

CITY OF MOORE HAVEN, FLORIDA
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2023



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YEAR ENDED SEPTEMBER 30, 2023**

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Moore Haven, Florida
Moore Haven, 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 Moore Haven, 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, the budgetary comparison for the general fund and CRA fund 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 (GAAS) 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 Auditors' 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.

Emphasis of Matter

As described in Note 1, the City changed accounting policies related to availability payment arrangements by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* in 2023 resulting in a restatement of beginning balances. Our opinions are not modified with respect to these matters.

As discussed in Note 1 to the financial statements, the City has changed its reporting entity in 2023. This change relates to the reclassification of the City's garbage activities as an enterprise fund in the current year. Our opinion is not modified with respect to this matter

Responsibilities of Management for the Financial Statements

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

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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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.

Honorable Mayor and City Council
City of Moore Haven, Florida

- 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.

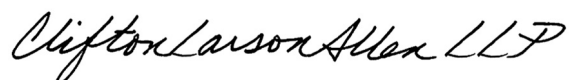
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 23, 2025

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

As management of the City of Moore Haven, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. Please read it in conjunction with the City's financial statements, which follow this section.

Financial Highlights

At the close of the 2023 fiscal year, the City's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$86.6 million (net deficit). This number consists of net investment in capital assets of a negative \$33.1 million, net position restricted for debt service of \$25.1 million, net position restricted for economic environment of \$175,525, net position restricted for capital projects of \$3.0 million, net position restricted for renewal and replacement of \$5.0 million, net position restricted for insurance of \$600,918 and negative \$87.4 million of unrestricted net position. These amounts are further broken down as follows:

At the close of the 2023 fiscal year, the City's Governmental activities assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$4.4 million (net position). This number consists of net investment in capital assets of \$4.6 million, an amount restricted for economic environment of \$175,525, and a negative \$387,066 of unrestricted net position.

At the close of the 2023 fiscal year, CaPFA's (the City's blended component unit) liabilities and deferred inflows exceeded its assets and deferred outflows by \$99.0 million (net deficit). This number consists of net investment in capital assets of a negative \$41.2 million, net position restricted for debt service of \$24.9 million, net position restricted for capital projects \$3.0 million, net position restricted for renewal and replacement \$3.8 million, net position restricted for insurance \$600,918 and negative \$90.1 million of unrestricted net position.

At the close of the 2023 fiscal year, the City's Electric Fund assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2.5 million (net position). This number consists of net investment in capital assets of \$445,145, an amount restricted for renewal and replacement of \$790,735, and \$1.3 million of unrestricted net position available to be used to meet future ongoing obligations.

At the close of the 2023 fiscal year, the City's Water Fund assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$5.2 million (net position). This number consists of net investment in capital assets of \$3.0 million, net position restricted for debt service of \$216,268, an amount restricted for renewal and replacement of \$375,100 and \$1.6 million of unrestricted net position available to be used to meet future ongoing obligations.

At the close of the 2023 fiscal year, the City's Garbage Fund assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$200,840 (net position). This number consists of \$200,840 of unrestricted net position available to be used to meet future ongoing obligations.

At the close of the 2023 fiscal year, AHFA's (the City's blended component unit) liabilities equaled its assets, \$-0- net position.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Moore Haven's basic financial statements, which comprise the following three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, physical environment, transportation, human services and culture and recreation. The business-type activities of the City include a water utility, an electric utility, garbage services, and blended component units, AHFA and CaPFA, which includes CaPFA Capital Corp. 1998B, CaPFA Capital Corp. 2000F, CaPFA Capital Corp. 2010A, CaPFA Capital Corp. 2016A, and CaPFA Capital Corp. 2017A (formerly CaPFA Capital Corp. 2015A), five legally separate special purpose entities serving as instrumentalities of CaPFA. Financial information for these component units are blended within the financial information presented for the primary government itself, since the governing body of the entities are one and the same, the City Council.

The government-wide financial statements can be found on pages 20 through 22.

Fund Financial Statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Overview of the Financial Statements (Continued)

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 statements focus on near-term inflows and outflows of spendable resources and the availability of these resources at the end of the fiscal year. Such information may be useful for evaluating a government's near-term financial requirements, but does not help readers to better understand the long-term impact of the City's near-term financing decisions. In that regard, it would be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Consequently, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains four governmental funds, the General Fund, the CRA Fund, Grant Fund and the ARPA Fund, for reporting purposes.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 23 through 26 of this report.

Proprietary Funds. The City uses enterprise funds to account for the functions presented as business-type activities in the government-wide financial statements. These enterprise funds consist of a water utility, an electric utility and garbage services. Also included as enterprise funds are the City's blended component units, AHFA and CaPFA. CaPFA represents student housing projects located near the University of Central Florida and a high school project located in Guam. AHFA represents activities related to initial up-front costs associated with the possible purchase of affordable housing projects.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the City's water utility, the electric utility, the garbage services and CaPFA. The AHFA had no activity.

The basic proprietary fund financial statements can be found on pages 29 through 33 of this report.

Notes to 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 financial statements can be found on pages 34 through 84 of this report.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Overview of the Financial Statements (Continued)

Government-Wide Financial Analysis. The following table summarizes the City's statement of net position:

**City of Moore Haven, Florida
Net Position
September 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total	
	2023	Restated 2022	2023	Restated 2022	2023	Restated 2022
Current and Other Assets	\$ 1,420,452	\$ 1,010,224	\$ 120,424,999	\$ 126,774,047	\$ 121,845,451	\$ 127,784,271
Capital Assets	4,625,514	4,662,748	79,362,455	86,100,844	83,987,969	90,763,592
Total Assets	<u>6,045,966</u>	<u>5,672,972</u>	<u>199,787,454</u>	<u>212,874,891</u>	<u>205,833,420</u>	<u>218,547,863</u>
Deferred Outflows	108,676	140,001	876,686	961,684	985,362	1,101,685
Noncurrent Liabilities Outstanding	632,211	579,031	223,062,200	230,402,611	223,694,411	230,981,642
Other Liabilities	1,055,523	977,203	4,371,128	4,804,240	5,426,651	5,781,443
Total Liabilities	<u>1,687,734</u>	<u>1,556,234</u>	<u>227,433,328</u>	<u>235,206,851</u>	<u>229,121,062</u>	<u>236,763,085</u>
Deferred Inflows	58,210	56,884	64,285,654	65,464,736	64,343,864	65,521,620
Net Position:						
Net Investment in Capital Assets	4,620,241	4,653,700	(37,692,410)	(91,532,014)	(33,072,169)	(86,878,314)
Restricted	175,525	159,899	33,643,273	35,380,099	33,818,798	35,539,998
Unrestricted	(387,068)	(613,744)	(87,005,705)	(30,683,097)	(87,392,773)	(31,296,841)
Total Net Position	<u>\$ 4,408,698</u>	<u>\$ 4,199,855</u>	<u>\$ (91,054,842)</u>	<u>\$ (86,835,012)</u>	<u>\$ (86,646,144)</u>	<u>\$ (82,635,157)</u>

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. In the case of the City, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately \$86.6 million at the close of the most recent fiscal year.

A portion of the City's net position consists of a negative \$33.1 million investment in capital assets (e.g., land, building, infrastructure, machinery, and equipment), which is net of accumulated depreciation/amortization and any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$33.8 million represents resources that are subject to external restrictions on how they may be used.

The City's net position decreased by \$4.0 million during the current fiscal year. Governmental activities increased net position by \$208,844 while business-type activities accounted for a decrease of \$4.2 million.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Overview of the Financial Statements (Continued)

The City's Electric Fund accounted for an increase in net position of \$51,586 for the fiscal year. Net position in the Electric Fund increased due to a decrease in revenue offset by a decrease in operating expenses. Actual operations of the Electric Fund generated an increase of \$490,940 before transfers compared to an increase of \$348,171 during the year ended September 30, 2022. This increase is primarily due to a decrease in Charges for Services of \$63,482 and a decrease in Operating Costs of \$174,613 due mostly to a decrease in Cost of Sales and Services.

The City's Water Fund accounted for a decrease in net position of \$526,348 for the fiscal year. The decrease in net position before transfers of \$304,408 is a decrease over the corresponding decrease of \$171,985 recorded during the fiscal year ended September 30, 2022. This change was due to an increase in Personal Services costs of \$36,139, increase in Cost of Sales and Services of \$100,277, decrease in Repairs and Maintenance of \$15,868, and a decrease in revenues of \$46,207. The increase in Personal Services costs was due to COLA and benefit cost increases throughout the year. The decrease in revenues was due to less water usage by customers within the City during the year ended September 30, 2023.

