost of \$1,000 or more and a useful life of more than one year. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

|                                   |             |
|-----------------------------------|-------------|
| Buildings                         | 20-30 years |
| Water and Sewer System            | 30-50 years |
| Infrastructure                    | 20-35 years |
| Machinery and Equipment           | 5-15 years  |
| Improvements other than Buildings | 20-50 years |

**Compensated Absences**

The City's policy on sick leave allows accumulation from one year to the next. Vesting occurs after an employee has five years of service with the City. An employee may be paid, depending on length of service, for 35% to 60% of a maximum of 960 hours of accumulated sick time.

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Compensated Absences (concluded)**

City policies allow employees to accumulate vacation time and carryover unused vacation to the next calendar year. The maximum amount that can be carried over is one year’s accumulated leave. The City follows accounting principles generally accepted in the United States of America in accounting for accrued compensated absences. A liability for accrued compensated absences of employees has been accrued in the Proprietary Fund and in the Government-wide financial statements. Compensated absences are recorded as expenditures in Governmental Funds to the extent of the amount of the liability that would normally be liquidated with expendable available financial resources (the current portion).

**Deferred Outflows/Inflows of Resources**

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

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

**Net Position**

Net position represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net position reports \$708,788 of restricted net position, which is restricted by enabling legislation. Proprietary restricted net position in the amount of \$708,788 consists of water and sewer development funds.

**Property Taxes**

The Baker County Tax Collector bills and collects property taxes for the City. City property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the City’s property tax calendar are presented below:

|                             |                            |
|-----------------------------|----------------------------|
| Lien Date                   | January 1                  |
| Levy Date                   | October 1                  |
| <u>Installment Payments</u> |                            |
| 1st Installment             | No later than June 30      |
| 2nd Installment             | No later than September 30 |
| 3rd Installment             | No later than December 31  |
| 4th Installment             | No later than March 31     |
| <u>Regular Payments</u>     |                            |
| Discount Periods            | November-February          |
| No Discount Period          | March                      |
| Delinquent Date             | April 1                    |

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

**Debt Premiums, Discounts, Issuance Costs and Debt Refunding Gains and Losses**

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against the debt payable. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (the old debt).

Bond issue costs are recognized as an outflow of resources in the reporting period in which they are incurred. At the government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as debt service expenditures.

**Capitalization of Interest Costs**

When applicable, the City follows the guidelines of Statement of Financial Accounting Codification No. 835-20 to determine if interest costs related to construction of fixed assets should be capitalized. Total interest cost for the fiscal year ended September 30, 2023 was \$124,049 of which none was capitalized.

**Use of Estimates**

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

**NOTE 2 – INVESTMENTS**

The City invests excess public funds pursuant to the guidelines established in Section 218.415, Florida Statutes. Accordingly, the City is authorized to invest excess public funds in the following instruments: the Local Government Investment Pool; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; and direct obligations of the U.S. Treasury.

**Investment Risks**

The City is exposed to the following risks associated with its investment portfolio:

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

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

The City maintains a certificate of deposit in a qualified public depository totaling \$613,343. The rate of return is .20% and matures on June 19, 2027. On March 20, 2024, the City cashed the certificate of deposit in and reinvested in a new certificate of deposit with a rate of return of 4.5%. The maturity date is March 20, 2024. The City does not have a formal investment policy relating to the aforementioned risks, other than Section 218.415, Florida Statutes, for investing public funds. That statute limits the City's exposure to credit risk and interest rate risk by limiting authorized investment options as previously described. Certificate of deposits are reported as a cash equivalent.

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 3 – CAPITAL ASSETS**

A summary of changes in capital assets follows:

|                                                     | Balance<br>October 1 | Additions           | Deletions             | Balance<br>September 30 |
|-----------------------------------------------------|----------------------|---------------------|-----------------------|-------------------------|
| <b><u>Governmental activities:</u></b>              |                      |                     |                       |                         |
| Capital assets not being depreciated                |                      |                     |                       |                         |
| Land                                                | \$ 756,411           | \$ -                | \$ -                  | \$ 756,411              |
| Construction in progress                            | 81,442               | 1,349,999           | (1,370,815)           | 60,626                  |
| Total capital assets not being depreciated          | <u>837,853</u>       | <u>1,349,999</u>    | <u>(1,370,815)</u>    | <u>817,037</u>          |
| Capital assets being depreciated                    |                      |                     |                       |                         |
| Buildings, improvements and infrastructure          | 6,054,567            | 1,417,317           | -                     | 7,471,884               |
| Right-of-use leases being amortized                 | 13,758               | -                   | -                     | 13,758                  |
| Machinery and equipment                             | 3,656,660            | 964,629             | -                     | 4,621,289               |
| Total capital assets being depreciated              | <u>9,724,985</u>     | <u>2,381,946</u>    | <u>-</u>              | <u>12,106,931</u>       |
| Total capital assets, before depreciation           | <u>10,562,838</u>    | <u>3,731,945</u>    | <u>(1,370,815)</u>    | <u>12,923,968</u>       |
| Less accumulated depreciation and amortization for: |                      |                     |                       |                         |
| Buildings, improvements and infrastructure          | (2,718,984)          | (233,115)           | -                     | (2,952,099)             |
| Right-of-use lease amortization                     | (4,836)              | (4,836)             | -                     | (9,672)                 |
| Machinery and equipment                             | (2,744,023)          | (310,894)           | -                     | (3,054,917)             |
| Total accumulated depreciation and amortization     | <u>(5,467,843)</u>   | <u>(548,845)</u>    | <u>-</u>              | <u>(6,016,688)</u>      |
| Total capital assets being depreciated, net         | <u>4,257,142</u>     | <u>1,833,101</u>    | <u>-</u>              | <u>6,090,243</u>        |
| Governmental activities capital assets, net         | <u>\$ 5,094,995</u>  | <u>\$ 3,183,100</u> | <u>\$ (1,370,815)</u> | <u>\$ 6,907,280</u>     |
| <b><u>Business-type activities:</u></b>             |                      |                     |                       |                         |
| Capital assets not being depreciated                |                      |                     |                       |                         |
| Land                                                | \$ 511,669           | \$ -                | \$ -                  | \$ 511,669              |
| Construction in progress                            | 2,936,884            | 633,197             | (2,473,887)           | 1,096,194               |
| Total capital assets not being depreciated          | <u>3,448,553</u>     | <u>633,197</u>      | <u>(2,473,887)</u>    | <u>1,607,863</u>        |
| Capital assets being depreciated                    |                      |                     |                       |                         |
| Buildings, improvements and infrastructure          | 23,866,261           | 2,492,533           | -                     | 26,358,794              |
| Right-of-use leases being amortized                 | 151,367              | -                   | (1,367)               | 150,000                 |
| Machinery and equipment                             | 3,470,489            | 76,574              | -                     | 3,547,063               |
| Total capital assets being depreciated              | <u>27,488,117</u>    | <u>2,569,107</u>    | <u>(1,367)</u>        | <u>30,055,857</u>       |
| Total capital assets, before depreciation           | <u>30,936,670</u>    | <u>3,202,304</u>    | <u>(2,475,254)</u>    | <u>31,663,720</u>       |
| Less accumulated depreciation and amortization for: |                      |                     |                       |                         |
| Buildings, improvements and infrastructure          | (13,891,279)         | (767,290)           | -                     | (14,658,569)            |
| Right-of-use lease amortization                     | (3,762)              | (3,105)             | 1,367                 | (5,500)                 |
| Machinery and equipment                             | (2,363,258)          | (158,381)           | -                     | (2,521,639)             |
| Total accumulated depreciation and amortization     | <u>(16,258,299)</u>  | <u>(928,776)</u>    | <u>1,367</u>          | <u>(17,185,708)</u>     |
| Total capital assets being depreciated, net         | <u>11,229,818</u>    | <u>1,640,331</u>    | <u>-</u>              | <u>12,870,149</u>       |
| Business-type activities capital assets, net        | <u>\$ 14,678,371</u> | <u>\$ 2,273,528</u> | <u>\$ (2,473,887)</u> | <u>\$ 14,478,012</u>    |

Depreciation expense was charged as direct expense to programs of the government as follows:

|                                                     |                   |
|-----------------------------------------------------|-------------------|
| <b>Governmental Activities:</b>                     |                   |
| General Government                                  | \$ 34,095         |
| Public Safety                                       | 257,148           |
| Physical Environment                                | 102,155           |
| Transportation                                      | 98,409            |
| Culture and Recreation                              | 57,036            |
| Total Depreciation Expense-Governmental Activities  | <u>\$ 548,843</u> |
| <b>Business-Type Activities:</b>                    |                   |
| Water and Sewer                                     | \$ 928,783        |
| Total Depreciation Expense-Business-Type Activities | <u>\$ 928,783</u> |

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 4 – CHANGES IN LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities follows:

|                                         | Balance             |                   |                   | Balance             |                   | Amounts |
|-----------------------------------------|---------------------|-------------------|-------------------|---------------------|-------------------|---------|
|                                         | October 1,          |                   |                   | September 30,       | Due within        |         |
|                                         | 2022                | Additions         | Reductions        | 2023                | One Year          |         |
| <b><u>Governmental activities:</u></b>  |                     |                   |                   |                     |                   |         |
| Revenue bonds payable                   | \$ 1,441,628        | \$ -              | \$ 44,000         | \$ 1,397,628        | \$ 45,000         |         |
| Financing lease obligations             | 43,320              | -                 | 13,747            | 29,573              | 14,435            |         |
| Right of use lease liability            | 9,036               | -                 | 4,831             | 4,205               | 4,205             |         |
| Compensated absences                    | 178,890             | 30,195            | -                 | 209,085             | 155,364           |         |
| OPEB obligation                         | 48,661              | 1,711             | -                 | 50,372              | -                 |         |
| Net pension liability - FRS             | 2,315,057           | 598,394           | -                 | 2,913,451           | 6,082             |         |
| Total Governmental activities           | <u>\$ 4,036,592</u> | <u>\$ 630,300</u> | <u>\$ 62,578</u>  | <u>\$ 4,604,314</u> | <u>\$ 225,086</u> |         |
| <b><u>Business-type activities:</u></b> |                     |                   |                   |                     |                   |         |
| Notes payable                           | \$ 1,070,248        | \$ -              | \$ 39,061         | \$ 1,031,187        | \$ 41,316         |         |
| Right of use lease liability            | 107                 | -                 | 107               | -                   | -                 |         |
| Revenue bonds payable                   | 1,801,000           | -                 | 222,000           | 1,579,000           | 234,000           |         |
| Compensated absences                    | 111,935             | 10,215            | -                 | 122,150             | 81,022            |         |
| OPEB obligation                         | 25,344              | 154               | -                 | 25,498              | -                 |         |
| Net pension liability -FRS              | 1,287,217           | 302,907           | -                 | 1,590,124           | 3,079             |         |
| Total Business-type activities          | <u>\$ 4,295,851</u> | <u>\$ 313,276</u> | <u>\$ 261,168</u> | <u>\$ 4,347,959</u> | <u>\$ 359,417</u> |         |

**NOTE 5 – NOTES AND REVENUE BONDS PAYABLE**

The City's notes and revenue bonds payable are segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

**Governmental activities:**

As of September 30, 2023, the governmental bonds payable of the City consisted of the following:

**Bonds Payable:**

Public Improvement Revenue Bonds were issued on December 11, 2015 in the amount of \$1,685,800 bearing interest at a rate of 3.25%. The purpose of the bonds was to provide permanent financing of the fire station. The bonds are secured by the pledge of the City's discretionary one cent sales tax revenue.

