

**CITY OF MIDWAY**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**CITY OF MIDWAY  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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### INDEPENDENT AUDITOR'S REPORT

To the Honorable City Council,  
City of Midway, Florida:

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

##### Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Midway (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.

##### Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Matter Giving Rise to the Qualified Opinion on the Governmental Activities section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the City as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### Unmodified Opinion on the General Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the City as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### Basis for Qualified and Unmodified Opinions

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

##### Matter Giving Rise to the Qualified Opinion on the Governmental Activities

As discussed in Note 9 to the financial statements, the City has not implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in governmental activities. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities has not been determined.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Exercise professional judgement 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 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 and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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.

Management has omitted the schedule of changes in the City's total OPEB liability and related ratios that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 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.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
December 11, 2024

**CITY OF MIDWAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Our discussion and analysis of the City of Midway's financial performance provides an overview of the City's financial activities for the year ended September 30, 2023. Please read it in conjunction with the City's financial statements, which begin on page 8.

**FINANCIAL HIGHLIGHTS**

The assets of the City as reported in the government-wide financial statements exceeded the liabilities as of September 30, 2023, by \$2,275,040 (net position). This amount represents an increase of \$574,092 from the prior year due to an increase in intergovernmental revenue.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 8 and 9) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 10. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statement by providing information about the City's most financially significant funds.

**Government-Wide Financial Statements**

Our analysis of the City as a whole begins on page 5. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps explain if the City as a whole is better off or worse as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and change in net position. Net position, the difference between assets and liabilities, is one way to measure the City's financial health. An increase in the City's net position is an indicator that the City's financial position is improving and a decrease in the City's net position is an indicator that the City's financial position is deteriorating.

**Fund Financial Statements**

The analysis of the City's major funds begins on page 10. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State or Federal law; however, the City may establish many other funds to help control and manage money for particular purposes. The City only has one governmental fund, the general fund.

**Governmental Funds:** The City's services are reported in one governmental fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's 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. The notes to the financial statements can be found beginning on page 14 of this report.

**CITY OF MIDWAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Other information: In addition to the basic financial statements and accompanying notes, this report also contains additional elements that are required by Governmental Auditing Standards, The Office of Management and Budget, and the Rules of the Auditor General of the State of Florida.

**FINANCIAL ANALYSIS**

**Government-Wide Analysis**

The government-wide statements report the City's net position and how they have changed. Table A-1 presents net position to help identify differences between the City's assets and liabilities, a way to measure the City's financial health, or position. Our analysis of the Financial Statements begins below.

A summary of the City's comparative statement of net position is presented in Table A-1.

**Table A-1**

**Condensed Statement of Net Position**

	September 30, 2022	September 30, 2023	Increase (Decrease)
Current Assets	\$ 2,306,611	\$ 2,543,340	\$ 236,729
Capital Assets, Net	1,484,816	2,158,483	673,667
Total Assets	<u>3,791,427</u>	<u>4,701,823</u>	<u>910,396</u>
Deferred Outflows of Resources	<u>378,103</u>	<u>300,088</u>	<u>(78,015)</u>
Current Liabilities	1,645,190	1,933,372	288,182
Long-term Liabilities	969,605	956,107	(13,498)
Total Liabilities	<u>2,614,795</u>	<u>2,889,479</u>	<u>274,684</u>
Deferred Inflows of Resources	<u>(146,213)</u>	<u>(162,608)</u>	<u>(16,395)</u>
Net Assets:			
Investment in Capital Assets	1,484,816	2,158,483	673,667
Restricted	178,396	178,396	-
Unrestricted	37,736	(61,839)	(99,575)
Total Net Position	<u>\$ 1,700,948</u>	<u>\$ 2,275,040</u>	<u>\$ 574,092</u>

**CITY OF MIDWAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. As of September 30, 2023, the City's total assets exceeded its total liabilities by \$2,275,040, an increase of \$574,092 from 2022.

Unrestricted net position at September 30, 2023 and 2022, were approximately \$(61,839) and \$37,736 respectively.

The City's net investment in capital assets was \$2,158,483 and \$1,484,816 as of September 30, 2023 and 2022, respectively.

Table A-2 illustrates the revenues and expenses that caused the change in the City's total net position.