The City's Garbage Fund accounted for a decrease in net position of \$61,009 for the fiscal year. The increase in net position before transfers of \$146,837 is a decrease over the corresponding increase of \$180,407 recorded during the fiscal year ended September 30, 2022. This change was due to an increase in Personal Services costs of \$60,202, increase in Cost of Sales and Services of \$30,196, decrease in Repairs and Maintenance of \$17,830, and a decrease in revenues of \$4,113. The increase in Personal Services costs was due to COLA and benefit cost increases throughout the year. The decrease in revenues was due to less garbage usage by customers within the City during the year ended September 30, 2023.

CaPFA, the City's blended component unit, accounted for an decrease of \$3.7 million in the City's net position for the fiscal year. All debt contained within the City's blended component unit are nonrecourse to the City and payable only from revenues derived from the projects. This decrease was greater than the \$2.8 million increase during fiscal year September 30, 2022. This change was due primarily to the increase in Charges for Services of \$2.9 million, decrease in operating expenses of \$171,328, increase in the loss on disposal of capital assts of \$2.7 million and an increase in contributions to others of \$8.1 million during the year ended September 30, 2023.

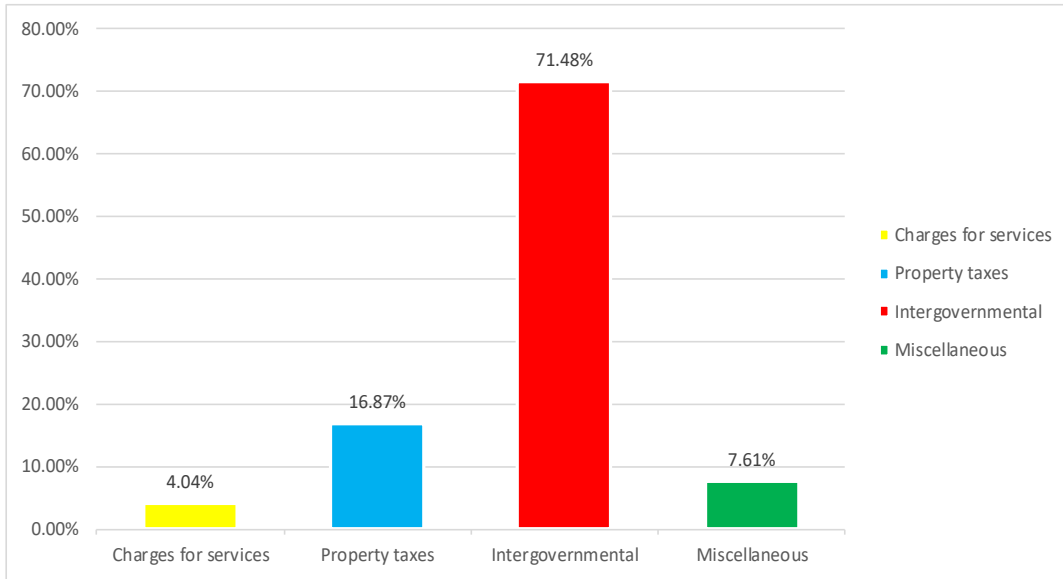
AHFA, a blended component unit of the City, accounted for no change in the City's net position for the fiscal year.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Governmental Activities

Governmental activities increased the City's net position by \$208,844. The graph below shows the percentage of the total governmental activities revenues allocated by each revenue type.

**Revenues by Source – Governmental Activities
Year Ended September 30, 2023**



**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Governmental Activities (Continued)

The table below summarizes the changes in net position – Governmental Activities

**City of Moore Haven, Florida
Changes in Net Position – Governmental Activities
Year Ended September 30, 2023 and 2022**

	2023	Not Restated 2022
Revenues:		
Program Revenues:		
Charges for Services	\$ 53,998	\$ 526,994
Operating Grants	24,851	-
Capital Grants	321,230	19,321
General Revenues:		
Property Taxes	225,234	203,700
Intergovernmental	608,526	595,864
Interest Income	6,137	1,186
Other Revenues	95,533	86,194
Capital Assets	-	-
Proceeds from Insurance Reimbursement	-	-
Total Revenues	1,335,509	1,433,259
Expenses:		
General Government	943,669	769,336
Public Safety	68,129	83,292
Physical Environment	294,202	585,687
Transportation	237,838	248,619
Human Services	25,000	25,000
Economic Environment	-	-
Culture and Recreation	528,491	557,514
Total Expenses	2,097,329	2,269,448
Excess before Transfers	(761,820)	(836,189)
Transfers	970,662	34,790
Change in Net Position	208,842	(801,399)
Net Position – Beginning	4,199,856	5,263,104
Restatement - Note 1	-	(261,849)
Net Position – Beginning, as Restated	4,199,856	5,001,255
Net Position – Ending	\$ 4,408,698	\$ 4,199,856

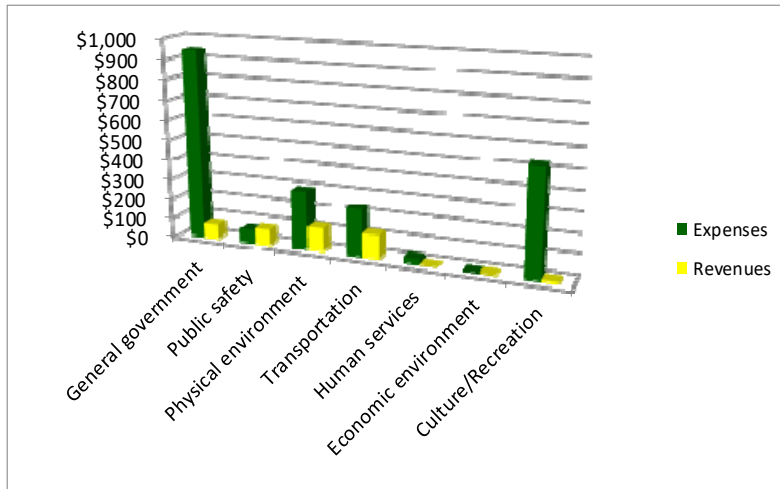
Overall, net position increased by \$208,844 during the current fiscal year compared to the decrease of \$801,399 during fiscal year ended September 30, 2022. This change in net position in the Governmental Activities was due primarily to an increase of \$935,872 in transfers from proprietary funds, decrease of \$172,119 in expenses and a decrease in revenues of \$97,748.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Governmental Activities (Continued)

The table below discloses the cost of services for governmental activities. The total cost of services column contains all costs related to the programs; the net cost column shows how much of the total expenses are not covered by program revenues or costs that must be covered by general revenues or transfers.

**Expenses and Program Revenues – Governmental Activities
Year Ended September 30, 2023 (in Thousands)**



Business-Type Activities

Business-type activities decreased the City's net position by \$4.2 million. The City's electric utility increased the City's net position by \$51,586, the garbage services decreased the City's net position by \$61,009 and the water utility decreased the City's net position by \$526,348. The City's blended component units, CaPFA decreased the City's net position by \$3.7 million and AHFA had no change on the City's net position.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Business-Type Activities (Continued)

The table below summarizes the changes in net position – Business-Type Activities:

**City of Moore Haven, Florida
Changes in Net Position – Business-Type Activities
Year Ended September 30, 2023 and 2022**

	2023	Not Restated 2022
Revenues:		
Program Revenues:		
Charges for Services	\$ 47,313,937	\$ 44,077,515
General Revenues:		
Interest Income	1,482,457	164,012
Other Revenues	33,001	33,533
Total Revenues	48,829,395	44,275,060
Expenses:		
CaPFA	48,301,436	37,757,940
Electric	1,791,720	1,966,333
Water	1,658,830	1,543,954
Garbage	326,576	-
Total Expenses	52,078,562	41,268,227
Excess before Transfers	(3,249,167)	3,006,833
Transfers	(970,662)	(34,790)
Change in Net Position	(4,219,829)	2,972,043
Net Position – Beginning	(86,835,013)	(54,027,647)
Restatement - Note 1	-	(35,779,409)
Net Position – Beginning, as Restated	(86,835,013)	(89,807,056)
Net Position – Ending	\$ (91,054,842)	\$ (86,835,013)