\$1,397,628

**Financing Lease Obligation**

On January 25, 2021, two computer servers were purchased through a capital lease arrangement costing \$72,326. An initial financing lease obligation payment of \$15,913 was made with remaining annual lease payments of \$15,913 due January 25<sup>th</sup> each year through 2025. The annual lease payments include interest of five percent.

29,573

Total Governmental Activities Bonds and Lease Obligations Payable

\$1,427,201

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 5 – NOTES AND REVENUE BONDS PAYABLE (continued)**

**Business-type activities:**

The business-type activities notes and revenue bonds payable for the City at September 30, 2023, consist of the following:

Notes Payable:

Clean Water State Revolving Fund Planning Loan Agreements were entered into with the Florida Department of Environmental Protection for the purpose of providing funding for the evaluation and rehabilitation of the sanitary/sewer system infrastructure. The City has entered into four agreements which call for loan principal forgiveness of eighty percent. The first agreement was dated January 16, 2016, for \$169,662 with an interest rate of 1.62% and semi-annual payments of \$4,641 beginning June 15, 2020. The second agreement dated October 8, 2019, was for \$88,455 with an interest rate of 1% and semi-annual payments of \$2,687 beginning September 15, 2021. The third agreement was dated February 12, 2020, in the amount of \$882,521 with no interest and semi-annual payments of \$14,709 beginning February 15, 2022. The fourth agreement was dated December 21, 2021, in the amount of \$977,600 with no interest and semi-annual payments of \$17,923 beginning February 15, 2024. The City, as of September 30, 2023, has received \$9,600 of grant funds for the fourth loan of which \$1,920 is the loan portion. As of September 30, 2023, outstanding notes payable totaled \$1,031,187.

\$1,031,187

Total Notes Payable

\$1,031,187

Bonds Payable:

\$1,800,000 Water and Sewer Revenue Bonds, Series 1997, dated January 28, 1997, issued to finance a part of the cost of certain additions, extensions, and improvements to the sewer facilities of the City. The Bonds are due in annual installments of \$18,000 to \$94,000 through January 1, 2037. Interest is at 4.5%. Net revenues from the related system and certain franchise and public service tax are pledged as collateral.

\$1,019,000

\$2,475,000 Water and Sewer Revenue Refunding Bonds, Series 2008, dated September 30, 2008, issued to refund certain bond issues. The bonds were purchased by Regions Bank and are to be repaid in semi-annual payments beginning April 1, 2009 ranging from \$97,435 to \$102,292 through April 1, 2026. Interest is at 4.14%. Net revenues from the related system and certain municipal excise taxes are pledged as collateral.

560,000

Total Bonds Payable

\$1,579,000

Total Business-Type Activity Notes and Revenue Bonds Payable

\$2,610,187

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 5 – NOTES AND REVENUE BONDS PAYABLE (concluded)**

Annual debt service requirements to maturity for long-term debt are as follows:

| Year ending<br>September 30, | <u>Governmental Activities</u> |                   | <u>Business-type Activities</u> |                   |
|------------------------------|--------------------------------|-------------------|---------------------------------|-------------------|
|                              | <u>Principal</u>               | <u>Interest</u>   | <u>Principal</u>                | <u>Interest</u>   |
| 2024                         | \$ 59,435                      | \$ 46,902         | \$ 277,236                      | \$ 69,931         |
| 2025                         | 61,138                         | 44,717            | 282,482                         | 59,884            |
| 2026                         | 48,000                         | 42,465            | 295,649                         | 49,434            |
| 2027                         | 49,000                         | 40,905            | 103,819                         | 40,503            |
| 2028                         | 51,000                         | 39,313            | 105,992                         | 37,540            |
| 2029-2033                    | 280,000                        | 170,597           | 580,640                         | 138,986           |
| 2034-2038                    | 315,000                        | 122,757           | 568,709                         | 43,826            |
| 2039-2043                    | 348,000                        | 69,392            | 160,321                         | 199               |
| 2044-2048                    | 215,628                        | 13,776            | 147,087                         | -                 |
| 2049-2051                    | -                              | -                 | 88,252                          | -                 |
| Total                        | <u>\$ 1,427,201</u>            | <u>\$ 590,824</u> | <u>\$ 2,610,187</u>             | <u>\$ 440,303</u> |

**NOTE 6 – LEASES**

Lease agreements are summarized as follows:

| Describe        | Date      | Payment<br>Terms | <u>Governmental Activities</u> |                  |                 | Total<br>Lease<br>Liability | Current<br>Year<br>Additional<br>Outflows | Balance<br>September 30,<br>2023 |
|-----------------|-----------|------------------|--------------------------------|------------------|-----------------|-----------------------------|-------------------------------------------|----------------------------------|
|                 |           |                  | Payment<br>Amount              | Interest<br>Rate |                 |                             |                                           |                                  |
| Copier          | 10/1/2019 | 60 months        | \$ 220                         | 3.25%            | \$ 2,594        |                             | \$ 2,594                                  |                                  |
| Postage Machine | 8/4/2019  | 15 quarters      | 214                            | 3.25%            | 773             |                             | 773                                       |                                  |
| Ice Machine     | 3/2/2021  | 36 months        | 130                            | 3.25%            | 838             |                             | 838                                       |                                  |
|                 |           |                  |                                |                  | <u>\$ 4,205</u> |                             | <u>\$ 4,205</u>                           |                                  |

The copier machine contains an option at the end to purchase for fair market value. The City does not plan to purchase the copier. The ice machine lease contains an automatic renewal at the end of the period unless one party gives written notice to discontinue at least thirty days prior to the end of the term. The interest rate used on all leases was 3.25% which is the City's most recent borrowing rate for revenue bonds.

Business Type Activities

On December 2, 2021, the City entered into a lease agreement with the State of Florida Department of Children and Families (the State) for the purposes of establishment and operation of the water treatment storage and distribution facilities located at Northeast Florida State Hospital (NEFSH). The term of this lease is for a period of 50 years, commencing on December 2, 2021, and ending December 1, 2071. Upon termination or expiration of the lease, the premises are to be surrendered to the State. The City is required to provide NEFSH up to 7,500,000 gallons of potable water per month at no charge. In addition, a one-time lump sum payment of \$150,000 was required to be paid to the State. This payment is being reported as a right of use asset and is being amortized over the 50 years.

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 6 – LEASES (concluded)**

Annual requirements to amortize long-term obligations and related interest are as follows:

| Year ending<br>September 30, | <u>Governmental Activities</u> |                 | <u>Business-type Activities</u> |                 |
|------------------------------|--------------------------------|-----------------|---------------------------------|-----------------|
|                              | <u>Principal</u>               | <u>Interest</u> | <u>Principal</u>                | <u>Interest</u> |
| 2024                         | 4,205                          | 70              | -                               | -               |
| Total                        | <u>\$ 4,205</u>                | <u>\$ 70</u>    | <u>\$ -</u>                     | <u>\$ -</u>     |

**NOTE 7 – STATE OF FLORIDA PENSION PLANS**

**Defined Benefit Plans**

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Department of Management Services, Division of Retirement, Research and Education Section, PO Box 9000, Tallahassee, Florida, 32315-9000, by calling (877) 377-1888, or website: [http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

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

The Retiree Health Insurance Subsidy (HIS) Program is a non-qualified cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries of the state-administered retirement systems in paying their health insurance costs. Per Chapter 2023-193, Laws of Florida, the level of monthly benefits increased from \$5 times years of service to \$7.50, with an increased minimum of \$45 and maximum of \$225. This change applies to all years of service for both members currently in pay and members not yet in pay. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided**

Benefits under the FRS Pension Plan are computed based on age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
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**NOTE 7 – STATE OF FLORIDA PENSION PLANS (continued)**

enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes.