**Table A-2**

**Condensed Statement of Activities**

	September 30, 2022	September 30, 2023	Increase (Decrease)
<b>Revenues</b>			
General Revenues			
Property Tax	\$ 811,031	\$ 1,012,091	\$ 201,060
Intergovernmental Revenue	877,452	928,636	51,184
Other	13,739	24,959	11,220
Program Revenues			
Charges for Services	150,137	154,641	4,504
Operating Grants and Contributions	39,960	594,370	554,410
Capital Grants and Contributions	-	350,000	350,000
<b>Total Revenues</b>	<u>1,892,319</u>	<u>3,064,697</u>	<u>1,172,378</u>
<b>Expenses</b>			
General Government	512,040	912,485	400,445
Public Safety	781,810	918,357	136,547
Physical Environment	349,577	374,835	25,258
Culture and Recreation	128,789	177,928	49,139
Economic Development	-	107,000	107,000
<b>Total Expenses</b>	<u>1,772,216</u>	<u>2,490,605</u>	<u>718,389</u>
<b>Change in Net Position</b>	120,103	574,092	453,989
<b>Net Position, Beginning</b>	<u>1,580,845</u>	<u>1,700,948</u>	<u>120,103</u>
<b>Net Position, Ending</b>	<u>\$ 1,700,948</u>	<u>\$ 2,275,040</u>	<u>\$ 574,092</u>



**CITY OF MIDWAY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

In 2023, the City's total revenues of \$3,064,697 were an increase of \$1,172,378 when comparing to fiscal year 2022. The majority of the increase in revenue was due to an increase in intergovernmental revenue.

Total expenditures for the year ended September 30, 2023, were \$2,490,605 versus \$1,772,216 in 2022, an increase of \$718,389.

**Capital Assets and Debt Administration**

For the years ended September 30, 2023 and 2022, the City had \$2,158,483 and \$1,484,816 in fixed assets, respectively, net of accumulated depreciation. There was a \$673,667 increase to capital assets for the year ended September 30, 2023. Additional information on the City's capital assets can be found in Note 4, on page 19 of this report.

For the years ended September 30, 2023 and 2022, the City had long-term debt outstanding of \$88,062. Additional information on the City's long-term debt can be found in Note 6, on page 20 of this report.

**Individual Fund Analysis**

Since the City only has governmental funds activities, the explanations provided above for the statement of activities regarding changes in net position also substantially explain the change in fund balance seen on the statement of revenues, expenditures, and changes in fund balance.

**General Fund Budgetary Highlights**

The City did not amend its budget during the current year. The City underspent the annual budget.

**Economic Factors and Next Year's Budget**

The City's grants are contingent upon its renewal and its ability to obtain new grants and, therefore, its revenues may vary from year to year. In setting its budget for fiscal year 2024, various factors, such as delivering at least the same level of expertise as in fiscal year 2023, and adding new programs and grants were considered.

**Request for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City Manager  
Post Office Box 438  
Midway, Florida 32343

**CITY OF MIDWAY, FLORIDA**  
**BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**CITY OF MIDWAY  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 1,763,762
Due from Other Governments	517,434
Prepaid Expenses	83,748
Restricted Assets:	
Cash	178,396
Total Current Assets	2,543,340
Noncurrent Assets:	
Capital Assets, Not Being Depreciated	133,760
Capital Assets, Being Depreciated (Net)	2,024,723
Total Noncurrent Assets	2,158,483
Total Assets	4,701,823
 <b>Deferred Outflows of Resources</b>	
Pension Related	300,088
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	446,888
Accrued Wages Payable	17,939
Accrued Compensated Absences, Current Portion	7,577
Notes Payable, Current Portion	39,901
CRA Funds Due to County	558,823
Unearned Revenue	862,244
Total Current Liabilities	1,933,372
Noncurrent Liabilities:	
Accrued Compensated Absences, Long Term	22,731
Notes Payable, Long Term	48,161
Net Pension Liability	885,215
Total Noncurrent Liabilities	956,107
<b>Total Liabilities</b>	2,889,479
 <b>Deferred Inflows of Resources</b>	
Pension Related	(162,608)
 <b>NET POSITION</b>	
Net Investment in Capital Assets	2,158,483
Restricted	178,396
Unrestricted	(61,839)
<b>Total Net Position</b>	\$ 2,275,040

See accompanying notes to basic financial statements.

**CITY OF MIDWAY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Governmental Activities:</b>					
General Government	\$ 907,005	\$ 93,634	\$ 415,776	\$ -	\$ (397,595)
Public Safety	918,357	61,007	25,947	350,000	(481,403)
Physical Environment	374,835	-	45,647	-	(329,188)
Culture and Recreation	177,928	-	-	-	(177,928)
Economic Development	107,000	-	107,000	-	-
Interest on Long-term Debt	5,480	-	-	-	(5,480)
<b>Total Primary Government</b>	<u>\$ 2,490,605</u>	<u>\$ 154,641</u>	<u>\$ 594,370</u>	<u>\$ 350,000</u>	<u>(1,391,594)</u>
<b>General Revenues</b>					
Taxes:					
					1,012,091
					83,737
					256,168
					31,708
					67,925
					489,098
					24,959
					<u>1,965,686</u>
					574,092
					<u>1,700,948</u>
					<u>\$ 2,275,040</u>

See accompanying notes to basic financial statements.