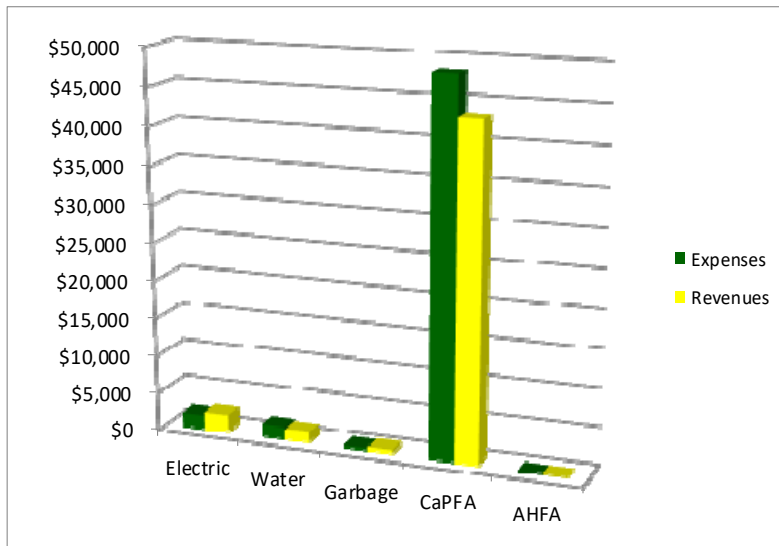
Net position in the City's blended component units, CaPFA and AHFA, decreased \$3.7 million and did not change, respectively, during the current year. CaPFA's decrease of \$3.7 million during the current year was less than the \$2.8 million increase during fiscal year 2022. This change was due the increase in Charges for Services of \$2.9 million, decrease in operating expenses of \$171,328, increase in the loss on disposal of capital assts of \$2.7 million and an increase in contributions to others of \$8.1 million for the fiscal year ending September 30, 2023. All debt contained within the CaPFA component unit is project specific and nonrecourse to the City.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

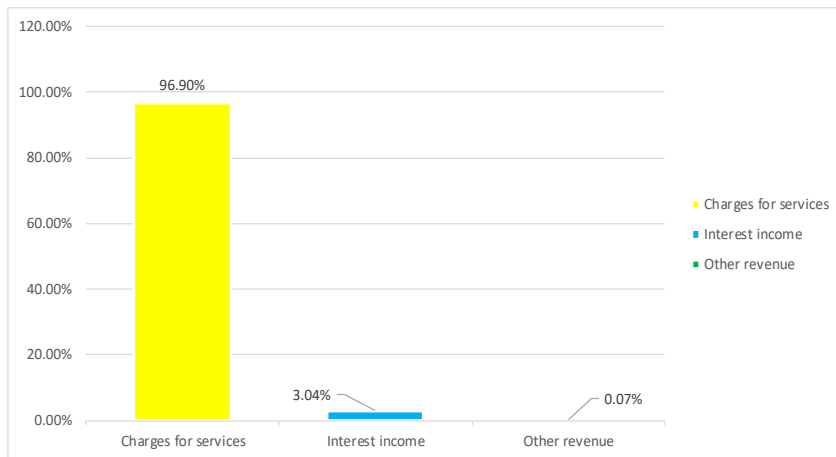
Business-Type Activities (Continued)

The following chart shows a comparison to expenses to program revenues for business-type activities for the fiscal year ended September 30, 2023.

**Expenses and Program Revenues – Business-Type Activities
Year Ended September 30, 2023 (in Thousands)**



**Revenue by Source – Business-Type Activities
Year Ended September 30, 2023 (in Thousands)**



**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Financial Analysis of the Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The table below summarizes the changes in the fund balances of the City's governmental funds:

Governmental Funds

	2023	Restated 2022
Fund Balance – Beginning	\$ 25,971	\$ 552,527
Revenues	1,230,178	1,024,185
Expenditures	(1,976,606)	(1,585,531)
Other Financing Sources	970,662	34,790
Fund Balance – Ending	\$ 250,205	\$ 25,971

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

The City's governmental funds consist of the General Fund, CRA Fund, Grant Fund and an ARPA Fund.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year the fund balance of the General Fund was \$223,633. All of this was unassigned.

The City's net change in fund balance in its General Fund was an increase of \$357,878.

The City's General Fund is required to adopt an annual budget prepared on a basis consistent with generally accepted accounting principles (U.S. GAAP). Surpluses from any prior fiscal years cannot be appropriated in future fiscal years.

The CRA Fund is used to account for the tax increment factor levied on the benefiting properties within the defined district and the use of such funds. At the end of the current fiscal year the total fund balance for the CRA Fund was \$175,525. This entire amount was restricted for economic environment.

The City's net change in fund balance for its CRA Fund was an increase of \$15,626.

The ARPA Fund is used to account for the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund disbursements for the purpose of providing funds to local governments in order to facilitate the ongoing recovery from the COVID-19 pandemic. At the end of the current fiscal year the total fund balance for the ARPA Fund was \$3,869. This entire amount was restricted for other purposes.

The City's net change in fund balance for its ARPA Fund was \$3,552.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Financial Analysis of the Governmental Funds (Continued)

The Grant Fund is used to account for various grant disbursements for the purpose of providing funds to local governments in order to facilitate the completion of various projects. At the end of the current fiscal year the total fund balance for the Grant Fund was negative \$152,822 (deficit). This entire amount was restricted for other purposes.

The City's net change in fund balance for its Grant Fund was negative \$152,822.

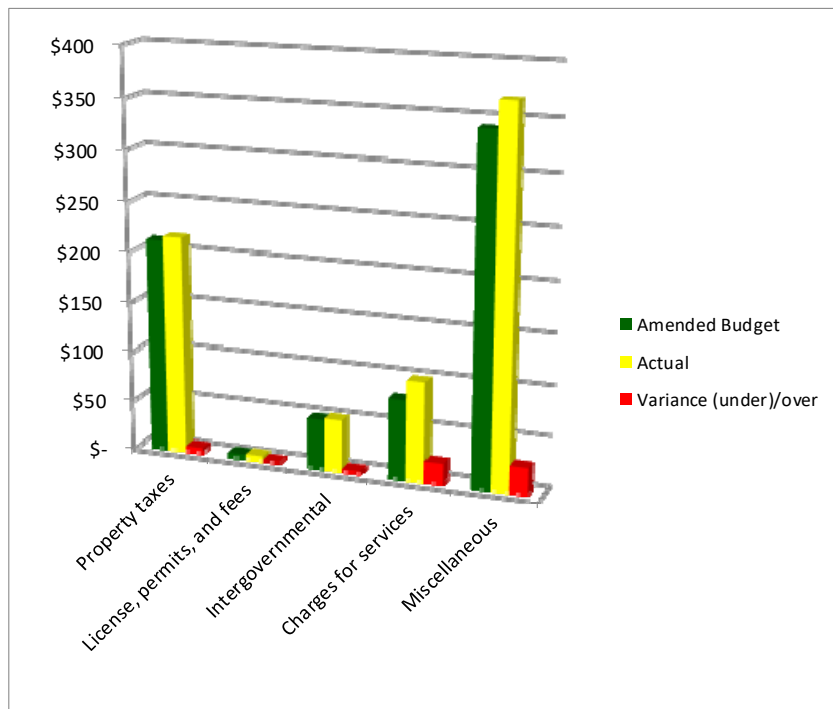
Proprietary Funds. The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

The total decrease in net position for all enterprise funds was \$4.1 million. This includes an decrease of \$3.6 million and no change attributable to CaPFA and AHFA, respectively, the component units of the City.

General Fund Budgetary Highlights

The following information is presented to assist the reader in comparing the final Amended Budget to actual results. The Amended Budget can be modified subsequent to the end of the fiscal year.

**General Fund Revenues
Year Ended September 30, 2023 (in Thousands)**



**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

General Fund Budgetary Highlights (Continued)

**General Fund Revenues
Year Ended September 30, 2023 (in Thousands)**

	Final Amended Budget	Actual	Variance
Taxes:			
Property	\$ 210,476	\$ 214,728	\$ 4,252
License, Permits, and Fees	3,325	3,937	612
Intergovernmental	465,487	694,458	228,971
Charges for Services	48,387	50,061	1,674
Miscellaneous	77,940	97,966	20,026
Total Revenues	<u>\$ 805,615</u>	<u>\$ 1,061,150</u>	<u>\$ 255,535</u>

**General Fund Expenditures
Year Ended September 30, 2023 (in Thousands)**

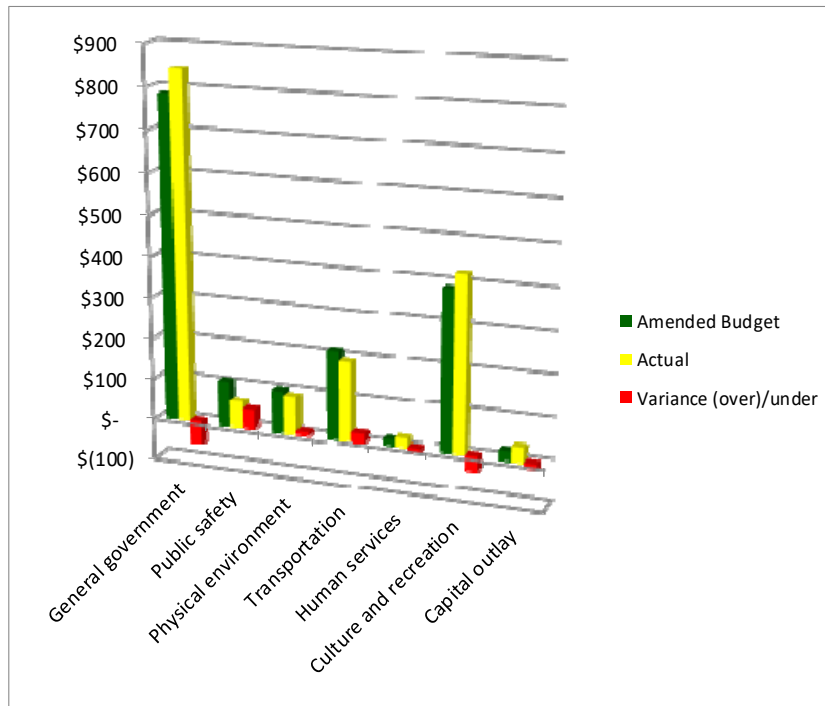
	Final Amended Budget	Actual	Variance
General Government	\$ 784,568	\$ 840,185	\$ (55,617)
Public Safety	106,835	62,146	44,689
Physical Environment	100,659	91,463	9,196
Transportation	212,380	189,393	22,987
Human Services	18,000	25,000	(7,000)
Culture and Recreation	386,376	422,094	(35,718)
Capital Outlay	22,000	34,622	(12,622)
Debt Service	-	4,068	(4,068)
Total Expenditures	<u>\$ 1,630,818</u>	<u>\$ 1,668,971</u>	<u>\$ (38,153)</u>