**Contributions**

The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The City's contribution rates as of September 30, 2023, were as follows:

|                                 | FRS    | HIS   |
|---------------------------------|--------|-------|
| Regular Class                   | 11.57% | 2.00% |
| Special Risk Class              | 30.67% | 2.00% |
| Senior Management Service Class | 32.52% | 2.00% |
| Elected Officials               | 56.68% | 2.00% |
| DROP from FRS                   | 19.13% | 2.00% |

The City's contributions for the year ended September 30, 2023, were \$428,950 to the FRS and \$41,942 to the HIS.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2023, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liability were determined by the plan's actuarial valuation dated July 1, 2023. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

|                           | FRS          | HIS          |
|---------------------------|--------------|--------------|
| Net pension liability     | \$ 3,515,687 | \$ 987,891   |
| Proportion at:            |              |              |
| Current measurement date  | 0.008823001% | 0.006220451% |
| Prior measurement date    | 0.007917919% | 0.006195237% |
| Pension expense (benefit) | \$ 801,891   | \$ 383,755   |

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 7 – STATE OF FLORIDA PENSION PLANS (continued)**

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

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                               | FRS                            |                               | HIS                            |                               |
|---------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|                                                                                                               | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience                                                            | \$ 330,093                     | \$ -                          | \$ 14,462                      | \$ 2,319                      |
| Changes of assumptions                                                                                        | 229,182                        | -                             | 25,971                         | 85,604                        |
| Net difference between projected and actual earnings on pension plan investments                              | 146,825                        | -                             | 510                            | -                             |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 310,982                        | 33,901                        | 49,074                         | 15,557                        |
| Employer contributions subsequent to measurement date                                                         | 110,215                        | -                             | 11,330                         | -                             |
| <b>Total</b>                                                                                                  | <b>\$ 1,127,297</b>            | <b>\$ 33,901</b>              | <b>\$ 101,347</b>              | <b>\$ 103,480</b>             |

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year ending September 30, | FRS               | HIS                |
|---------------------------|-------------------|--------------------|
| 2023                      | \$ 164,408        | \$ 3,753           |
| 2024                      | 24,463            | 3,491              |
| 2025                      | 650,921           | (3,097)            |
| 2026                      | 113,133           | (10,623)           |
| 2027                      | 30,255            | (6,453)            |
| Thereafter                | -                 | (533)              |
| <b>Total</b>              | <b>\$ 983,180</b> | <b>\$ (13,462)</b> |

**Actuarial Assumptions**

The total pension liability for each cost-sharing defined benefit plan was measured as of June 30, 2023. The actuarial assumptions that determined the total pension liability for the FRS Pension Plan was determined by a valuation dated July 1, 2023. For the HIS Program, the actuarial assumptions that determined the total pension liability was determined by a valuation dated July 1, 2022. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

**NOTES TO FINANCIAL STATEMENTS**  
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**CITY OF MACCLENNY, FLORIDA**

**NOTE 7 – STATE OF FLORIDA PENSION PLANS (continued)**

|                           | FRS   | HIS   |
|---------------------------|-------|-------|
| Inflation                 | 2.40% | 2.40% |
| Salary increases          | 3.25% | 3.25% |
| Investment rate of return | 6.70% | N/A   |
| Discount rate             | 6.70% | 3.65% |

Mortality assumptions for both plans were based on the PUB2010 with Scale MP-2018.

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

The following changes in key actuarial assumptions occurred in 2023:

HIS: The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

HIS: Chapter 2023-193, Laws of Florida (Senate Bill 7024), increased the level of monthly benefits from \$5 times years of service to \$7.50, with an increased minimum of \$45 and maximum of \$225. This change applies to all years of service for both members currently receiving benefits and members not yet receiving benefits.

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

| Asset Class            | Target<br>Allocation | Annual               | Compound                        | Standard<br>Deviation |
|------------------------|----------------------|----------------------|---------------------------------|-----------------------|
|                        |                      | Arithmetic<br>Return | Annual<br>(Geometric)<br>Return |                       |
| Cash                   | 1.0%                 | 2.9%                 | 2.9%                            | 1.1%                  |
| Fixed income           | 19.8%                | 4.5%                 | 4.4%                            | 3.4%                  |
| Global equity          | 54.0%                | 8.7%                 | 7.1%                            | 18.1%                 |
| Real estate (property) | 10.3%                | 7.6%                 | 6.6%                            | 14.8%                 |
| Private equity         | 11.1%                | 11.9%                | 8.8%                            | 26.3%                 |
| Strategic investments  | <u>3.8%</u>          | 6.3%                 | 6.1%                            | 7.7%                  |
|                        | <u>100%</u>          |                      |                                 |                       |

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 7 – STATE OF FLORIDA PENSION PLANS (concluded)**

**Discount Rate**

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. A municipal bond rate of 3.65% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**Sensitivity Analysis**

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

|                                                                | FRS          |                  |              | HIS          |                  |             |
|----------------------------------------------------------------|--------------|------------------|--------------|--------------|------------------|-------------|
|                                                                | Current      |                  |              | Current      |                  |             |
|                                                                | 1% Decrease  | Discount<br>Rate | 1% Increase  | 1% Decrease  | Discount<br>Rate | 1% Increase |
|                                                                | 5.70%        | 6.70%            | 7.70%        | 2.65%        | 3.65%            | 4.65%       |
| Employer's proportionate share<br>of the net pension liability | \$ 6,005,509 | \$ 3,515,687     | \$ 1,432,653 | \$ 1,127,029 | \$ 987,891       | \$ 872,554  |

**Pension Plans' Fiduciary Net Position**

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

**Defined Contribution Plan**

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2023, totaled \$69,361.

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The City follows Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the City. The philosophy driving this accounting standard is that non-pension post employment benefits are part of the compensation paid to employees in return for their services, and the cost of these benefits should be recognized while the employees are providing those resources, rather than after they have retired.

**Plan Description**

The City offers postemployment medical and pharmacy insurance benefits to any employee who satisfies the normal retirement provisions of the applicable retirement plan (FRS). Former employees who retire from the City are eligible to participate in the City's healthcare insurance benefits, a single-employer defined benefit plan.

**NOTES TO FINANCIAL STATEMENTS**  
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**CITY OF MACCLENNY, FLORIDA**

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

According to the City’s Personnel Policy & Procedures, a regular/permanent full-time employee hired before July 1, 2011; after full retirement with at least ten years of full-time service who has obtained the required time of service for full retirement benefits (age of 62 or 30 years of service under regular class retirement or 25 years of service under special risk class retirement) can continue to participate in the City’s healthcare insurance benefits. Retirees are required to enroll in the Federal Medicare program for their primary health coverage as soon as they are eligible. The City does not issue a stand-alone annual report for the plan and it is not included in the annual report of a public employment retirement system or another entity. As of September 30, 2023, the latest actuarial valuation date, there were 38 active participants and 1 retiree participating in the plan.

**Funding Policy**

The City’s OPEB benefits are currently unfunded; there is no separate trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation, as it does for its pension plans. Therefore, the ultimate subsidies which are provided over time are financed directly by the general assets of the City. Although an actuarial valuation for OPEB was completed to measure current year’s subsidies and project future year subsidies, the City has not determined if a separate trust fund or equivalent arrangement will be established.

**Annual OPEB Cost and Net OPEB Liability**

The City’s net OPEB liability (NOL) is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the OPEB plan’s fiduciary net position as actuarially determined in accordance with the parameters of Governmental Accounting Standards Board Statement No. 75. The following table shows the City’s annual OPEB cost for the year, the amount actually contributed to the plans, and changes in the City’s net OPEB obligation:

|                                        | <u>Amount</u> |
|----------------------------------------|---------------|
| Prior measurement balance at 9/30/2022 | \$ 74,004     |
| Increase in Net OPEB Liability         | 1,865         |
| Net OPEB Liability at 9/30/2023        | \$ 75,869     |

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial methods are:

|                       |                             |
|-----------------------|-----------------------------|
| Actuarial Cost Method | Entry Age Normal            |
| Amortization Method   | Level Percentage of Payroll |
| Amortization Period   | 20 Years                    |

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (concluded)**

**Actuarial Methods and Assumptions (concluded)**

|                            |                                                                                                                                                                                                                                                                                     |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asset Valuation Method     | Unfunded                                                                                                                                                                                                                                                                            |
| Healthcare Cost Trend      | Rates are expected to be 4.7% in year one decreasing to 4.2% in year 10 and forward for medical; 5.2% in year one decreasing to 4.2% in year 10 and forward for pharmacy; 3.5% in year one decreasing to 3.0% in year 10 and forward for dental; and 3.0% for all years for vision. |
| Turnover Assumption        | Derived from data maintained by the U. S. Office of Personnel Management regarding the most recent Experience of the employee group covered by the Federal Employees Retirement System.                                                                                             |
| Coverage Election          | Assumed that 25% of eligible employees participate.                                                                                                                                                                                                                                 |
| Bond yield & discount rate | 3.00%                                                                                                                                                                                                                                                                               |
| Projected salary increase  | 3.00%                                                                                                                                                                                                                                                                               |
| MortalityPub-2010          | Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.                                                                                                                                                                                        |

**Funded Status and Funding Progress**

No OPEB payments for the 2023 fiscal year were made. As of September 30, 2023, the most recent actuarial valuation report date, the actuarial value of assets was \$0, the covered payroll (annual payroll of active participating employees) was \$2,407,350 and the unfunded actuarial accrued liability as a percentage of covered payroll was 3.15%.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**NOTE 9 – CONTINGENT LIABILITIES**

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

**NOTE 10 – ALLOWANCE FOR UNCOLLECTIBLES**

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

|                 |                  |
|-----------------|------------------|
| General Fund    | \$ 5,743         |
| Enterprise Fund | <u>7,160</u>     |
| Total           | <u>\$ 12,903</u> |

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

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 11 – DEFERRED INFLOWS OF RESOURCES**

The City entered into an agreement with a residential property developer on March 28, 2006. This agreement allowed the developer to connect to City’s water and wastewater utility plants and pipes and to reserve sufficient capacity in the utility plant and the wastewater pipe associated with utility plant capacity. Upon execution of the contract, the developer paid \$1,022,175 for impact fees. As homes are constructed and connected to the utility system, revenue will be recognized. At September 30, 2023, three homes in the development were connected to the City utility system; unearned revenue at September 30, 2023 was \$1,008,900. In addition, an additional \$700,000 was paid by the developer for cost to increase the water and sewer line capacity to the subdivision. Of this amount, \$376,600 together with 6% interest for the two calendar years following the date of completion, was due back to the developer as additional users connect to the lines; the balance due of \$361,227 at September 30, 2023, is reflected in customer deposits.

**NOTE 12 – SEGMENTS OF ENTERPRISE ACTIVITIES**

The City provides services for water and sewer to its residents, which are financed by user charges. The City also maintains an Enterprise Fund relating to four homes, which the City rents to four tenants. Financial data for water and sewer services and the rental home fund is combined in these financial statements under the Enterprise Fund of the Proprietary Fund Type. Segment information reported for both funds is presented as supplementary information.