**CITY OF MIDWAY  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<b>General Fund</b>
<b>Assets</b>	
Cash	\$ 1,763,762
Due from Other Governments	517,434
Prepaid Expenses	83,748
Restricted:	
Cash	178,396
<b>Total Assets</b>	<b>2,543,340</b>
 <b>Liabilities</b>	
Accounts Payable	446,888
Accrued Wages Payable	17,939
CRA Funds Due to County	558,823
Unearned Revenue	862,244
<b>Total Liabilities</b>	<b>1,885,894</b>
 <b>Fund Balances</b>	
Nonspendable	83,748
Restricted	178,396
Unassigned	395,302
<b>Total Fund Balances</b>	<b>657,446</b>
 <b>Total Liabilities and Fund Balance</b>	 <b>\$ 2,543,340</b>

See accompanying notes to basic financial statements.

**CITY OF MIDWAY**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2023**

<b>Total Fund Balance of Governmental Funds</b>		<b>\$ 657,446</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		2,158,483
Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the plan made after the measurement date:		
Deferred Outflows Related to Pensions	300,088	
Deferred Inflows Related to Pensions	162,608	462,696
Long-term liabilities at year-end consist of:		
Notes Payable	(88,062)	
Accrued Compensated Absences	(30,308)	
Net Pension Liability	(885,215)	(1,003,585)
<b>Total Net Position of Governmental Activities</b>		<b>\$ 2,275,040</b>

See accompanying notes to basic financial statements.

**CITY OF MIDWAY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2023**

	<b>General Fund</b>
<b>Revenues</b>	
Taxes	\$ 1,451,629
Licenses and Permits	93,634
Intergovernmental Revenues	1,487,714
Fines and Forfeitures	6,761
Miscellaneous Revenues	24,959
<b>Total Revenues</b>	<b>3,064,697</b>
<b>Expenditures</b>	
Current:	
General Government	788,671
Public Safety	900,154
Physical Environment	288,148
Culture and Recreation	102,098
Economic Development	107,000
Debt Service:	
Principal	39,242
Interest	5,480
Capital Outlay	882,657
<b>Total Expenditures</b>	<b>3,113,450</b>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	<b>(48,753)</b>
<b>Net Change in Fund Balance</b>	<b>(48,753)</b>
<b>Fund Balance, Beginning of Year</b>	<b>706,199</b>
<b>Fund Balance, End of Year</b>	<b>\$ 657,446</b>

See accompanying notes to basic financial statements.

**CITY OF MIDWAY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

**Net Change in Fund Balance - Total Governmental Funds** \$ (48,753)

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Expenditures for Capital Assets	882,657	
Less: Current Year Depreciation	<u>(208,990)</u>	673,667

Repayment of long-term debt principal is reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the statement of net position.		39,242
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Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension plans made after the measurement date:

Change in Net Pension Liability	(19,456)	
Change in Deferred Inflows Related to Pensions	16,395	
Change in Deferred Outflows Related to Pensions	<u>(78,015)</u>	(81,076)

Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Change in Compensated Absences		<u>(8,988)</u>
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**Change in Net Position of Governmental Activities** **\$ 574,092**

See accompanying notes to basic financial statements.



**CITY OF MIDWAY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**CITY OF MIDWAY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

**Reporting Entity**

The City of Midway (the “City”) is a municipal corporation created under a special act of the Florida Legislature in 1986 by House Bill 1430, Chapter 86-471, Laws of Florida. It is governed by a five-member council. The accompanying financial statements present the government only since there are no component units for which the government is considered to be financially accountable.

**Description of Government-Wide and Fund Financial Statements**

**Government-Wide Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position (statement of activities)) report information on all of the activities of the City. Governments typically report activities as either governmental activities, which normally are supported by taxes and intergovernmental revenues, or business-type activities, which rely to a significant extent on fees and charges for support. The City reports only governmental activities as it has no business-type activities.

**Fund Financial Statements**

The fund financial statements provide information about the government’s funds.

**Basis of Presentation of Government-wide and Fund Financial Statements**

**Government-Wide Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund.

**Fund Financial Statements**

The fund financial statements provide information about the government’s funds.

The City reports the following major governmental fund:

The General Fund is the City’s primary operating fund. It accounts for all financial resources of the general government.

**Measurement Focus and Basis of Accounting**

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

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

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds.

**CITY OF MIDWAY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 1 - Summary of Significant Accounting Policies (continued)**

The government fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when obligations are incurred, except for expenditures related to claims and judgments, which are recorded only when payment is due.

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

Sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund.

The appropriated budget is prepared by function and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

**Accounting Estimates**

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

**Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**CITY OF MIDWAY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Deposits and Investments**

Cash and cash equivalents include cash on hand, amounts in demand deposit accounts and highly liquid investments (including restricted assets) with maturity of three months or less when purchased.

State statutes authorize the government to invest in direct obligations of the U.S. Treasury, Local Government Surplus Funds, Trust Funds, SEC registered money market funds with the highest credit quality rating, and savings and CD accounts in state certified public depositories.

**Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are recorded as capital outlay expenditures in the governmental activities column in the government-wide financial statements, at the time goods are received and a liability is incurred. For reporting purposes, capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. For financial reporting purposes, infrastructure assets are defined by the government as assets with an initial, individual cost of more than \$15,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. These assets are then capitalized at cost in the statement of net position. Fixed assets are depreciated using the straight-line method over five to thirty-nine years for furniture and equipment, and the remaining lease period for leasehold improvements. The depreciation expense is recorded in the statement of activities.

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-39
Infrastructure	15
Office Equipment	7
Vehicles	5-10
Computer Equipment	5

**Long-term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

**Unearned Revenues**

Unearned revenues will be recognized as revenue in the fiscal year they are earned. Unearned revenue presented on the government-wide and governmental fund statements represents advance collection of funds for services to be provided in future reporting periods, consisting primarily of amounts received before eligibility requirements are met.

**Net Position Flow Assumption**

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

**CITY OF MIDWAY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Fund Balance Flow Assumptions**

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

**Fund Balance Policies**

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

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

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

**General Revenues**

Amounts reported as program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and grants and contributions (including special assessments) that are restricted to meeting the operation or capital requirements of a particular function or segment. All taxes, including those dedicated for special purposes, and other internally dedicated resources, are reported as general revenues rather than as program revenues.

**Deferred Inflows/Outflows of Resources**

Deferred inflows of resources reported on applicable governmental fund types represent revenues which are measurable but not available in accordance with the modified accrual basis of accounting. The deferred inflows will be recognized as revenue in the fiscal year they are earned or become available. Deferred outflows of resources represent consumption of net position that is applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets.

***Pension Related***—Pension Related Deferred Inflows and Outflows represent the difference between expected and actual experience with regard to economic or demographic factors and changes to assumptions in the measurement of total pension liability, and the differences between expected and actual earnings on

**CITY OF MIDWAY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 1 - Summary of Significant Accounting Policies (continued)**

pension plan investments, and changes in the City’s proportionate share of pension contributions. These amounts are reported as deferred inflows or outflows of resources, to be recognized in expense over time. Also included in deferred outflows are amounts contributed to the pension plans subsequent to the measurement date. See Note 8 for more information on Pension Related Deferred Inflows and Outflows.

**Unavailable Revenues**—Unavailable revenues are revenues which are measurable, but not available because they have not been received within the City’s period of availability. These revenues are deferred and recorded as deferred outflows of resources in governmental funds financial statements.

**Compensated Absences**

The City’s policy is to permit regular employees to accumulate earned and unused vacation and sick pay benefits. Vacation and sick pay benefits are based on an employee’s length of employment and are earned ratably during the span of employment. All vacation pay and sick pay are accrued when incurred in the government-wide financial statements.

**Property Taxes**

Property taxes are billed and collected for the government by the Gadsden County Tax Collector according to Florida Statute under the following calendar:

Lien Date:	January 1
Levy Date:	October 1
Due Date:	November 1
Delinquency Date:	April 1, of the following year

**Risk Management**

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

**Note 2 - Cash and Cash Equivalents**

**Deposits**

*Custodial credit risks-deposits-* In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. As of September 30, 2023, the City’s bank balance was \$1,942,980. The bank balance was covered by Federal depository insurance or by collateral held by the City’s custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Public Deposits Act Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

**CITY OF MIDWAY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 2 - Cash and Cash Equivalents (continued)**

At September 30, 2023, the City's cash and investments consisted of the following:

	<u>General Fund</u>
Unrestricted Cash:	
Full Analysis Checking	\$ 1,708,518
Red Light Camera Checking	55,244
Total Unrestricted Cash	1,763,762
Restricted Cash:	
Hurricane Grant	178,396
Total Restricted Cash	178,396
Total Cash	\$ 1,942,158

The carrying value of the above cash and investments equals fair value.

**Note 3 – Receivables**

At September 30, 2023, the City's receivables consisted of \$517,434 due from other governments. The City believes this balance is fully collectible and accordingly there is no allowance for doubtful accounts.

**Note 4 – Capital Assets**

Capital asset activity for the year ended September 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 69,860	\$ -	\$ -	\$ 69,860
Construction in Progress	-	63,900	-	63,900
Total Capital Assets, Not Being Depreciated	69,860	63,900	-	133,760
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,711,124	-	-	2,711,124
Roads	1,359,408	-	-	1,359,408
Equipment, Furniture, Fixtures, and Vehicles	1,190,556	818,757	-	2,009,313
Total Capital Assets, Being Depreciated	5,261,088	818,757	-	6,079,845
Less Accumulated Depreciation for:				
Buildings and Improvements	(1,614,497)	(90,548)	-	(1,705,045)
Roads	(1,312,182)	(34,364)	-	(1,346,546)
Equipment, Furniture, Fixtures, and Vehicles	(919,453)	(84,078)	-	(1,003,531)
Total Accumulated Depreciation	(3,846,132)	(208,990)	-	(4,055,122)
Total Capital Assets, Being Depreciated, Net	1,414,956	609,767	-	2,024,723
<b>Governmental Activities, Capital Assets, Net</b>	<b>\$ 1,484,816</b>	<b>\$ 673,667</b>	<b>\$ -</b>	<b>\$ 2,158,483</b>