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

General Fund Budgetary Highlights (Continued)

The following chart and table summarizes actual expenditures by function/program for the fiscal year ended September 30, 2023, and compares expenditures with the Amended Budget.

**General Fund Expenditures
Year Ended September 30, 2023 (in Thousands)**



The difference between budgeted and actual revenue amounts of \$255,536 in the City's revenues was primarily due to positive variance of \$228,971 in Intergovernmental Revenue due primarily to budget being understated, and a positive variance of \$20,027 in Miscellaneous Revenues due to an insurance settlement.

The difference between budgeted and actual expenditures resulted in a negative variance of \$38,153 and is due primarily to reductions in expenses for General Government, Public Safety, and Capital Outlay.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Capital and Right to Use Assets and Debt Administration

Capital and Right to Use Assets

The City's investment in capital assets for its governmental and business-type activities at September 30, 2023 amounts to \$84.0 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, structures and improvements, apartment furniture and appliances, transmission, distribution and collection plants, machinery and equipment, and right to use assets, which are detailed as follows (net of accumulated depreciation/amortization):

Capital Assets

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
Land	\$ 266,483	\$ 190,500	\$ 456,983
Construction in Progress	282,784	11,140	293,924
Infrastructure	2,965,952	-	2,965,952
Structures and Improvements	979,800	71,116,346	72,096,146
Apartment Furniture and Appliances	-	1,035,523	1,035,523
Transmission, Distribution and Collection Plants	-	6,487,022	6,487,022
Machinery and Equipment	125,425	479,499	604,924
Right to Use Assets - Equipment	5,070	42,425	47,495
Total Capital Assets	<u>\$ 4,625,514</u>	<u>\$ 79,362,456</u>	<u>\$ 83,987,970</u>

The City has developed various capital improvement programs to improve the quality of life of its residents. During the year ended September 30, 2023, the total amount expended for Capital Outlay in the General Fund was \$34,622.

Long-Term Debt

At the end of the current fiscal year, the City had a total bonded debt outstanding of \$154.0 million and certificates of participation of \$64.1 million. Of this amount, \$150.3 million were revenue bonds and \$64.1 million were certificates of participation for CaPFA, the City's blended component unit; the remaining \$3.7 million were revenue bonds for the City's water utility. CaPFA's certificates of participation were issued to finance the demolition and reconstruction of a high school for the government of Guam.

Economic Factors and Next Year's Budget

The factors listed below were considered in preparing the City's budget for the 2024 fiscal year.

Future land Uses and Zoning was recently updated to create a new Downtown and Marina District. This zoning increases the density and uses in the District to allow for mixed development. With the zoning changes and the upcoming Downtown Improvement Project the City is trying to attract business, commercial and residential to the District. With improvement in the economy developments look encouraging for new business development in the City. The City is optimistic that improvements currently being made at the nearby Airglades International Airport will eventually have a positive effect on possible new businesses entering the area. The improvements are geared toward making the airport a hub for cargo and perishable goods to and from Latin-America.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Economic Factors and Next Year's Budget

The City received a grant award for \$1.1 million from the State of Florida Department of Economic Opportunity for the Downtown Revitalization Stormwater and Roadway Infrastructure Improvements Project. This Project will provide road reconstruction and drainage improvements for Main Street and the downtown area and is expected to start development of the downtown area. In the recent Florida legislative session, the City also received \$934,960 in funding for additional drainage improvements in the downtown area. The development of the downtown area in addition to development of the marina could greatly increase business investment in the City. Construction for this Project started in 2023 with approximately \$280k being expensed from both grants. Expected completion of the Project is expected for late 2024.

Requests for Information

This financial report is designed to provide a general overview of the City of Moore Haven's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the City of Moore Haven, PO Box 399, Moore Haven, FL 33471.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,164,926	\$ 14,972,037	\$ 16,136,963
Restricted Assets:			
Cash and Cash Equivalents	162,282	38,116,795	38,279,077
Capital Credit	-	435,199	435,199
Accounts Receivable, Net	13,499	540,555	554,054
Availability Payment Arrangement Receivable	-	64,215,000	64,215,000
Prepaid Items	-	1,638,912	1,638,912
Due from Other Governments	207,681	214,895	422,576
Internal Balances	(127,936)	127,936	-
Advance to Joint Venture	-	163,670	163,670
Capital Assets (Net of Accumulated Depreciation/(Amortization):			
Land	266,483	190,500	456,983
Construction in Progress	282,784	11,140	293,924
Infrastructure	2,965,952	-	2,965,952
Structures and Improvements	979,800	71,116,346	72,096,146
Apartment Furniture and Appliances	-	1,035,523	1,035,523
Transmission, Distribution, and Collection Plants	-	6,487,022	6,487,022
Machinery and Equipment	125,425	479,499	604,924
Right to Use Asset - Equipment	5,070	42,425	47,495
Total Assets	<u>6,045,966</u>	<u>199,787,454</u>	<u>205,833,420</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Pensions	108,676	131,910	240,586
Deferred Amount on Debt	-	744,776	744,776
Total Deferred Outflows of Resources	<u>108,676</u>	<u>876,686</u>	<u>985,362</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 161,571	\$ 1,699,045	\$ 1,860,616
Prepaid Tenant Rent	-	683,919	683,919
Due to Other Governmental Units	25,291	140,583	165,874
Unearned Revenue	868,661	1,847,581	2,716,242
Payable from Restricted Assets:			
Customer Security Deposits and Advances	-	269,466	269,466
Certificates of Participation	-	2,565,000	2,565,000
Accrued Interest	-	3,913,394	3,913,394
Revenue Bonds and Notes Payable	-	7,931,745	7,931,745
Noncurrent Liabilities:			
Due Within One Year	27,461	35,142	62,603
Due in More Than One Year	1,345	207,614,397	207,615,742
Total OPEB Liability	40,364	49,642	90,006
Net Pension Liability	563,041	683,414	1,246,455
Total Liabilities	<u>1,687,734</u>	<u>227,433,328</u>	<u>229,121,062</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Pensions	58,210	70,654	128,864
Deferred Amount on Availability			
Payment Arrangement	-	64,215,000	64,215,000
Total Deferred Inflows of Resources	<u>58,210</u>	<u>64,285,654</u>	<u>64,343,864</u>
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	4,620,241	(37,692,410)	(33,072,169)
Restricted for:			
Debt Service	-	25,081,386	25,081,386
Economic Environment	175,525	-	175,525
Capital Project	-	2,973,043	2,973,043
Renewal and Replacement	-	4,987,926	4,987,926
Insurance	-	600,918	600,918
Unrestricted	(387,068)	(87,005,705)	(87,392,773)
Total Net Position (Deficit)	<u>\$ 4,408,698</u>	<u>\$ (91,054,842)</u>	<u>\$ (86,646,144)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Business-Type	Total
					Activities	Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 943,669	\$ 46,214	\$ 24,851	\$ -	\$ (872,604)	\$ -	\$ (872,604)
Public Safety	68,129	-	-	78,882	10,753	-	10,753
Physical Environment	294,202	-	-	121,174	(173,028)	-	(173,028)
Transportation	237,838	-	-	121,174	(116,664)	-	(116,664)
Human Services	25,000	-	-	-	(25,000)	-	(25,000)
Culture/Recreation	528,491	7,784	-	-	(520,707)	-	(520,707)
Total Governmental Activities	2,097,329	53,998	24,851	321,230	(1,697,250)	-	(1,697,250)
Business-Type Activities:							
CaPFA	48,301,436	43,270,809	-	-	-	(5,030,627)	(5,030,627)
Affordable Housing	-	-	-	-	-	-	-
Electric	1,791,720	2,251,022	-	-	-	459,302	459,302
Water	1,658,830	1,319,635	-	-	-	(339,195)	(339,195)
Garbage	326,576	472,471	-	-	-	145,895	145,895
Total Business-Type Activities	52,078,562	47,313,937	-	-	-	(4,764,625)	(4,764,625)
Total Primary Government	\$ 54,175,891	\$ 47,367,935	\$ 24,851	\$ 321,230	(1,697,250)	(4,764,625)	(6,461,875)
General Revenues:							
Property Taxes, Levied for General Purposes					225,234	-	225,234
Intergovernmental Revenues, not Restricted to Specific Programs					608,526	-	608,526
Investment Earnings					6,137	1,482,457	1,488,594
Miscellaneous					95,533	33,001	128,534
Transfers					970,662	(970,662)	-
Total General Revenues and Transfers					1,906,092	544,796	2,450,888
Change in Net Position					208,842	(4,219,829)	(4,010,987)
Net Position (Deficit) - Beginning of Year					4,461,705	(51,055,604)	(46,593,899)
Restatement - Note 1					(261,849)	(35,779,409)	(36,041,258)
Net Position (Deficit) - Beginning, as Restated					4,199,856	(86,835,013)	(82,635,157)
Net Position (Deficit) - End of Year					\$ 4,408,698	\$ (91,054,842)	\$ (86,646,144)