**NOTE 13 – INTERFUND BALANCES**

At September 30, 2023, interfund balances consisted of:

|                 | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|-----------------|---------------------------------|-------------------------------|
| General Fund    | \$162,367                       | \$ -                          |
| Enterprise Fund | -                               | 162,367                       |
| Totals          | <u>\$ 162,367</u>               | <u>\$ 162,367</u>             |

The interfund balances resulted from the normal course of operations and should be paid within one year.

**NOTE 14 – RISK MANAGEMENT**

Commercial Insurance

The City carries commercial insurance for general liability, auto liability, collision, property, inland marine and crime. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Public Entity Risk Pool

The City is exposed to a risk of loss related to workers’ compensation. To manage this risk, the City joined a public entity risk pool (the “pool”). Premiums paid to the pool are designed to fund the risks assumed by the pool and are based on certain actual exposures of each member.

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 15 – AMERICAN RESCUE PLAN ACT (ARPA) FUNDS**

The ARPA was signed into law on March 11, 2021, to provide \$350 billion in additional funding for state and local governments. There are certain restrictions on how the City can utilize the funds. On September 29, 2021, the City received \$1,737,963 and on August 16, 2022, the City received additional funding from the ARPA in the amount of \$1,737,963. A portion of this funding is shown in the Enterprise Fund as unearned revenue in the amount of \$1,562,084.

**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 17, 2024, the date which the financial statements were available to be issued. There were no subsequent events determined to have occurred that would have a material effect on the fair presentation of the financial statements taken as a whole through the date of the report, June 17, 2024.

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                             | <u>BUDGETED AMOUNTS</u> |                     | <u>ACTUAL</u>       | <u>VARIANCE</u>     |
|---------------------------------------------|-------------------------|---------------------|---------------------|---------------------|
| <u>REVENUES</u>                             | <u>ORIGINAL</u>         | <u>FINAL</u>        | <u>AMOUNTS</u>      | <u>WITH FINAL</u>   |
|                                             |                         |                     |                     | <u>BUDGET</u>       |
| Taxes                                       | \$ 2,852,696            | \$ 2,852,696        | \$ 3,301,598        | \$ 448,902          |
| Licenses and permits                        | 109,500                 | 109,500             | 115,266             | 5,766               |
| Franchise fees                              | 477,800                 | 477,800             | 563,739             | 85,939              |
| Intergovernmental                           | 741,150                 | 741,150             | 794,541             | 53,391              |
| Charges for services                        | 1,598,560               | 1,598,560           | 1,877,925           | 279,365             |
| Fines and forfeitures                       | 8,000                   | 8,000               | 5,440               | (2,560)             |
| Miscellaneous revenues                      | 21,500                  | 21,500              | 64,010              | 42,510              |
| <b>TOTAL REVENUES</b>                       | <u>5,809,206</u>        | <u>5,809,206</u>    | <u>6,722,519</u>    | <u>913,313</u>      |
| <b><u>EXPENDITURES</u></b>                  |                         |                     |                     |                     |
| Current:                                    |                         |                     |                     |                     |
| General government                          | 1,335,809               | 1,335,809           | 1,290,216           | 45,593              |
| Public safety                               | 2,300,979               | 2,300,979           | 1,902,463           | 398,516             |
| Physical environment                        | 1,254,557               | 1,254,557           | 1,189,022           | 65,535              |
| Transportation                              | 564,078                 | 564,078             | 442,286             | 121,792             |
| Culture and recreation                      | 172,413                 | 172,413             | 147,920             | 24,493              |
| Capital outlay:                             |                         |                     |                     |                     |
| General government                          | 37,615                  | 37,615              | 36,123              | 1,492               |
| Public safety                               | 249,712                 | 249,712             | 250,783             | (1,071)             |
| Physical environment                        | 5,000                   | 5,000               | -                   | 5,000               |
| Transportation                              | 166,233                 | 166,233             | 172,096             | (5,863)             |
| Culture and recreation                      | 110,000                 | 110,000             | 68,915              | 41,085              |
| Debt service:                               |                         |                     |                     |                     |
| Principal, Public safety                    | 44,000                  | 44,000              | 44,000              | -                   |
| Interest expense, General government        | -                       | -                   | -                   | -                   |
| Interest expense, Public safety             | 46,853                  | 46,853              | 45,316              | 1,537               |
| <b>TOTAL EXPENDITURES</b>                   | <u>6,287,249</u>        | <u>6,287,249</u>    | <u>5,589,140</u>    | <u>698,109</u>      |
| <b>EXCESS OF REVENUES OVER (UNDER)</b>      | (478,043)               | (478,043)           | 1,133,379           | 1,611,422           |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                         |                     |                     |                     |
| Interest revenue                            | 350                     | 350                 | 2,778               | 2,428               |
| Transfer in (out)                           | (1,101,750)             | (1,101,750)         | (75,302)            | 1,026,448           |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | <u>(1,101,400)</u>      | <u>(1,101,400)</u>  | <u>(72,524)</u>     | <u>1,028,876</u>    |
| <b>NET CHANGE IN FUND BALANCE</b>           | (1,579,443)             | (1,579,443)         | 1,060,855           | 2,640,298           |
| <b>FUND BALANCES, October 1, 2022</b>       | 8,180,552               | 8,180,552           | 8,180,552           | -                   |
| <b>FUND BALANCES, September 30, 2023</b>    | <u>\$ 6,601,109</u>     | <u>\$ 6,601,109</u> | <u>\$ 9,241,407</u> | <u>\$ 2,640,298</u> |

Notes to Budgetary Comparison Schedules

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

The accompanying "Notes to financial statements" form an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - SMALL COUNTY OUTREACH PROGRAM**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                             | <u>BUDGETED AMOUNTS</u> |                  | <u>ACTUAL</u><br><u>AMOUNTS</u> | <u>VARIANCE</u><br><u>WITH FINAL</u><br><u>BUDGET</u> |
|---------------------------------------------|-------------------------|------------------|---------------------------------|-------------------------------------------------------|
|                                             | <u>ORIGINAL</u>         | <u>FINAL</u>     |                                 |                                                       |
| <b><u>REVENUES</u></b>                      |                         |                  |                                 |                                                       |
| Grant revenue                               | \$ 1,079,681            | \$ 1,079,681     | \$ 1,074,790                    | \$ (4,891)                                            |
| <b>TOTAL REVENUES</b>                       | <u>1,079,681</u>        | <u>1,079,681</u> | <u>1,074,790</u>                | <u>(4,891)</u>                                        |
| <b><u>EXPENDITURES</u></b>                  |                         |                  |                                 |                                                       |
| Capital outlay:                             |                         |                  |                                 |                                                       |
| Transportation                              | <u>1,079,681</u>        | <u>1,079,681</u> | <u>1,151,982</u>                | <u>(72,301)</u>                                       |
| <b>TOTAL EXPENDITURES</b>                   | <u>1,079,681</u>        | <u>1,079,681</u> | <u>1,151,982</u>                | <u>(72,301)</u>                                       |
| <b>EXCESS OF REVENUES OVER (UNDER)</b>      | -                       | -                | (77,192)                        | (77,192)                                              |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                         |                  |                                 |                                                       |
| Transfer in (out)                           | <u>-</u>                | <u>-</u>         | <u>77,192</u>                   | <u>77,192</u>                                         |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | <u>-</u>                | <u>-</u>         | <u>77,192</u>                   | <u>77,192</u>                                         |
| <b>NET CHANGE IN FUND BALANCE</b>           | -                       | -                | -                               | -                                                     |
| <b>FUND BALANCES, October 1, 2022</b>       | <u>-</u>                | <u>-</u>         | <u>-</u>                        | <u>-</u>                                              |
| <b>FUND BALANCES, September 30, 2023</b>    | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ -</u>                     | <u>\$ -</u>                                           |

Notes to Budgetary Comparison Schedules

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

The accompanying "Notes to financial statements" form an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - FLORIDA LEGISLATIVE APPROPRIATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                                     | <u>BUDGETED AMOUNTS</u> |                | <u>ACTUAL AMOUNTS</u> | <u>VARIANCE WITH FINAL BUDGET</u> |
|-----------------------------------------------------|-------------------------|----------------|-----------------------|-----------------------------------|
|                                                     | <u>ORIGINAL</u>         | <u>FINAL</u>   |                       |                                   |
| <b><u>REVENUES</u></b>                              |                         |                |                       |                                   |
| Grant revenue                                       | \$ -                    | \$ -           | \$ -                  | \$ -                              |
| <b>TOTAL REVENUES</b>                               | <u>-</u>                | <u>-</u>       | <u>-</u>              | <u>-</u>                          |
| <b><u>EXPENDITURES</u></b>                          |                         |                |                       |                                   |
| Capital outlay:                                     |                         |                |                       |                                   |
| Public safety                                       | 650,000                 | 650,000        | 650,000               | -                                 |
| <b>TOTAL EXPENDITURES</b>                           | <u>650,000</u>          | <u>650,000</u> | <u>650,000</u>        | <u>-</u>                          |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b> | (650,000)               | (650,000)      | (650,000)             | -                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>               |                         |                |                       |                                   |
| Transfer in (out)                                   | -                       | -              | -                     | -                                 |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>         | <u>-</u>                | <u>-</u>       | <u>-</u>              | <u>-</u>                          |
| <b>NET CHANGE IN FUND BALANCE</b>                   | (650,000)               | (650,000)      | (650,000)             | -                                 |
| <b>FUND BALANCES, October 1, 2022</b>               | <u>650,000</u>          | <u>650,000</u> | <u>650,000</u>        | <u>-</u>                          |
| <b>FUND BALANCES, September 30, 2023</b>            | <u>\$ -</u>             | <u>\$ -</u>    | <u>\$ -</u>           | <u>\$ -</u>                       |

Notes to Budgetary Comparison Schedules

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

The accompanying "Notes to financial statements" form an integral part of this statement.