**CITY OF MIDWAY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**Note 4 – Capital Assets (continued)**

**Depreciation expense was charged to functions/programs as follows:**

General Government	\$ 28,270
Public Safety	18,203
Physical Environment	86,687
Culture and Recreation	75,830
Economic Development	-
<b>Total</b>	<u>\$ 208,990</u>

**Note 5 – Accounts Payable and Accrued Expenses**

As of September 30, 2023, the City had accounts payable and accrued expenses of \$464,827. The City is current on all payables.

**Note 6 - Long-term Liabilities**

**Note Payable – State Revolving Loan**

The City obtained a State Revolving Loan (SRL) at 1.095% interest with the State of Florida. Semiannual payments of \$2,405, on May 15, and November 15, to begin November 15, 2016, collateralized by general revenues. The loan will be repaid in 40 semiannual loan payments. The City received a notice that a portion of the loan has been forgiven as a grant. As of September 30, 2023, the City is making principal and interest payments. The balance as of September 30, 2023 is \$52,349.

**Note Payable – Equipment Lease Purchase – Ford Police Interceptor Utility Vehicles (2)**

During the year ended September 30, 2022, the City financed the purchase of two Ford Police Interceptor Utility Vehicles. The lease is with Ford Motor Credit Company LLC with an interest rate of 5.99% and annual payments of \$38,912 through February 2024.

Below is a summary of general long-term debt:

	Balance 10/1/2022	Additions	(Deductions)	Balance 9/30/2023
Governmental Activities				
Note Payable - State Revolving Loan	\$ 55,953	\$ -	\$ (3,604)	\$ 52,349
Equipment Loan - Ford Police Interceptors (2)	71,351	-	(35,638)	35,713
Compensated Absences	21,320	8,988	-	30,308
Net Pension Liability	865,759	19,456	-	885,215
<b>Total General Long-term Debt</b>	<u>\$1,014,383</u>	<u>\$ 28,444</u>	<u>\$ (39,242)</u>	<u>\$ 1,003,585</u>

As of September 30, 2023, the current portion of long-term debt is \$47,478, which includes 25% of the compensated absences.



**CITY OF MIDWAY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**Note 6 - Long-term Liabilities (continued)**

Future maturities of notes payable are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 39,901	\$ 2,821
2025	4,188	622
2026	4,188	622
2027	4,188	622
2028	4,188	622
2029 - 2033	20,940	3,110
2034 - 2036	10,469	1,555
Total	<u>\$ 88,062</u>	<u>\$ 9,974</u>

**Note 7 – Contingencies**

**Grant Programs**

Amounts received or receivables from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

**Note 8 – Employee Retirement Plan**

**Defined Benefit Plans**

**Plan Description**

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 and 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 Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

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

The Retirees' Health Insurance Subsidy (HIS) Program is a cost-sharing, multi-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health

**CITY OF MIDWAY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**Note 8 – Employee Retirement Plan (continued)**

insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided**

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

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

**Contributions**

The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The City's contribution rates for the year ended September 30, 2023 were as follows:

	Year Ended June 30, 2023		Year Ended June 30, 2024	
	FRS	HIS	FRS	HIS
Regular Class	10.19%	1.66%	11.51%	1.66%
Elected City Officers	55.28%	1.66%	56.62%	1.66%
Senior Management	29.85%	1.66%	32.46%	1.66%
Special Risk Employee Class	24.17%	1.66%	24.17%	1.66%
DROP Plan Participants	16.93%	1.66%	19.13%	1.66%

- (1) Contribution rates are dependent upon retirement class in which reemployed.
- (2) The rates include the normal cost and unfunded actuarial liability contributions, but to not include the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools

The City's contributions for the year ended September 30, 2023, were \$80,720 to FRS and \$8,972 to 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 actuarial valuation date June 30, 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.