See accompanying Notes to Basic Financial Statements.

**CITY OF MOORE HAVEN, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023**

	General Fund	CRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 288,587	\$ -	\$ 876,339	\$ 1,164,926
Accounts Receivable, Net	13,499	-	-	13,499
Due from Other Funds	118,993	4,223	-	123,216
Due from Other Governments	83,937	9,020	114,724	207,681
Cash and Cash Equivalents - Restricted	-	162,282	-	162,282
	<u>\$ 505,016</u>	<u>\$ 175,525</u>	<u>\$ 991,063</u>	<u>\$ 1,671,604</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 106,559	\$ -	\$ 55,012	\$ 161,571
Due to Other Funds	149,533	-	101,619	251,152
Due to Other Governments	25,291	-	-	25,291
Unearned Revenue	-	-	868,661	868,661
Total Liabilities	<u>281,383</u>	<u>-</u>	<u>1,025,292</u>	<u>1,306,675</u>
 DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>114,724</u>	<u>114,724</u>
 FUND BALANCES				
Restricted:				
Grants	-	-	3,869	3,869
Economic Environment	-	175,525	-	175,525
Unassigned	223,633	-	(152,822)	70,811
Total Fund Balances	<u>223,633</u>	<u>175,525</u>	<u>(148,953)</u>	<u>250,205</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 505,016</u>	<u>\$ 175,525</u>	<u>\$ 991,063</u>	<u>\$ 1,671,604</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MOORE HAVEN, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total Fund Balance – Governmental Funds	\$	250,205
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		4,625,514
Some revenues are not available in the current period and, therefore, are not reported in the funds.		114,724
Deferred outflows of resources are reported as a result of changes in deferred amounts on pensions in the statement of net position.		108,676
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.		
Compensated Absences	\$ (23,533)	
Lease Liability	(5,273)	
Net Pension Liability	(563,041)	
Net Other Postemployment Benefits Liability	<u>(40,364)</u>	(632,211)
Deferred inflows of resources are reported as a result of changes in deferred amounts on pensions in the statement of net position.		<u>(58,210)</u>
Net Position of Governmental Activities	\$	<u><u>4,408,698</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	General Fund	CRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 214,728	\$ 10,506	\$ -	\$ 225,234
Licenses, Permits, and Fees	3,937	-	-	3,937
Intergovernmental	694,458	-	152,475	846,933
Charges for Services	50,061	-	-	50,061
Miscellaneous	97,966	157	5,890	104,013
Total Revenues	<u>1,061,150</u>	<u>10,663</u>	<u>158,365</u>	<u>1,230,178</u>
EXPENDITURES				
Current:				
General Government	840,185	-	15,456	855,641
Public Safety	62,146	-	-	62,146
Physical Environment	91,463	-	9,395	100,858
Transportation	189,393	-	-	189,393
Human Services	25,000	-	-	25,000
Culture/Recreation	422,094	-	-	422,094
Capital Outlay	34,622	-	282,784	317,406
Debt Service:				
Principal	3,775	-	-	3,775
Interest	293	-	-	293
Total Expenditures	<u>1,668,971</u>	<u>-</u>	<u>307,635</u>	<u>1,976,606</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(607,821)	10,663	(149,270)	(746,428)
OTHER FINANCING SOURCES (USES)				
Transfers In	970,662	4,963	-	975,625
Transfers Out	(4,963)	-	-	(4,963)
Total Other Financing Sources (Uses)	<u>965,699</u>	<u>4,963</u>	<u>-</u>	<u>970,662</u>
CHANGE IN FUND BALANCES	357,878	15,626	(149,270)	224,234
Fund Balances - Beginning of Year	177,634	159,899	317	337,850
Restatement - Note 1	(311,879)	-	-	(311,879)
Fund Balances (Deficit) - Beginning, as Restated	<u>(134,245)</u>	<u>159,899</u>	<u>317</u>	<u>25,971</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u><u>\$ 223,633</u></u>	<u><u>\$ 175,525</u></u>	<u><u>\$ (148,953)</u></u>	<u><u>\$ 250,205</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MOORE HAVEN, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

Net Change in Fund Balance – Governmental Funds \$ 224,234

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 allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period.

Capital Outlay	\$ 317,406	
Depreciation/Amortization	<u>(354,641)</u>	(37,235)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no affect on net position. 3,775

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This item represents the change caused by the "available" revenue recognition criteria. 107,674

Compensated absences are not recorded in the fund financial statements. However, the obligation is recorded when earned in the government-wide financial statements. (6,378)

Net change in the liability, deferred outflows and inflows for OPEB is reported in the government-wide statements, but not in the governmental fund statements. 3,143

Net change in the liability, deferred outflows and inflows for pension is reported in the government-wide statements, but not in the governmental fund statements. (86,371)

Change in Net Position of Governmental Activities \$ 208,842

See accompanying Notes to Basic Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 210,476	\$ 210,476	\$ 214,728	\$ 4,252
Licenses, Permits, and Fees	3,325	3,325	3,937	612
Intergovernmental	465,487	465,487	694,458	228,971
Charges for Services	48,387	48,387	50,061	1,674
Miscellaneous	77,940	77,940	97,966	20,026
Total Operating Revenues	<u>805,615</u>	<u>805,615</u>	<u>1,061,150</u>	<u>255,535</u>
EXPENDITURES				
Current:				
General Government	784,568	784,568	840,185	(55,617)
Public Safety	106,835	106,835	62,146	44,689
Physical Environment	89,982	100,659	91,463	9,196
Transportation	212,380	212,380	189,393	22,987
Human Services	18,000	18,000	25,000	(7,000)
Culture/Recreation	386,376	386,376	422,094	(35,718)
Capital Outlay	22,000	22,000	34,622	(12,622)
Debt Service:				
Principal	-	-	3,775	(3,775)
Interest	-	-	293	(293)
Total Expenditures	<u>1,620,141</u>	<u>1,630,818</u>	<u>1,668,971</u>	<u>(38,153)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(814,526)	(825,203)	(607,821)	217,382
OTHER FINANCING SOURCES (USES)				
Transfers In	938,955	949,632	970,662	21,030
Transfers Out	-	-	(4,963)	(4,963)
Total Other Financing Sources (Uses)	<u>938,955</u>	<u>949,632</u>	<u>965,699</u>	<u>16,067</u>
CHANGE IN FUND BALANCE	<u>\$ 124,429</u>	<u>\$ 124,429</u>	357,878	<u>\$ 233,449</u>
Fund Balance - Beginning of Year, as Restated			<u>(134,245)</u>	
FUND BALANCE - END OF YEAR			<u>\$ 223,633</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – CRA FUND
YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ 10,506	\$ 10,506
Miscellaneous	170	170	157	(13)
Total Operating Revenues	<u>170</u>	<u>170</u>	<u>10,663</u>	<u>10,493</u>
EXPENDITURES				
Current:				
Economic Environment	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>170</u>	<u>170</u>	<u>10,663</u>	<u>10,493</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfer In	-	-	4,963	4,963
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,963</u>	<u>4,963</u>
CHANGE IN FUND BALANCE	<u>\$ 170</u>	<u>\$ 170</u>	15,626	<u>\$ 15,456</u>
Fund Balance - Beginning			<u>159,899</u>	
FUND BALANCE - ENDING			<u>\$ 175,525</u>	