**OTHER POSTEMPLOYMENT BENEFITS**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

| <b>I. Total OPEB Liability</b>                                          | 2023             | 2022             | 2021             | 2020             | 2019             | 2018            |
|-------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| -Service Cost                                                           | \$ 3,741         | \$ 3,261         | \$ 3,402         | \$ 3,040         | \$ 234           | \$ -            |
| -Interest                                                               | 2,332            | 1,668            | 1,590            | 1,942            | 168              | 1,417           |
| -Effect of economic/demographic gains or losses                         | (4,208)          | 16,735           | (2,233)          | (1,642)          | 35,380           | (35,610)        |
| -Effect of assumptions, changes, or inputs                              | -                | -                | -                | 3,272            | 3,444            | (147)           |
| Net change in OPEB Liability                                            | 1,865            | 21,664           | 2,759            | 6,612            | 39,226           | (34,340)        |
| Total OPEB liability, beginning                                         | 74,004           | 52,340           | 49,581           | 42,969           | 3,743            | 38,083          |
| Total OPEB liability, ending                                            | <u>\$ 75,869</u> | <u>\$ 74,004</u> | <u>\$ 52,340</u> | <u>\$ 49,581</u> | <u>\$ 42,969</u> | <u>\$ 3,743</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0%               | 0%               | 0%               | 0%               | 0%               | 0%              |
| Covered employee payroll                                                | \$ 2,407,350     | \$ 2,329,146     | \$ 2,208,812     | \$ 2,032,996     | \$ 2,051,994     | \$ 1,993,816    |
| City's net OPEB liability as a percentage of covered employee payroll   | 3.152%           | 3.177%           | 2.370%           | 2.439%           | 2.094%           | 0.188%          |

**II. Ten-year Trend Information**

| Year Ended | Annual OPEB Cost | Actual Employer Contribution | Percentage Contributed | Net Ending OPEB Obligation | Covered Employee Payroll | Net OPEB Liability As Percentage of Covered Employee Payroll |
|------------|------------------|------------------------------|------------------------|----------------------------|--------------------------|--------------------------------------------------------------|
| 9/30/2014  | 18,820           | -                            | 0.00%                  | 218,545                    | 1,708,840                | 12.789%                                                      |
| 9/30/2015  | (9,881)          | -                            | 0.00%                  | 208,664                    | 1,621,439                | 12.867%                                                      |
| 9/30/2016  | (168,337)        | -                            | 0.00%                  | 40,327                     | 1,771,449                | 2.276%                                                       |
| 9/30/2017  | (1,722)          | -                            | 0.00%                  | 38,605                     | 1,191,935                | 3.234%                                                       |
| 9/30/2018  | (34,862)         | -                            | 0.00%                  | 3,743                      | 1,993,816                | 0.188%                                                       |
| 9/30/2019  | 39,226           | -                            | 0.00%                  | 42,969                     | 2,051,994                | 2.094%                                                       |
| 9/30/2020  | 6,612            | -                            | 0.00%                  | 49,581                     | 2,032,996                | 2.439%                                                       |
| 9/30/2021  | 2,759            | -                            | 0.00%                  | 52,340                     | 2,208,812                | 2.370%                                                       |
| 9/30/2022  | 21,664           | -                            | 0.00%                  | 74,004                     | 2,329,146                | 3.177%                                                       |
| 9/30/2023  | 1,865            | -                            | 0.00%                  | 75,869                     | 2,407,350                | 3.152%                                                       |

**III. Additional supplementary information**

|                                                 |                                                                                                       |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Valuation date                                  | September 30, 2023                                                                                    |
| Alternate measurement method                    | Entry age normal                                                                                      |
| Amortization method                             | Level percentage of payroll                                                                           |
| Asset valuation method                          | Unfunded                                                                                              |
| Discount rate utilized in the current valuation | 3.00%                                                                                                 |
| Projected salary increases                      | 3.00%                                                                                                 |
| Mortality basis                                 | Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years. |

The accompanying "Notes to financial statements" form an integral part of this statement.

**City of Macclenny**  
**Governmental Funds**  
**Schedules of Proportionate Share of Net Pension Liability**  
**Last 10 Fiscal Years (1)**

**Florida Retirement System**

| Fiscal<br>Year Ending<br>September 30 | Employer's<br>Proportion of the<br>FRS Net Pension<br>Liability | Employer's<br>Proportionate<br>of the FRS Net<br>Pension Liability | Employer's<br>Covered Payroll (2) | Employer's<br>Proportionate Share<br>of the FRS Net<br>Pension Liability as a<br>Percentage of its<br>Covered Payroll | FRS Plan Fiduciary<br>Net Position as a<br>Percentage of the<br>Total Pension<br>Liability |
|---------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| 2015                                  | 0.00384674%                                                     | \$ 496,859                                                         | \$ 973,070                        | 51.06%                                                                                                                | 61.64%                                                                                     |
| 2016                                  | 0.00453600%                                                     | 1,129,053                                                          | 1,061,922                         | 106.32%                                                                                                               | 56.86%                                                                                     |
| 2017                                  | 0.00495943%                                                     | 1,467,470                                                          | 1,191,935                         | 123.12%                                                                                                               | 56.21%                                                                                     |
| 2018                                  | 0.00507342%                                                     | 1,442,521                                                          | 1,269,274                         | 113.65%                                                                                                               | 56.45%                                                                                     |
| 2019                                  | 0.00514661%                                                     | 1,709,610                                                          | 1,325,517                         | 128.98%                                                                                                               | 54.53%                                                                                     |
| 2020                                  | 0.00480585%                                                     | 2,044,858                                                          | 1,283,799                         | 159.28%                                                                                                               | 51.31%                                                                                     |
| 2021                                  | 0.00489778%                                                     | 349,750                                                            | 1,372,437                         | 25.48%                                                                                                                | 62.08%                                                                                     |
| 2022                                  | 0.00520631%                                                     | 1,913,108                                                          | 1,484,545                         | 128.87%                                                                                                               | 54.50%                                                                                     |
| 2023                                  | 0.00585779%                                                     | 2,291,268                                                          | 1,636,162                         | 140.04%                                                                                                               | 54.69%                                                                                     |

**Health Insurance Subsidy Program**

| Fiscal<br>Year Ending<br>September 30 | Employer's<br>Proportion of the<br>HIS Net Pension<br>Liability | Employer's<br>Proportionate<br>of the HIS Net<br>Pension Liability | Employer's<br>Covered Payroll (2) | Employer's<br>Proportionate Share<br>of the HIS Net<br>Pension Liability as a<br>Percentage of its<br>Covered Payroll | HIS Plan Fiduciary<br>Net Position as a<br>Percentage of the<br>Total Pension<br>Liability |
|---------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| 2015                                  | 0.00323300%                                                     | \$ 327,102                                                         | \$ 973,070                        | 33.62%                                                                                                                | 0.34%                                                                                      |
| 2016                                  | 0.00342847%                                                     | 390,181                                                            | 1,061,922                         | 36.74%                                                                                                                | 0.65%                                                                                      |
| 2017                                  | 0.00374000%                                                     | 357,294                                                            | 1,191,935                         | 29.98%                                                                                                                | 1.10%                                                                                      |
| 2018                                  | 0.00388609%                                                     | 374,646                                                            | 1,269,274                         | 29.52%                                                                                                                | 1.45%                                                                                      |
| 2019                                  | 0.00396763%                                                     | 413,415                                                            | 1,325,517                         | 31.19%                                                                                                                | 1.74%                                                                                      |
| 2020                                  | 0.00369893%                                                     | 427,307                                                            | 1,283,799                         | 33.28%                                                                                                                | 1.95%                                                                                      |
| 2021                                  | 0.00387668%                                                     | 450,957                                                            | 1,372,437                         | 32.86%                                                                                                                | 2.29%                                                                                      |
| 2022                                  | 0.00407359%                                                     | 401,952                                                            | 1,484,545                         | 27.08%                                                                                                                | 3.16%                                                                                      |
| 2023                                  | 0.00412990%                                                     | 622,186                                                            | 1,636,162                         | 38.03%                                                                                                                | 2.74%                                                                                      |

**Notes to schedules:**

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

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

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

The accompanying "Notes to financial statements" form an integral part of this statement.

**City of Macclenny**  
**Proprietary Fund**  
**Schedules of Proportionate Share of Net Pension Liability**  
**Last 10 Fiscal Years (1)**

**Florida Retirement System**

| Fiscal<br>Year Ending<br>September 30 | Employer's<br>Proportion of the<br>FRS Net Pension<br>Liability | Employer's<br>Proportionate<br>of the FRS Net<br>Pension Liability | Employer's<br>Covered Payroll (2) | Employer's<br>Proportionate Share<br>of the FRS Net<br>Pension Liability as a<br>Percentage of its<br>Covered Payroll | FRS Plan Fiduciary<br>Net Position as a<br>Percentage of the<br>Total Pension<br>Liability |
|---------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| 2015                                  | 0.00245939%                                                     | \$ 317,664                                                         | \$ 622,126                        | 51.06%                                                                                                                | 30.36%                                                                                     |
| 2016                                  | 0.00266400%                                                     | 688,953                                                            | 623,669                           | 110.47%                                                                                                               | 28.02%                                                                                     |
| 2017                                  | 0.00233385%                                                     | 690,573                                                            | 560,910                           | 123.12%                                                                                                               | 27.68%                                                                                     |
| 2018                                  | 0.00249885%                                                     | 838,284                                                            | 625,165                           | 134.09%                                                                                                               | 27.81%                                                                                     |
| 2019                                  | 0.00265128%                                                     | 975,876                                                            | 682,842                           | 142.91%                                                                                                               | 28.09%                                                                                     |
| 2020                                  | 0.00257882%                                                     | 1,155,770                                                          | 688,887                           | 167.77%                                                                                                               | 27.54%                                                                                     |
| 2021                                  | 0.00262815%                                                     | 218,749                                                            | 736,450                           | 29.70%                                                                                                                | 34.32%                                                                                     |
| 2022                                  | 0.00271161%                                                     | 1,032,995                                                          | 773,198                           | 133.60%                                                                                                               | 28.39%                                                                                     |
| 2023                                  | 0.00296521%                                                     | 1,224,420                                                          | 828,244                           | 147.83%                                                                                                               | 27.69%                                                                                     |