**CITY OF MIDWAY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 8 – Employee Retirement Plan (continued)**

	FRS	HIS
Net Pension Liability at June 30, 2023	\$ 668,607	\$ 216,608
Proportion at:		
Current Measurement Date	0.00167794%	0.00136392%
Prior Measurement Date	0.00193899%	0.00136238%
Pension Expense (Benefit)	\$ 131,492	\$ 84,186

**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	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 62,776	\$ 0
Changes of assumptions	43,585	0
Net difference between projected and actual earnings on Pension Plan Investments	27,923	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	87,680	(120,104)
Employer contributions subsequent to the measurement date	27,686	0
Total	\$ 249,650	\$(120,104)
	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,171	\$ (508)
Changes of assumptions	5,695	(18,770)
Net difference between projected and actual earnings on Pension Plan Investments	112	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,670	(23,226)
Employer contributions subsequent to the measurement date	2,790	0
Total	\$ 50,438	\$ (42,504)

Deferred outflows or 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, 2024. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

**CITY OF MIDWAY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 8 – Employee Retirement Plan (continued)**

Measurement period ending June 30,	FRS	HIS
2024	\$ 11,829	\$ (1,184)
2025	(17,376)	3,017
2026	101,804	721
2027	6,816	1,835
2028	(1,212)	894
Thereafter	0	(139)
Total	101,861	5,144

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans, measured as of June 30, 2023, was determined by an actuarial valuation dated July 1, 2023, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary Increase	3.25% Average, Including Inflation	3.25%
Discount Rate	6.70%	3.65%
Long-term Expected Rate of Return, Net of Investment Income	6.70%	N/A
Municipal Bond	N/A	3.65%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation date June 30, 2023 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2023:

- FRS: The long-term expected rate of return remained at 6.70% and the active member mortality assumption was updated.
- HIS: The municipal rate used to determine total pension liability was increased from 3.54% to 3.65%.
- 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 FRS, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

**CITY OF MIDWAY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**Note 8 – Employee Retirement Plan (continued)**

Asset Class	Target Allocation	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1%	2.9%	2.6%	1.1%
Fixed income	19.8%	4.4%	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	3.8%	6.3%	6.1%	7.7%
	<u>100%</u>			
Assumed Inflation- Mean			2.4%	1.4%

**Discount Rate**

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

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

**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% higher or 1% lower than the current discount rate.

	FRS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's proportionate share of the net pension liability	\$1,142,117	\$668,607	\$272,459

  

	HIS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's proportionate share of the net pension liability	\$247,116	\$216,608	\$191,320

**CITY OF MIDWAY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 8 – Employee Retirement Plan (continued)**

**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.

**Note 9 – Other Postemployment Benefits**

The City provides other postemployment benefits (OPEB) to its employees by providing retirement healthcare benefits through an implicit rate subsidy. The city has not implemented the provisions of GASB statement No. 75, *Accounting and Financial Reporting by employers for Postemployment Benefits other than Pensions*. Statement No. 45 establishes Standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities, note disclosures, and required supplementary information.

**Note 10 – Fund Balance**

In accordance with GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form (such as prepaid expenses) or the amounts are required to be maintained intact due to legal or contractual requirements.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts nonspendable, restricted, committed, or assigned for those specific purposes.

The City spends restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The City does not have a formal fund balance policy.

**CITY OF MIDWAY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**Note 10 – Fund Balance (continued)**

As of September 30, 2023, fund balance is composed of the following:

Nonspendable:	
Prepaid Expenses	\$ 83,748
Restricted:	
Hurricane Grant	178,396
Unassigned	<u>395,302</u>
Total Fund Balance	<u>\$ 657,446</u>

**Note 11 – Change in Accounting Principle**

For the year ended September 30, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements, which changes the accounting and financial reporting related to Subscription-Based Information Technology Arrangements (SBITAs) for government end users. Upon adoption, a SBITA will result in a right to-use subscription asset, which will be an intangible asset, and a corresponding subscription liability. The new guidance also provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding SBITA. There was no impact on the City's September 30, 2023 financial statements as a result of this implementation as there were no material SBITA's to recognize.

**Note 12 – CRA Fund**

The City has cumulatively received \$558,823 from the County's portion of incremental tax for their CRA fund. During the year ended September 30, 2022, the City decided to dissolve the CRA fund. As of September 30, 2023, these funds have not yet been returned to the County and are therefore a liability. This balance is presented as "CRA Funds Due to County" in the Statement of Net Position.

**Note 13 - Subsequent Events**

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or are available to be issued. Subsequent events should be disclosed in the financial statements if exclusion of such disclosure would cause the financial statements to be misleading. Management has evaluated subsequent events through December 11, 2024, the date the financial statements were available to be issued and does not believe that there are any such events or transactions that require disclosure.

**CITY OF MIDWAY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2023**



**CITY OF MIDWAY**  
**FLORIDA RETIREMENT SYSTEM PENSION PLAN**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**SEPTEMBER 30, 2023**

	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
City's Proportion of the Net Pension Liability	0.001677942%	0.001938991%	0.001523212%	0.001908006%	0.001910263%	0.001568386%	0.001819172%	0.001439300%	0.002109951%
City's Proportionate Share of the Net Pension Liability	\$ 668,607	\$ 721,461	\$ 115,061	\$ 826,958	\$ 657,868	\$ 472,406	\$ 538,099	\$ 363,434	\$ 272,529
City's Covered-Employee Payroll (FYE 9/30)	\$ 704,350	\$ 576,689	\$ 496,056	\$ 592,826	\$ 553,082	\$ 328,990	\$ 450,110	\$ 429,445	\$ 427,959
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	94.93%	125.10%	23.20%	139.49%	118.95%	143.59%	119.55%	84.63%	63.68%
<b>FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Notes to Schedule:

The amounts presented for the Net Pension Liability were determined using a measurement date of June 30.