See accompanying Notes to Basic Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities – Enterprise Funds				Total
	CaPFA	Electric Fund	Water Fund	Nonmajor	
				Garbage Fund	
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 11,685,222	\$ 777,849	\$ 2,257,844	\$ 251,122	\$ 14,972,037
Restricted Assets:					
Cash and Cash Equivalents	11,976,828	-	600,920	-	12,577,748
Accounts Receivable, Net	87,786	210,523	195,111	47,135	540,555
Availability Payment Arrangement Receivable	2,318,750	-	-	-	2,318,750
Prepaid Items	1,629,950	-	8,962	-	1,638,912
Total Current Assets	<u>27,698,536</u>	<u>988,372</u>	<u>3,062,837</u>	<u>298,257</u>	<u>32,048,002</u>
NONCURRENT ASSETS					
Restricted Assets:					
Cash and Cash Equivalents	24,478,846	1,006,626	53,575	-	25,539,047
Availability Payment Arrangement Receivable, Less Current Portion	61,896,250	-	-	-	61,896,250
Capital Credit	-	435,199	-	-	435,199
Due from Other Funds	183,999	204,144	-	-	388,143
Advance to Joint Venture	163,670	-	-	-	163,670
Due from Other Governments	197,895	17,000	-	-	214,895
Capital Assets (Net of Accumulated Depreciation/Amortization):					
Land	-	28,350	162,150	-	190,500
Construction in Progress	11,140	-	-	-	11,140
Structures and Improvements	167,980,083	56,108	309,093	-	168,345,284
Apartment Furniture and Appliances	2,504,341	-	-	-	2,504,341
Transmission, Distribution, and Collection Plants	-	807,119	14,426,672	-	15,233,791
Machinery and Equipment	301,268	472,859	760,028	364,842	1,898,997
Right to Use Asset - Equipment	56,363	-	-	-	56,363
Total Capital Assets	<u>170,853,195</u>	<u>1,364,436</u>	<u>15,657,943</u>	<u>364,842</u>	<u>188,240,416</u>
Less: Accumulated					
Depreciation/Amortization	<u>(98,637,354)</u>	<u>(919,291)</u>	<u>(8,956,474)</u>	<u>(364,842)</u>	<u>(108,877,961)</u>
Net Capital Assets	<u>72,215,841</u>	<u>445,145</u>	<u>6,701,469</u>	<u>-</u>	<u>79,362,455</u>
Total Noncurrent Assets	<u>159,136,501</u>	<u>2,108,114</u>	<u>6,755,044</u>	<u>-</u>	<u>167,999,659</u>
Total Assets	<u>186,835,037</u>	<u>3,096,486</u>	<u>9,817,881</u>	<u>298,257</u>	<u>200,047,661</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Pensions	-	25,292	91,506	15,112	131,910
Deferred Amount on Refunding	744,776	-	-	-	744,776
Total Deferred Outflows of Resources	<u>744,776</u>	<u>25,292</u>	<u>91,506</u>	<u>15,112</u>	<u>876,686</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2023

	Business-Type Activities – Enterprise Funds				Total
	CaPFA	Electric Fund	Water Fund	Nonmajor	
				Garbage Fund	
CURRENT LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 1,496,664	\$ 140,073	\$ 45,328	\$ 16,980	\$ 1,699,045
Due to Other Funds	17,374	59,299	183,534	-	260,207
Due to Other Governments	-	9,155	131,428	-	140,583
Prepaid Tenant Rent	683,919	-	-	-	683,919
Compensated Absences	-	8,530	12,097	3,486	24,113
Unearned Revenue	1,847,581	-	-	-	1,847,581
Lease Liability	11,029	-	-	-	11,029
Payable from Restricted Assets:					
Customer Security Deposits and Advances	-	215,891	53,575	-	269,466
Accrued Interest	3,903,842	-	9,552	-	3,913,394
Revenue Bonds and Notes Payable	7,850,000	-	81,745	-	7,931,745
Certificates of Participation	2,565,000	-	-	-	2,565,000
Total Current Liabilities	<u>18,375,409</u>	<u>432,948</u>	<u>517,259</u>	<u>20,466</u>	<u>19,346,082</u>
NONCURRENT LIABILITIES					
Lease Liability, Less Current Portion	32,438	-	-	-	32,438
Total OPEB Liability	-	9,497	34,470	5,675	49,642
Net Pension Liability	-	131,037	474,083	78,294	683,414
Revenue Bonds and Notes Payable, Less Current Portion	142,496,772	-	3,586,105	-	146,082,877
Certificates of Participation, Less Current Portion	61,499,082	-	-	-	61,499,082
Total Noncurrent Liabilities	<u>204,028,292</u>	<u>140,534</u>	<u>4,094,658</u>	<u>83,969</u>	<u>208,347,453</u>
Total Liabilities	<u>222,403,701</u>	<u>573,482</u>	<u>4,611,917</u>	<u>104,435</u>	<u>227,693,535</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Amount on Pensions	-	13,547	49,013	8,094	70,654
Deferred Amount on Availability Payment Arrangement	64,215,000	-	-	-	64,215,000
Total Deferred Inflows of Resources	<u>64,215,000</u>	<u>13,547</u>	<u>49,013</u>	<u>8,094</u>	<u>64,285,654</u>
NET POSITION (DEFICIT)					
Net Investment in Capital Assets	(41,171,174)	445,145	3,033,619	-	(37,692,410)
Restricted for Debt Service	24,865,118	-	216,268	-	25,081,386
Restricted for Capital Projects	2,973,043	-	-	-	2,973,043
Restricted for Renewal and Replacement	3,822,091	790,735	375,100	-	4,987,926
Restricted for Insurance	600,918	-	-	-	600,918
Unrestricted Net Position (Deficit)	<u>(90,128,884)</u>	<u>1,298,869</u>	<u>1,623,470</u>	<u>200,840</u>	<u>(87,005,705)</u>
Total Net Position (Deficit)	<u>\$ (99,038,888)</u>	<u>\$ 2,534,749</u>	<u>\$ 5,248,457</u>	<u>\$ 200,840</u>	<u>\$ (91,054,842)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds				Total
	CaPFA	Electric Fund	Water Fund	Nonmajor	
				Garbage Fund	
OPERATING REVENUES					
Charges for Services	\$ 43,270,809	\$ 2,251,022	\$ 1,319,635	\$ 472,471	\$ 47,313,937
OPERATING EXPENSES					
Personnel Services	3,279,581	197,979	495,822	130,067	4,103,449
Cost of Sales and Services	-	1,547,798	491,254	162,921	2,201,973
Promotions and Marketing	436,008	-	-	-	436,008
Telecommunication Resale Expense	511,688	-	-	-	511,688
Taxes and Insurance	2,303,760	-	-	-	2,303,760
Contractual Services	3,287,285	-	-	-	3,287,285
Utilities	2,804,918	-	-	-	2,804,918
Legal	45,610	-	-	-	45,610
Office Expense	437,857	-	-	-	437,857
Ground Rent	7,469,195	-	-	-	7,469,195
Repairs and Maintenance	2,824,801	-	98,019	19,693	2,942,513
Miscellaneous	392,778	-	982	545	394,305
Depreciation/Amortization	5,115,841	45,943	455,863	13,350	5,630,997
Total Operating Expenses	<u>28,909,322</u>	<u>1,791,720</u>	<u>1,541,940</u>	<u>326,576</u>	<u>32,569,558</u>
OPERATING INCOME (LOSS)	14,361,487	459,302	(222,305)	145,895	14,744,379
NONOPERATING REVENUES (EXPENSES)					
Interest Income	1,437,846	9,824	34,787	-	1,482,457
Interest Expense	(8,598,075)	-	(116,890)	-	(8,714,965)
Loss on Disposal of Capital Assets	(2,702,644)	-	-	-	(2,702,644)
Miscellaneous Income	10,245	21,814	-	942	33,001
Miscellaneous Expense	(30,867)	-	-	-	(30,867)
Contributions	(8,060,528)	-	-	-	(8,060,528)
Total Nonoperating Revenues (Expenses)	<u>(17,944,023)</u>	<u>31,638</u>	<u>(82,103)</u>	<u>942</u>	<u>(17,993,546)</u>
INCOME (LOSS) BEFORE TRANSFERS	(3,582,536)	490,940	(304,408)	146,837	(3,249,167)
TRANSFERS					
Transfers In	-	-	38,815	-	38,815
Transfers Out	(101,522)	(439,354)	(260,755)	(207,846)	(1,009,477)
Total Transfers	<u>(101,522)</u>	<u>(439,354)</u>	<u>(221,940)</u>	<u>(207,846)</u>	<u>(970,662)</u>
CHANGE IN NET POSITION	(3,684,058)	51,586	(526,348)	(61,009)	(4,219,829)
Total Net Position (Deficit) - Beginning of Year	(59,313,572)	2,483,163	5,774,805	-	(51,055,604)
Restatement - Note 1	(36,041,258)	-	-	261,849	(35,779,409)
Total Net Position (Deficit) - Beginning, as Restated	<u>(95,354,830)</u>	<u>2,483,163</u>	<u>5,774,805</u>	<u>261,849</u>	<u>(86,835,013)</u>
TOTAL NET POSITION (DEFICIT) - END OF YEAR	<u>\$ (99,038,888)</u>	<u>\$ 2,534,749</u>	<u>\$ 5,248,457</u>	<u>\$ 200,840</u>	<u>\$ (91,054,842)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities – Enterprise Funds				Total
	CaPFA	Electric Fund	Water Fund	Nonmajor	
				Garbage Fund	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers and Users	\$ 43,537,738	\$ 2,378,925	\$ 1,338,141	\$ 471,564	\$ 47,726,368
Cash Paid to Suppliers	(29,643,106)	(1,663,094)	(577,118)	(185,763)	(32,069,081)
Cash Paid to Employees	(3,279,581)	(167,134)	(399,785)	(113,010)	(3,959,510)
Net Cash Provided by Operating Activities	10,615,051	548,697	361,238	172,791	11,697,777
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to Other Funds	(101,522)	(439,354)	(260,755)	(207,846)	(1,009,477)
Transfers from Other Funds	-	-	38,815	-	38,815
Other Receipts (Payments)	(251,986)	53,984	178,633	942	(18,427)
Net Cash Used by Noncapital Financing Activities	(353,508)	(385,370)	(43,307)	(206,904)	(989,089)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Contributions	(232,374)	-	-	-	(232,374)
Purchase of Capital Assets	(1,330,064)	(63,777)	(38,817)	-	(1,432,658)
Interest Paid on Long-Term Debt	(9,967,541)	-	(117,096)	-	(10,084,637)
Principal Payments on Long-Term Debt	(5,970,000)	-	(79,268)	-	(6,049,268)
Principal Paid on Obligation Under Lease Liability	(16,171)	-	-	-	(16,171)
Trustee Fees Paid	(30,867)	-	-	-	(30,867)
Net Cash Used by Capital and Related Financing Activities	(17,547,017)	(63,777)	(235,181)	-	(17,845,975)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Other Income Received	1,448,091	9,824	34,787	-	1,492,702
Net Cash Provided by Investing Activities	1,448,091	9,824	34,787	-	1,492,702
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,837,383)	109,374	117,537	(34,113)	(5,644,585)
Cash and Cash Equivalents - Beginning of Year, as Restated	53,978,279	1,675,101	2,794,802	285,235	58,733,417
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 48,140,896</u>	<u>\$ 1,784,475</u>	<u>\$ 2,912,339</u>	<u>\$ 251,122</u>	<u>\$ 53,088,832</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS					
Current Assets - Cash and Cash Equivalents	\$ 11,685,222	\$ 777,849	\$ 2,257,844	\$ 251,122	\$ 14,972,037
Current Assets - Restricted Cash and Cash Equivalents	11,976,828	-	600,920	-	12,577,748
Noncurrent Assets - Restricted Cash and Cash Equivalents	24,478,846	1,006,626	53,575	-	25,539,047
Total Cash and Cash Equivalents	<u>\$ 48,140,896</u>	<u>\$ 1,784,475</u>	<u>\$ 2,912,339</u>	<u>\$ 251,122</u>	<u>\$ 53,088,832</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities – Enterprise Funds				Total
	CaPFA	Electric Fund	Water Fund	Nonmajor Garbage Fund	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 14,361,487	\$ 459,302	\$ (222,305)	\$ 145,895	\$ 14,744,379
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation/Amortization	5,115,841	45,943	455,863	13,350	5,630,997
Contributions	(7,828,154)	-	-	-	(7,828,154)
Changes in Assets and Liabilities:					
(Increase) Decrease in:					
Accounts Receivable	89,934	115,688	15,496	(907)	220,211
Due to/from Other Governments	(197,895)	(439)	(345)	-	(198,679)
Prepaid Items	(473,194)	-	(888)	-	(474,082)
Other Assets	1,199,807	-	-	-	1,199,807
Deferred Outflows - Pension	-	4,605	20,376	2,434	27,415
Increase (Decrease) in:					
Accounts Payable and Accrued Expenses	(827,858)	(114,857)	14,370	(2,604)	(930,949)
Unearned Revenue	(731,840)	12,215	3,010	-	(716,615)
Prepaid Tenant Rent	(93,077)	-	-	-	(93,077)
Total OPEB Liability	-	(32)	(610)	(86)	(728)
Net Pension Liability	-	22,271	67,056	14,461	103,788
Deferred Inflows - Pension	-	1,399	3,554	965	5,918
Compensated Absences	-	2,602	5,661	(717)	7,546
Net Cash Provided by Operating Activities	<u>\$ 10,615,051</u>	<u>\$ 548,697</u>	<u>\$ 361,238</u>	<u>\$ 172,791</u>	<u>\$ 11,697,777</u>
NONCASH FINANCING ACTIVITIES					
Amortization of Premiums	<u>\$ (1,305,449)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,305,449)</u>
Amortization of Deferred Outflow on Refunding Debt	<u>\$ 57,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,583</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The City of Moore Haven, Florida (the City) was incorporated in 1925 pursuant to Chapter 10923, Special Acts of 1925, Laws of Florida. An elected mayor and four-member city council (the Council) govern the City. The City provides the following services to its residents: general government, public safety, physical environment, transportation, human services, economic environment, culture/recreation, student housing rental, affordable housing, electricity, and water services. The Council is responsible for legislative and fiscal control of the City.