**Health Insurance Subsidy Program**

| Fiscal<br>Year Ending<br>September 30 | Employer's<br>Proportion of the<br>HIS Net Pension<br>Liability | Employer's<br>Proportionate<br>of the HIS Net<br>Pension Liability | Employer's<br>Covered Payroll (2) | Employer's<br>Proportionate Share<br>of the HIS Net<br>Pension Liability as a<br>Percentage of its<br>Covered Payroll | HIS Plan Fiduciary<br>Net Position as a<br>Percentage of the<br>Total Pension<br>Liability |
|---------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| 2015                                  | 0.00206700%                                                     | \$ 209,131                                                         | \$ 622,126                        | 33.62%                                                                                                                | 0.16%                                                                                      |
| 2016                                  | 0.00203500%                                                     | 246,178                                                            | 623,669                           | 39.47%                                                                                                                | 0.32%                                                                                      |
| 2017                                  | 0.00174320%                                                     | 230,702                                                            | 560,910                           | 41.13%                                                                                                                | 0.54%                                                                                      |
| 2018                                  | 0.00191404%                                                     | 239,248                                                            | 625,165                           | 38.27%                                                                                                                | 0.70%                                                                                      |
| 2019                                  | 0.00204393%                                                     | 259,219                                                            | 682,842                           | 37.96%                                                                                                                | 0.89%                                                                                      |
| 2020                                  | 0.00198485%                                                     | 266,674                                                            | 688,887                           | 38.71%                                                                                                                | 1.05%                                                                                      |
| 2021                                  | 0.00208023%                                                     | 279,748                                                            | 736,450                           | 37.99%                                                                                                                | 1.27%                                                                                      |
| 2022                                  | 0.00139506%                                                     | 254,224                                                            | 773,198                           | 32.88%                                                                                                                | 1.65%                                                                                      |
| 2023                                  | 0.00138797%                                                     | 365,706                                                            | 828,244                           | 44.15%                                                                                                                | 1.38%                                                                                      |

**Notes to schedules:**

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

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

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

The accompanying "Notes to financial statements" form an integral part of this statement.

**City of Macclenny**  
**Schedule of Employer Contributions**  
**Last 10 Fiscal Years**

**Florida Retirement System Pension Plan**

| Fiscal<br>Year Ending<br>September 30 | Contractually<br>Required<br>FRS Contribution | FRS Contributions<br>In Relation to the   |                                            | City's<br>Covered Payroll (1) | FRS<br>Contributions<br>as a Percentage of<br>Covered Payroll |
|---------------------------------------|-----------------------------------------------|-------------------------------------------|--------------------------------------------|-------------------------------|---------------------------------------------------------------|
|                                       |                                               | Contractually<br>Required<br>Contribution | FRS<br>Contribution<br>Deficiency (Excess) |                               |                                                               |
| 2015                                  | \$ 153,011                                    | \$ (153,011)                              | \$ -                                       | \$ 1,595,196                  | 9.59%                                                         |
| 2016                                  | 191,263                                       | (191,263)                                 | -                                          | 1,685,591                     | 11.35%                                                        |
| 2017                                  | 186,727                                       | (186,727)                                 | -                                          | 1,752,845                     | 10.65%                                                        |
| 2018                                  | 225,183                                       | (225,183)                                 | -                                          | 1,894,438                     | 11.89%                                                        |
| 2019                                  | 245,444                                       | (245,444)                                 | -                                          | 2,008,359                     | 12.22%                                                        |
| 2020                                  | 252,491                                       | (252,491)                                 | -                                          | 1,984,922                     | 12.72%                                                        |
| 2021                                  | 299,912                                       | (299,912)                                 | -                                          | 2,173,825                     | 13.80%                                                        |
| 2022                                  | 360,071                                       | (360,071)                                 | -                                          | 2,300,002                     | 15.66%                                                        |
| 2023                                  | 428,950                                       | (428,950)                                 | -                                          | 2,409,989                     | 17.80%                                                        |

**Health Insurance Subsidy Pension Plan**

| Fiscal<br>Year Ending<br>September 30 | Contractually<br>Required<br>HIS Contribution | HIS Contributions<br>In Relation to the   |                                            | City's<br>Covered Payroll (1) | HIS<br>Contributions<br>as a Percentage of<br>Covered Payroll |
|---------------------------------------|-----------------------------------------------|-------------------------------------------|--------------------------------------------|-------------------------------|---------------------------------------------------------------|
|                                       |                                               | Contractually<br>Required<br>Contribution | HIS<br>Contribution<br>Deficiency (Excess) |                               |                                                               |
| 2015                                  | \$ 21,568                                     | \$ (21,568)                               | \$ -                                       | \$ 1,595,196                  | 1.35%                                                         |
| 2016                                  | 29,527                                        | (29,527)                                  | -                                          | 1,685,591                     | 1.75%                                                         |
| 2017                                  | 28,491                                        | (28,491)                                  | -                                          | 1,752,845                     | 1.63%                                                         |
| 2018                                  | 32,273                                        | (32,273)                                  | -                                          | 1,894,438                     | 1.70%                                                         |
| 2019                                  | 33,465                                        | (33,465)                                  | -                                          | 2,008,359                     | 1.67%                                                         |
| 2020                                  | 32,956                                        | (32,956)                                  | -                                          | 1,984,922                     | 1.66%                                                         |
| 2021                                  | 36,093                                        | (36,093)                                  | -                                          | 2,173,825                     | 1.66%                                                         |
| 2022                                  | 38,188                                        | (38,188)                                  | -                                          | 2,300,002                     | 1.66%                                                         |
| 2023                                  | 41,942                                        | (41,942)                                  | -                                          | 2,409,989                     | 1.74%                                                         |

**Notes to schedules:**

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

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

The accompanying "Notes to financial statements" form an integral part of this statement.

**SUPPLEMENTARY INFORMATION**

**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                                | COMMUNITY<br>DEVELOPMENT<br>BLOCK GRANT -<br>COVID | TRANSPORTATION<br>IMPACT FEE | RURAL<br>DEVELOPMENT<br>COMMUNITY<br>GRANT | TOTAL NON-<br>MAJOR<br>GOVERNMENTAL<br>FUNDS |
|------------------------------------------------|----------------------------------------------------|------------------------------|--------------------------------------------|----------------------------------------------|
| <b><u>ASSETS</u></b>                           |                                                    |                              |                                            |                                              |
| Cash                                           | \$ -                                               | \$ -                         | \$ -                                       | \$ -                                         |
| Due from other agencies                        | 27,750                                             | -                            | 37,286                                     | 65,036                                       |
| <b>TOTAL ASSETS</b>                            | <b>\$ 27,750</b>                                   | <b>\$ -</b>                  | <b>\$ 37,286</b>                           | <b>\$ 65,036</b>                             |
| <b><u>LIABILITIES</u></b>                      |                                                    |                              |                                            |                                              |
| Accounts payable                               | \$ -                                               | \$ -                         | \$ -                                       | \$ -                                         |
| Due to other funds                             | 27,750                                             | -                            | 37,286                                     | 65,036                                       |
| <b>TOTAL LIABILITIES</b>                       | <b>27,750</b>                                      | <b>-</b>                     | <b>37,286</b>                              | <b>65,036</b>                                |
| <b><u>FUND BALANCES</u></b>                    |                                                    |                              |                                            |                                              |
| Fund Balances:                                 |                                                    |                              |                                            |                                              |
| Restricted to:                                 |                                                    |                              |                                            |                                              |
| Impact fees                                    | -                                                  | -                            | -                                          | -                                            |
| <b>TOTAL FUND BALANCES</b>                     | <b>-</b>                                           | <b>-</b>                     | <b>-</b>                                   | <b>-</b>                                     |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 27,750</b>                                   | <b>\$ -</b>                  | <b>\$ 37,286</b>                           | <b>\$ 65,036</b>                             |

The accompanying "Notes to financial statements" form an integral part of this statement.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                                                                              | COMMUNITY<br>DEVELOPMENT BLOCK<br>GRANT - COVID | TRANSPORTATION<br>IMPACT FEE | RURAL<br>DEVELOPMENT<br>COMMUNITY GRANT | TOTAL NON-MAJOR<br>GOVERNMENTAL<br>FUNDS |
|----------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------|-----------------------------------------|------------------------------------------|
| <b><u>REVENUES</u></b>                                                                       |                                                 |                              |                                         |                                          |
| Grant revenue                                                                                | \$ 21,000                                       | \$ -                         | \$ 37,286                               | \$ 58,286                                |
| <b>TOTAL REVENUES</b>                                                                        | <u>21,000</u>                                   | <u>-</u>                     | <u>37,286</u>                           | <u>58,286</u>                            |
| <b><u>EXPENDITURES</u></b>                                                                   |                                                 |                              |                                         |                                          |
| Capital outlay:                                                                              |                                                 |                              |                                         |                                          |
| Public safety                                                                                | -                                               | -                            | 37,286                                  | 37,286                                   |
| Culture and recreation                                                                       | 21,000                                          | -                            | -                                       | 21,000                                   |
| Transportation                                                                               | -                                               | -                            | -                                       | -                                        |
| <b>TOTAL EXPENDITURES</b>                                                                    | <u>21,000</u>                                   | <u>-</u>                     | <u>37,286</u>                           | <u>58,286</u>                            |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b>                                      | <u>-</u>                                        | <u>-</u>                     | <u>-</u>                                | <u>-</u>                                 |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                                                 |                                                 |                              |                                         |                                          |
| Interest income                                                                              | -                                               | 16                           | -                                       | 16                                       |
| Transfer in (out)                                                                            | -                                               | (1,890)                      | -                                       | (1,890)                                  |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                                                  | <u>-</u>                                        | <u>(1,874)</u>               | <u>-</u>                                | <u>(1,874)</u>                           |
| <b>EXCESS OF REVENUES AND OTHER<br/>SOURCES OVER (UNDER) EXPENDITURES<br/>AND OTHER USES</b> | <u>-</u>                                        | <u>(1,874)</u>               | <u>-</u>                                | <u>(1,874)</u>                           |
| <b>FUND BALANCES, October 1, 2022</b>                                                        | <u>-</u>                                        | <u>1,874</u>                 | <u>-</u>                                | <u>1,874</u>                             |
| <b>FUND BALANCES, September 30, 2023</b>                                                     | <u>\$ -</u>                                     | <u>\$ -</u>                  | <u>\$ -</u>                             | <u>\$ -</u>                              |

The accompanying "Notes to financial statements" form an integral part of this statement.