The Covered-Employee Payroll is for the fiscal year shown.

This schedule will build to 10 years as information becomes available.

**CITY OF MIDWAY  
 FLORIDA RETIREMENT SYSTEM PENSION PLAN  
 SCHEDULE OF THE CITY'S CONTRIBUTIONS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Contractually Required Contributions	\$ 80,720	\$ 82,740	\$ 58,028	\$ 63,395	\$ 59,232	\$ 44,698	\$ 46,621	\$ 39,702	\$ 45,473
Contributions in Relation to the Contractually Required Contribution	\$ (80,720)	\$ (82,740)	\$ (58,028)	\$ (63,395)	\$ (59,232)	\$ (44,698)	\$ (46,621)	\$ (39,702)	\$ (45,473)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 704,350	\$ 576,689	\$ 496,056	\$ 592,826	\$ 553,082	\$ 328,990	\$ 450,110	\$ 429,445	\$ 427,959
<b>Contributions as a Percentage of Covered-Employee Payroll</b>	11.46%	14.35%	11.70%	10.69%	10.71%	13.59%	10.36%	9.24%	10.63%

Notes to Schedule:  
 This schedule will build to 10 years as information becomes available.

**CITY OF MIDWAY  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SEPTEMBER 30, 2023**

	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
City's Proportion of the Net Pension Liability	0.001363917%	0.001362379%	0.000975749%	0.001121289%	0.001290791%	0.001059157%	0.001449690%	0.111900000%	0.001640369%
City's Proportionate Share of the Net Pension Liability	\$ 216,608	\$ 144,298	\$ 119,690	\$ 136,908	\$ 144,427	\$ 112,102	\$ 155,008	\$ 130,415	\$ 167,292
City's Covered-Employee Payroll (FYE 9/30)	\$ 704,350	\$ 576,689	\$ 496,056	\$ 592,826	\$ 553,082	\$ 328,990	\$ 450,110	\$ 429,445	\$ 427,959
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	30.75%	25.02%	24.13%	23.09%	26.11%	34.07%	34.44%	30.37%	39.09%
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Notes to Schedule:

The amounts presented for the Net Pension Liability were determined using a measurement date of June 30.

The Covered-Employee Payroll is for the fiscal year shown.

This schedule will build to 10 years as information becomes available.

**CITY OF MIDWAY  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
SCHEDULE OF THE CITY'S CONTRIBUTIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Contractually Required Contributions	\$ 8,972	\$ 8,244	\$ 5,735	\$ 6,461	\$ 7,168	\$ 5,744	\$ 7,505	\$ 6,505	\$ 5,615
Contributions in Relation to the Contractually Required Contribution	\$ (8,972)	\$ (8,244)	\$ (5,735)	\$ (6,461)	\$ (7,168)	\$ (5,744)	\$ (7,505)	\$ (6,505)	\$ (5,615)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 704,350	\$ 576,689	\$ 496,056	\$ 592,826	\$ 553,082	\$ 328,990	\$ 450,110	\$ 429,445	\$ 427,959
<b>Contributions as a Percentage of Covered-Employee Payroll</b>	1.27%	1.43%	1.16%	1.09%	1.30%	1.75%	1.67%	1.51%	1.31%

Notes to Schedule:

This schedule will build to 10 years as information becomes available.

**CITY OF MIDWAY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,387,365	\$ 1,387,365	\$ 1,451,629	\$ 64,264
Licenses and Permits	79,278	79,278	93,634	14,356
Intergovernmental Revenues	3,831,383	3,831,383	1,487,714	(2,343,669)
Fines and Forfeitures	5,000	5,000	6,761	1,761
Other Income	8,150	8,150	24,959	16,809
<b>Total Revenues</b>	<u>5,311,176</u>	<u>5,311,176</u>	<u>3,064,697</u>	<u>(2,246,479)</u>
<b>Expenditures</b>				
General Government	911,916	911,916	788,671	123,245
Public Safety	1,008,054	1,008,054	900,154	107,900
Physical Environment	326,717	326,717	288,148	38,569
Culture and Recreation	79,404	79,404	102,098	(22,694)
Economic Development	150,000	150,000	107,000	43,000
Debt Service Payments	38,912	38,912	44,722	(5,810)
Capital Outlay	3,997,100	3,997,100	882,657	3,114,443
<b>Total Expenditures</b>	<u>6,512,103</u>	<u>6,512,103</u>	<u>3,113,450</u>	<u>3,398,653</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,200,927)</u>	<u>(1,200,927)</u>	<u>(48,753)</u>	<u>1,152,174</u>
<b>Net Change in Fund Balance</b>	(1,200,927)	(1,200,927)	(48,753)	1,152,174
<b>Fund Balance, Beginning of Year</b>	<u>1,200,927</u>	<u>1,200,927</u>	<u>706,199</u>	<u>(494,728)</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 657,446</u>	<u>\$ 657,446</u>