The basic financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), applicable to state and local governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes U.S. GAAP for governmental units.

Financial Reporting Entity

U.S. GAAP require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in GASB Statement No. 14, *The Financial Reporting Entity* (as amended) have been considered in determining the Agencies, boards or authorities to be presented with the City.

A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Under criteria established by GASB No. 14 (as amended), component units are to be either blended with the primary government or presented discretely. For a component unit to be blended it must meet one or both of the following two situations: 1) the board of the component unit is substantially the same as that of the primary government or 2) the component unit serves the primary government exclusively.

Blended Component Units

The Moore Haven Redevelopment Agency (the CRA), although an entity legally separate from the City, is governed by the Council. In 2004, Ordinance 241, as amended by Ordinance 284, created the CRA pursuant to section 163.357 of the Florida statutes. The governing body of the CRA is the Council. Therefore, for financial reporting purposes, the CRA is reported as a special revenue fund in the City's financial statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Blended Component Units (Continued)

The Affordable Housing Finance Authority (the Authority) is an entity that is legally separate from the City; however, because the governing bodies are the same, the entity is blended with the primary government under the business-type activities. There has been only limited financial activity since inception for the Authority; consequently, no separately issued financial statements are prepared. The Authority had no balances and no activity for the year ended September 30, 2023.

The Capital Projects Finance Authority (CaPFA) and five legally separate special purpose corporations acting as instrumentalities of CaPFA: CaPFA Capital Corp. 1998B, CaPFA Capital Corp. 2000F, CaPFA Capital Corp. 2010A, CaPFA Capital Corp. 2017A, and CaPFA Capital Corp. 2016A; however, the governing bodies are the same. These entities are blended with the primary government under the business-type activities. CaPFA Capital Corp. 1998B, CaPFA Capital Corp. 2017A and CaPFA Capital Corp. 2016A had no balances and no activity for the year ended September 30, 2023 and are, therefore, not included in the segment information reported in Note 10. Separately issued audited financial statements for CaPFA Capital Corp. 2000F can be obtained from the City Clerk at 299 Riverside Drive, Moore Haven, Florida 33471.

Basic Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements along with the notes to the financial statements. The focus of the financial statements is on either the City as a whole or major individual funds (within the fund financial statements).

Government-Wide and Fund Financial Statements

The government-wide statement of net position and statement of activities report information on all activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; 2) grants and contributions that are restricted to meeting the operating requirements of a particular function or segment; and 3) grants and contributions that are restricted to meeting capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Government-Wide and Fund Financial Statements (Continued)

The net cost by function is normally covered by general revenue (property taxes, utility taxes, franchise fees, licenses and permits, certain intergovernmental revenues, interest income, etc.).

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

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Measurement Focus and Basis of Accounting

Basis of accounting determines when transactions are 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, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when an enforceable lien exists and when levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Measurement Focus and Basis of Accounting (Continued)

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities of the government-wide presentation.

Property taxes, franchise and utility taxes, intergovernmental revenues when eligibility requirements have been met, licenses, charges for services, contributions, and investment earnings associated with the current fiscal period are all considered to be measurable and have been recognized as revenues of the current fiscal period, if available. Permits, fines and forfeitures, and miscellaneous revenues are considered measurable only when cash is received by the government.