**COMBINING STATEMENT OF NET POSITION**  
**PROPRIETARY FUND TYPE (ENTERPRISE FUND)**  
**SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                                             | <b>WATER AND<br/>SEWER<br/>UTILITY</b> | <b>RENTAL<br/>HOMES</b> | <b>COMBINED<br/>TOTAL</b> |
|-------------------------------------------------------------|----------------------------------------|-------------------------|---------------------------|
| <b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>     |                                        |                         |                           |
| Current assets:                                             |                                        |                         |                           |
| Cash and equivalents                                        | \$ 2,318,693                           | \$ 301,452              | \$ 2,620,145              |
| Accounts receivable (net)                                   | 329,579                                | 2,660                   | 332,239                   |
| Accrued interest receivable                                 | 352                                    | -                       | 352                       |
| Due from other agencies                                     | 5,246                                  | -                       | 5,246                     |
| Inventories                                                 | 103,607                                | -                       | 103,607                   |
| Total current assets                                        | 2,757,477                              | 304,112                 | 3,061,589                 |
| Noncurrent assets:                                          |                                        |                         |                           |
| Restricted assets:                                          |                                        |                         |                           |
| Cash                                                        | 4,231,024                              | 750                     | 4,231,774                 |
| Total cash and investments, restricted                      | 4,231,024                              | 750                     | 4,231,774                 |
| Capital assets:                                             |                                        |                         |                           |
| Non-depreciable capital assets:                             |                                        |                         |                           |
| Land                                                        | 475,923                                | 35,746                  | 511,669                   |
| Construction in progress                                    | 1,096,194                              | -                       | 1,096,194                 |
| Total non-depreciable capital assets                        | 1,572,117                              | 35,746                  | 1,607,863                 |
| Depreciable capital assets:                                 |                                        |                         |                           |
| Buildings, improvements and infrastructure                  | 26,081,267                             | 277,527                 | 26,358,794                |
| Machinery and equipment                                     | 3,547,063                              | -                       | 3,547,063                 |
| Right of use asset                                          | 150,000                                | -                       | 150,000                   |
| Accumulated depreciation and amortization                   | (16,928,548)                           | (257,160)               | (17,185,708)              |
| Total depreciable assets net of accumulated depreciation    | 12,849,782                             | 20,367                  | 12,870,149                |
| Total capital assets net of accumulated depreciation        | 14,421,899                             | 56,113                  | 14,478,012                |
| Total noncurrent assets                                     | 18,652,923                             | 56,863                  | 18,709,786                |
| Deferred outflows of resources:                             |                                        |                         |                           |
| Net underwriter's discount                                  | 13,400                                 | -                       | 13,400                    |
| Deferred gain on early retirement                           | 1,434                                  | -                       | 1,434                     |
| Change in pension assumptions                               | 478,664                                | -                       | 478,664                   |
| Total deferred outflow of resources                         | 493,498                                | -                       | 493,498                   |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>      | <b>21,903,898</b>                      | <b>360,975</b>          | <b>22,264,873</b>         |
| <b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b> |                                        |                         |                           |
| Current liabilities:                                        |                                        |                         |                           |
| Accounts payable                                            | 107,046                                | -                       | 107,046                   |
| Accrued interest payable                                    | 48,678                                 | -                       | 48,678                    |
| Accrued payroll payable                                     | 8,078                                  | -                       | 8,078                     |
| Due to other funds                                          | 162,367                                | -                       | 162,367                   |
| Notes payable                                               | 41,316                                 | -                       | 41,316                    |
| Bonds payable                                               | 234,000                                | -                       | 234,000                   |
| Net pension liabilities                                     | 3,079                                  | -                       | 3,079                     |
| Accrued compensated absences                                | 81,022                                 | -                       | 81,022                    |
| Total current liabilities                                   | 685,586                                | -                       | 685,586                   |
| Noncurrent liabilities:                                     |                                        |                         |                           |
| Customer deposits                                           | 735,314                                | 750                     | 736,064                   |
| Notes payable                                               | 989,871                                | -                       | 989,871                   |
| Bonds payable                                               | 1,345,000                              | -                       | 1,345,000                 |
| Net pension liabilities                                     | 1,587,046                              | -                       | 1,587,046                 |
| Accrued compensated absences                                | 41,128                                 | -                       | 41,128                    |
| Accrued insurance supplement                                | 900                                    | -                       | 900                       |
| Accrued OPEB obligation                                     | 25,498                                 | -                       | 25,498                    |
| Total noncurrent liabilities                                | 4,724,757                              | 750                     | 4,725,507                 |
| Deferred inflows of resources:                              |                                        |                         |                           |
| Change in pension assumptions                               | 101,359                                | -                       | 101,359                   |
| Unearned revenues                                           | 2,570,984                              | -                       | 2,570,984                 |
| Total deferred inflows of resources                         | 2,672,343                              | -                       | 2,672,343                 |
| <b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>  | <b>8,082,686</b>                       | <b>750</b>              | <b>8,083,436</b>          |
| <b><u>NET POSITION</u></b>                                  |                                        |                         |                           |
| Invested in capital assets, net of related debt             | 11,811,712                             | 56,113                  | 11,867,825                |
| Restricted for water and sewer development                  | 708,788                                | -                       | 708,788                   |
| Unrestricted                                                | 1,300,712                              | 304,112                 | 1,604,824                 |
| <b>TOTAL NET POSITION</b>                                   | <b>\$ 13,821,212</b>                   | <b>\$ 360,225</b>       | <b>\$ 14,181,437</b>      |

The accompanying "Notes to financial statements" form an integral part of this statement.

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND TYPE (ENTERPRISE FUND)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

|                                                | <b>WATER AND<br/>SEWER<br/>UTILITY</b> | <b>RENTAL<br/>HOMES</b> | <b>COMBINED<br/>TOTAL</b> |
|------------------------------------------------|----------------------------------------|-------------------------|---------------------------|
|                                                | <u>          </u>                      | <u>          </u>       | <u>          </u>         |
| <b><u>OPERATING REVENUES</u></b>               |                                        |                         |                           |
| Charges for services                           | \$ 3,264,525                           | \$ 24,000               | \$ 3,288,525              |
| <b>TOTAL OPERATING REVENUES</b>                | <u>3,264,525</u>                       | <u>24,000</u>           | <u>3,288,525</u>          |
| <b><u>OPERATING EXPENSES</u></b>               |                                        |                         |                           |
| Personal services                              | 1,548,935                              | -                       | 1,548,935                 |
| Materials, supplies and other expenses         | 900,574                                | 11,588                  | 912,162                   |
| Depreciation                                   | 928,136                                | 646                     | 928,782                   |
| Amortization expense                           | 1,584                                  | -                       | 1,584                     |
| <b>TOTAL OPERATING EXPENSES</b>                | <u>3,379,229</u>                       | <u>12,234</u>           | <u>3,391,463</u>          |
| <b>OPERATING INCOME (LOSS)</b>                 | <u>(114,704)</u>                       | <u>11,766</u>           | <u>(102,938)</u>          |
| <b><u>NONOPERATING REVENUES (EXPENSES)</u></b> |                                        |                         |                           |
| Utility tax                                    | 94,617                                 | -                       | 94,617                    |
| Grant revenue                                  | 169,666                                | -                       | 169,666                   |
| Miscellaneous income                           | 10,935                                 | -                       | 10,935                    |
| Interest income                                | 153,278                                | -                       | 153,278                   |
| Interest expense                               | (78,508)                               | -                       | (78,508)                  |
| <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>  | <u>349,988</u>                         | <u>-</u>                | <u>349,988</u>            |
| <b>Changes in net position</b>                 | 235,284                                | 11,766                  | 247,050                   |
| <b>NET POSITION, October 1, 2022</b>           | <u>13,585,928</u>                      | <u>348,459</u>          | <u>13,934,387</u>         |
| <b>NET POSITION, September 30, 2023</b>        | <u>\$ 13,821,212</u>                   | <u>\$ 360,225</u>       | <u>\$ 14,181,437</u>      |

The accompanying "Notes to financial statements" form an integral part of this statement.