**CITY OF MIDWAY  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Note 1 - Budgetary Requirements**

The City of Midway (“the City”) prepares an annual operating budget for the general fund which is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to October 1, the City Council prepares 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.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to October 1, the budget is legally enacted through passage of an ordinance.
- Revisions that alter the total expenditures of any fund must be approved by the City Council.
- Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
- The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**CITY OF MIDWAY, FLORIDA**

**COMPLIANCE SECTION**

**SEPTEMBER 30, 2023**

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

To the Honorable City Council,  
City of Midway, 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the major fund of the City of Midway, 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 December 11, 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 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 identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001, 2023-002, and 2023-003 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2023-001, 2023-002, and 2023-003.



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

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

**Purpose of This Report**

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
December 11, 2024

**CITY OF MIDWAY, FLORIDA  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**2023-001: Accounting Records Not Maintained in Accordance with U.S. GAAP**

**Criteria:** A key element of financial reporting is the ability of management to select and apply the appropriate accounting principles to prepare the accounting records in accordance with generally accepted accounting principles.

**Condition:** It was noted during the audit that material adjusting entries to various accounts were needed. Appropriate accounting principles were not followed and proper cut-off procedures were not in place to ensure all year end accruals were recorded. This resulted in the following at year end:

- Accounts receivable of \$517,434 were not recorded
- Prepaid expenses of \$83,748 were not recorded
- Accounts payable of \$429,718 were not recorded
- Deferred revenue was overstated by \$505,855
- Revenue was understated by \$559,763
- Expenses were understated by \$284,308

**Cause:** Accounting staff kept the City's books on a cash basis throughout the year. Cash basis accounting is not an accepted accounting method under U.S. GAAP.

**Effect:** Failure to apply appropriate accounting principles caused various accounts to be materially misstated.

**Recommendation:** We recommend that accounting staff obtain additional training to ensure that the City's books are kept on the modified accrual basis of accounting.

**Classification:** Material Weakness

**2023-002: Bank Reconciliations**

**Criteria:** Accurate and timely reconciliation of all cash accounts is a key element of financial reporting and an essential internal control for preventing and detecting fraud.

**Condition:** It was noted during the audit that cash balances were not reconciled accurately. This resulted in cash being understated by \$25,609 at year end.

**Cause:** Bank reconciliations were not prepared accurately and were not reviewed by management.

**Effect:** Bank reconciliations provided during the audit contained errors that caused revenue transactions to be double posted and voided checks to remain as reconciling items.

**Recommendation:** We recommend that all cash accounts are reconciled on a monthly basis and are reviewed by management for errors.

**Classification:** Material Weakness

**CITY OF MIDWAY, FLORIDA  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**2023-003: Capitalization of Expenditures**

**Criteria:** Governmental accounting standards require local governments to set a capitalization policy and record expenses meeting the capitalization threshold as capital outlay in the fund financial statements, separate from other expenditures. Capital outlay expenditures are capitalized for presentation on the Statement of Net Position and shown as capital assets.

**Condition:** It was noted during the audit that capital outlay expenditures were recorded in repairs and maintenance and other expense accounts instead of being appropriately recorded as capital outlay. Additionally, expenses not meeting the definition of capital outlay were recorded in capital outlay accounts.

**Cause:** Accounting staff did not properly apply capitalization criteria.

**Effect:** Capital outlay expenditures were materially understated at year end.

**Recommendation:** We recommend the City review their capitalization policy and implement procedures to ensure that all capitalizable assets are identified and recorded as capital outlay.

**Classification:** Material Weakness

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES**

The Honorable City Council,  
City of Midway, Florida

We have examined the City of Midway, Florida (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 specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides 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 management and the State of Florida Auditor General and is not intended to be used by anyone other than these specified parties.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
December 11, 2024

### INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable City Council,  
City of Midway, Florida.

#### Report on the Financial Statements

We have audited the financial statements of the City of Midway, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon December 11, 2024.

#### Auditor's Responsibility

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

#### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 11, 2024, should be considered in conjunction with this management letter.

#### Prior Audit Findings

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

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2021-22 FY Finding No.	2020-21 FY Finding No.
2023-001	N/A	N/A
2023-002	N/A	N/A
2023-003	N/A	N/A

#### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority of the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

#### Financial Management

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

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

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

**Additional Matters**

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

**Purpose of this Letter**

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
December 11, 2024