**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE (ENTERPRISE FUND)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|                                                                                                           | <b>WATER AND<br/>SEWER<br/>UTILITY</b> | <b>RENTAL<br/>HOMES</b> | <b>COMBINED<br/>TOTAL</b> |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------|---------------------------|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>                                                        |                                        |                         |                           |
| Cash received from customers                                                                              | \$ 3,339,844                           | \$ 24,201               | \$ 3,364,045              |
| Cash payments to suppliers for goods and services                                                         | (874,769)                              | (11,680)                | (886,449)                 |
| Cash payments to employees for services                                                                   | (1,297,923)                            | -                       | (1,297,923)               |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                                                          | <b>1,167,152</b>                       | <b>12,521</b>           | <b>1,179,673</b>          |
| <b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>                                    |                                        |                         |                           |
| Acquisition of capital assets                                                                             | (788,113)                              | (18,650)                | (806,763)                 |
| Proceeds from capital grants                                                                              | 47,216                                 | -                       | 47,216                    |
| Amounts due from other governmental agencies                                                              | (5,246)                                | -                       | (5,246)                   |
| Interest paid on long term debt                                                                           | (81,669)                               | -                       | (81,669)                  |
| Principle paid on right of use lease liability                                                            | (107)                                  | -                       | (107)                     |
| Principle paid on notes payable                                                                           | (39,061)                               | -                       | (39,061)                  |
| Principle paid on bonds payable                                                                           | (222,000)                              | -                       | (222,000)                 |
| <b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                          | <b>(1,088,980)</b>                     | <b>(18,650)</b>         | <b>(1,107,630)</b>        |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>                                                        |                                        |                         |                           |
| Interest income                                                                                           | 153,278                                | -                       | 153,278                   |
| <b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>                                                          | <b>153,278</b>                         | <b>-</b>                | <b>153,278</b>            |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                               | <b>231,450</b>                         | <b>(6,129)</b>          | <b>225,321</b>            |
| <b>CASH AND CASH EQUIVALENTS - October 1, 2022</b>                                                        | <b>6,318,267</b>                       | <b>308,331</b>          | <b>6,626,598</b>          |
| <b>CASH AND CASH EQUIVALENTS - September 30, 2023</b>                                                     | <b>\$ 6,549,717</b>                    | <b>\$ 302,202</b>       | <b>\$ 6,851,919</b>       |
| <b>CASH AND CASH EQUIVALENTS CLASSIFIED AS:</b>                                                           |                                        |                         |                           |
| Cash and cash equivalents - unrestricted                                                                  | \$ 2,318,693                           | \$ 301,452              | \$ 2,620,145              |
| Cash and cash equivalents - restricted                                                                    | 4,231,024                              | 750                     | 4,231,774                 |
| <b>TOTAL CASH AND CASH EQUIVALENTS CLASSIFIED</b>                                                         | <b>\$ 6,549,717</b>                    | <b>\$ 302,202</b>       | <b>\$ 6,851,919</b>       |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO<br/>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b> |                                        |                         |                           |
| Operating income (loss)                                                                                   | \$ (114,704)                           | \$ 11,766               | \$ (102,938)              |
| Utility tax and miscellaneous nonoperating revenue                                                        | 105,551                                | -                       | 105,551                   |
| Adjustments to reconcile operating income (loss) to net cash provided<br>by operating activities:         |                                        |                         |                           |
| Depreciation                                                                                              | 928,136                                | 646                     | 928,782                   |
| Amortization                                                                                              | 1,584                                  | -                       | 1,584                     |
| Change in assets and liabilities:                                                                         |                                        |                         |                           |
| Accounts receivable                                                                                       | (42,856)                               | 200                     | (42,656)                  |
| Accounts payable                                                                                          | 43,015                                 | (91)                    | 42,924                    |
| Accrued compensated absences                                                                              | 10,215                                 | -                       | 10,215                    |
| Due to other funds                                                                                        | 5,245                                  | -                       | 5,245                     |
| Net pension liability                                                                                     | 240,212                                | -                       | 240,212                   |
| Net OPEB obligation and insurance supplement                                                              | 154                                    | -                       | 154                       |
| Accrued payroll                                                                                           | 431                                    | -                       | 431                       |
| Customer deposits                                                                                         | 12,624                                 | -                       | 12,624                    |
| Inventory                                                                                                 | (22,455)                               | -                       | (22,455)                  |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                                                          | <b>\$ 1,167,152</b>                    | <b>\$ 12,521</b>        | <b>\$ 1,179,673</b>       |

The accompanying "Notes to financial statements" form an integral part of this statement.

City of Macclenny  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended September 30, 2023

| <i>State Grantor/Pass-Through Grantor/Program Title</i>  | <i>CSFA Number</i> | <i>Grant ID Number</i> | <i>Expenditures</i> |
|----------------------------------------------------------|--------------------|------------------------|---------------------|
| <hr/>                                                    |                    |                        |                     |
| <b><i>Florida Department of Transportation</i></b>       |                    |                        |                     |
| Small County Outreach Program (SCOP)                     | 55.009             | N/A                    | \$ 1,151,982        |
| <b><i>Total Florida Department of Transportation</i></b> |                    |                        | <u>1,151,982</u>    |
| <b><i>Total Expenditures of State Awards</i></b>         |                    |                        | <u>\$ 1,151,982</u> |

The accompanying "Notes to financial statements" form an integral part of this statement.

**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**CITY OF MACCLENNY, FLORIDA**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of State Financial Assistance Projects Awards (the Schedule) includes the state award activity of the City of Macclenny (the City) for the fiscal year ended September 30, 2023. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

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

The schedule is presented using the modified accrual basis of accounting for grants which are accounted for in governmental funds and on the accrual basis of accounting for grants which are accounted for in the proprietary funds. Such expenditures are recognized following the cost principles in the Florida Single Audit Act wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**ADDITIONAL ELEMENTS REQUIRED**  
**BY THE**  
**RULES OF THE AUDITOR GENERAL**

# LYONS AND LYONS

## CERTIFIED PUBLIC ACCOUNTANTS

106 West Boulevard  
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### INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Mayor and  
Members of the City Commission  
City of Macclenny, Florida

#### Report on the Financial Statements

We have audited the financial statements of the City of Macclenny, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 17, 2024.

#### Auditors' Responsibility

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

#### Other Reports and Schedule

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*; Independent Auditor's Report on Compliance for each State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C, Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedules, which are dated June 17, 2024, should be considered in conjunction with this management letter.

#### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. If audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The requirements of the Rules of the Auditor General are addressed in the Schedule of Findings that accompanies this letter. Accordingly, audit finding 2023-001 is a repeated finding for the past two preceding audits.

#### Official Title and Legal Authority

Section 10.554(1)(i)1., *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. This information is disclosed within the City's notes to the financial statements.

#### Financial Condition

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

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

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 noted item 2023-01 in the accompanying Schedule of Findings.

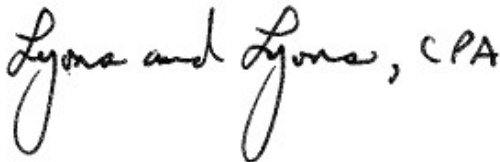
Additional Matters

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

Purpose of This Letter

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

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

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

June 17, 2024  
Macclenny, Florida

# LYONS AND LYONS

## CERTIFIED PUBLIC ACCOUNTANTS

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Macclenny, Florida 32063

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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**

To the Honorable Mayor and  
Members of the City Commission  
City of Macclenny, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Macclenny, Florida (the City) , as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 17, 2024.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be material weaknesses.

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

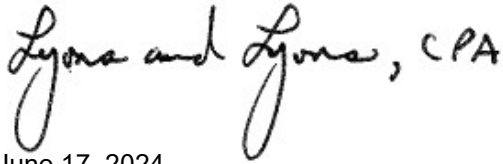
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

**City of Macclenny, Florida's Response to Findings**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Lyons and Lyons, CPA". The signature is written in a cursive style with a large, looped initial 'L'.

June 17, 2024  
Macclenny, Florida

# LYONS AND LYONS

## CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR STATE  
PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE WITH CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL**

To the Honorable Mayor and  
Members of the City Commission  
City of Macclenny, Florida

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

We have audited the City of Macclenny's (the City) compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on the City's major State project for the year ended September 30, 2023. The City's major State project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its State project applicable to its State project.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance of the City's major State project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550 *Rules of the Auditor General*. Those standards and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a State project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the State project. However, our audit does not provide a legal determination of the City's compliance.

### **Opinion on the State Project**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State project for the year ended September 30, 2023.

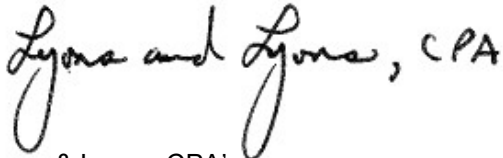
### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major State project and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

A handwritten signature in black ink that reads "Lyons and Lyons, CPA". The signature is written in a cursive, flowing style.

Lyons & Lyons, CPA's  
Macclenny, FL  
June 17, 2024

# LYONS AND LYONS

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

To the Honorable Mayor and  
Members of the City Commission  
City of Macclenny, Florida

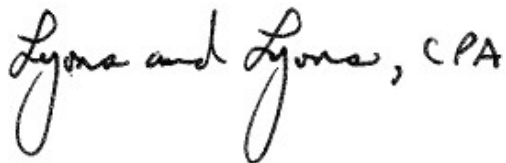
We have examined the City of Macclenny, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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



June 17, 2024  
Macclenny, Florida

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### **PART 1 – SUMMARY OF AUDITOR’S RESULTS**

- (i) The independent auditor’s report on the financial statements expressed an unmodified opinion on the financial statements.
- (ii) The audit disclosed a deficiency in internal control over financial reporting that was considered to be a material weakness.
- (iii) The audit did not disclose any noncompliance considered material to the financial statements.
- (iv) The audit did not disclose material weaknesses or report significant deficiencies for the major State project.
- (v) The auditor’s report on compliance with requirements applicable to the major State project expressed an unmodified opinion.
- (vi) The audit did not disclose findings relative to the major State project.
- (vii) The City’s major State project was

|                                      |                    |
|--------------------------------------|--------------------|
| <u>State Project</u>                 | <u>CSFA Number</u> |
| Small County Outreach Program (SCOP) | 55.009             |

- (viii) A threshold of \$345,595 was used to distinguish between Type A and Type B programs for State projects.

### **PART II – FINANCIAL STATEMENT FINDINGS**

2023-001     **Condition** – Because of a limited number of personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or all phases of a transaction. Consequently, the possibility exist that unintentional or intentional errors or irregularities could exist and not be detected.

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

A similar finding was reported in previous audit reports as items 2022-001 and 2021-001.

### **PART III – STATE PROJECT FINDINGS AND QUESTIONED COSTS**

There were not findings relative to the major State projects.



118 East Macclenny Avenue  
Macclenny, Florida 32063  
Tel: 904.259.6261

June 17, 2024

Sherrill F. Norman, CPA  
Auditor General  
111 W Madison Avenue  
Tallahassee, FL 32399-1450

Dear Madam:

In reply to the audit finding of the City of Macclenny's financial statements for the fiscal year ending September 30, 2023, please find below corrective action on the finding which will be implemented by appropriate staff and me:

Current Audit Finding 2023-001

Lack of segregation of incompatible employee duties.

Corrective Action Plan

We continue to recognize that this is an ongoing weakness common for small agencies. As stated in previous years, we will continue to monitor and implement additional controls to help avoid undetected errors and possible fraud. The responsible staff member for this corrective action plan is Melissa Thompson, Finance Director.

If you should have questions and need additional information, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Mike Griffis". The signature is written in a cursive, slightly slanted style.

Mike Griffis  
City Manager