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds are charges to customers for sales and services and rents. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Basis of Presentation

The financial transactions of the City are recorded in individual funds. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Resources are allocated to and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City's major funds are presented in separate columns on the governmental fund financial statement and the proprietary fund financial statement. The funds that do not meet the criteria of a major fund are considered nonmajor funds and are combined into a single column in the fund financial statements and detailed in the combining section.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Basis of Presentation (Continued)

The focus of Governmental Fund measurement (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major Governmental Funds of the City:

General Fund – This fund is the general operating fund of the City. It is used to account for all revenues and expenditures except those required to be accounted for in another fund. The activities accounted for in the fund include general government public safety, transportation, physical environment, and culture and recreation.

CRA Fund – This fund is a special revenue fund and is used to account for the operations and resources related to the City of Moore Haven Community Redevelopment Area.

The focus of Proprietary Fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major Proprietary Funds of the City:

CaPFA – This fund is used to account for the income and expenses of financing and operating apartment facilities within the area of the University of Central Florida and the construction and rental of a high school in Guam.

Water Fund – This fund is used to account for the income and expenses of operating the City's water system.

Electric Fund – This fund is used to account for the income and expenses of operating the City's electric system.

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

Cash and Cash Equivalent

All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to a known amount of cash and have a maturity of no longer than three months at the date of purchase.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses

Restricted Cash and Investments

Pursuant to bond documents, the City is required to maintain certain amounts from bond proceeds and operations as restricted for debt service. For purposes of cash flow statement reporting, the City considers restricted cash as cash and cash equivalents.

Accounts Receivable

Accounts receivable for the governmental, electric, water, and garbage funds are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable for the year ended September 30, 2023 were \$2,846, \$9,252, \$4,008, and \$2,155 for the governmental, electric, water, and garbage activities, respectively. For the year ended September 30, 2023, bad debt expense netted with recoveries were \$420, \$1,981, \$999, and \$503 for the governmental, electric, water, and garbage activities, respectively.

For water and electric receivables, the City discontinues service if the receivable is not paid after a certain period of time.

Accounts receivable associated with student housing for a tenant that has vacated the property are turned over to a collection agency; therefore, there is no allowance for doubtful accounts.

Restricted Assets

These assets represent cash and cash equivalents and investments set aside to meet obligations under the terms of the outstanding revenue bonds, customer deposits, or other legal commitments.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and proprietary fund financial statements. The City has elected to treat these items under the purchase method for the governmental fund financial statements. As such, the costs are recognized immediately as expenditures when purchased.

Capital Credits

As a former member of the Glades County Electric Cooperative (the Cooperative), the City of Moore Haven was entitled to share in the net earnings of this nonprofit organization. The City accounts for its share of the net earnings on the cost basis method. The City's interest in the Cooperative was 3.5% until withdrawing in 2016. The Cooperative accumulates these credits on behalf of each of its members, with distribution being made upon termination of membership or upon the Cooperative's fulfillment of their debt requirements with the Rural Electric Administration (REA) and the National Rural Utilities Cooperative Finance Corporation (CFC) Mortgages.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Charges for Services

Charges for services include rental income from student housing in Orlando, Florida and a high school in Guam, and fees earned for electric services, water services, and garbage services.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (which includes roads, bridges, sidewalks, traffic signals, and similar items), and right to use assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of one year. Capital assets are stated at historical cost or estimated historical cost if actual historical cost is not known. Contributed assets are recorded at estimated acquisition value at the time received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation/amortization is computed using the straight-line method over the assets' estimated useful lives. Estimated useful lives assigned to various categories of assets are as follows:

Structures and Improvements	7 to 40 Years
Apartment Furniture and Appliances	3 to 7 Years
Transmission, Distribution, and Collection Plant	20 to 40 Years
Machinery and Equipment	3 to 12 Years
Infrastructure	20 Years
Right to Use Asset – Equipment	Life of the Lease Term

The cost of assets retired or sold, together with the accumulated depreciation or amortization, is removed from the accounts and any gain or loss on disposition is credited or charged to earnings.

Pensions

In the government-wide and proprietary funds statements of net position, liabilities are recognized for the City's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Other Postemployment Benefits (OPEB)

In the government-wide and proprietary funds statements of net position, liabilities are recognized for the City's total OPEB liability as determined by an actuarial review of the healthcare coverage purchased by retirees to continue participation in the City's health plan. The City does not subsidize any premiums for retired participants. OPEB expense is recognized immediately for changes in the OPEB liability resulting from current year service cost, interest on the total OPEB liability and changes of benefit terms or actuarial assumptions.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the City's statement of net position relate to the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the Other Postemployment Benefits Plan. Notes 14 and 18 provide more information on this item. These amounts will be recognized as increases in pension expense and OPEB expense in future years. In addition, The difference between the reacquisition price of debt and the net carrying value of the old debt on refunded debt transactions is recorded as a deferred outflow of resources and recognized as a component of expense using the effective interest method over the shorter of the remaining life of the old debt or the new debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the City's statement of net position relate to the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, the Other Postemployment Benefits Plan, and the Availability Payment Arrangement. Notes 9, 14, and 18 provide more information on this item. These amounts will be recognized as reductions in pension expense and OPEB expense in future years.

Deferred inflows of resources also include amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criterion (availability) has not been met.

Prepaid Tenant Rent

The prepaid tenant rent balance represents the amounts received from tenants for rent and other charges in advance that relate to a period after September 30, 2023.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses
(Continued)**

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation leave, which will be paid to employees upon separation from the City. The accumulated compensated absences are accrued when incurred in the government-wide financial statements and proprietary funds for both the current and long-term portions.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond Premiums and Discounts

The premiums and discounts on the revenue bonds are being amortized using the effective interest method over the term of the bonds.

Leases

The City determines if an arrangement is a lease at inception. Leases are included in right to use leased assets (lease assets) and lease liabilities in the statements of net position.

Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

City has recognized payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right to use lease assets on the statements of net position.

CITY OF MOORE HAVEN, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Lessee Leases (Continued)

If the individual lease contracts do not provide information about the discount rate implicit in the lease, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

City accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

Fund Balance

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in the current year. Accordingly, in the fund financial statements, governmental funds report fund classifications that 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 those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

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

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Council, the City’s highest level of decision making authority. Commitments may be changed or lifted only by the Council taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Fund Balance (Continued)

Assigned Fund Balance – Includes spendable fund balance amounts established by the administration of the City that are intended to be used for specific purposes that are neither considered restricted nor committed.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for the general fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City expends restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Minimum Fund Balance Policy

The City's policy is to maintain an adequate general fund unassigned fund balance to provide liquidity to meet seasonal shortfalls in cash flows, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. Fund balance information is used to identify the available resources to pay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the City, in accordance with policies established by the Council. The Council adopted a financial standard to maintain a general fund minimum unassigned fund balance of 17% of general fund operating expenditures.

Net Position

Net position of the government-wide and proprietary funds are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to property, plant, and equipment net of depreciation/amortization and net of any outstanding debt related to the acquisition or construction of the asset. The restricted net position represents the balance of assets restricted by bond requirements and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position is available for any project purpose. A deficit will require future funding.

Lessor Lease Revenue

Rent revenues for CaPFA Capital Corp. 2000F are recognized monthly over the term of the lease agreements which are semester, academic term, or one year in duration.

CITY OF MOORE HAVEN, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Interfund Transactions

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund. Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements. Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" or "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adoption of New Accounting Standards

During the fiscal year ended September 30, 2023, the City implemented GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This pronouncement did not require the restatement of the September 30, 2022, net position.

During the fiscal year ended September 30, 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. Under this Statement, a government generally should recognize a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in the subsequent financial reporting periods.

CITY OF MOORE HAVEN, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Adoption of New Accounting Standards (Continued)

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term. This pronouncement did not require the restatement of the September 30, 2022, net position.

During the fiscal year ended September 30, 2023, the City implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement requires that PPPs that meet the definition of a lease apply the guidance in GASB Statement No. 87, *Leases*, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). The PPP term is defined as the period during which an operator has a noncancellable right to use an underlying PPP asset, plus, if applicable, certain periods if it is reasonably certain, based on all relevant factors, that the transferor or the operator either will exercise an option to extend the PPP or will not exercise an option to terminate the PPP.

This pronouncement required the restatement of the September 30, 2022, net position.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Restatement of Prior Year's Net Position and Fund Balance

In addition to the restatement required for the implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective October 1, 2022, the City reclassified the Garbage Fund from the General Fund to an enterprise fund. The City's policy establishes activity fees or charges that are designed to recover costs of providing services. This change was recorded as a direct adjustment to beginning net position and fund balance.

Restatements of fund balance and net position as of September 30, 2022, are as follows:

	Statement of Net Position	
	Governmental Activities	Business-Type Activities
Net Position - September 30, 2022, as Previously Reported	\$ 4,461,705	\$ (51,055,604)
Restatement:		
Change in Reporting Entity	(261,849)	261,849
Implementation of GASB 94	-	(36,041,258)
Net Position - September 30, 2022, as Restated	\$ 4,199,856	\$ (86,835,013)
	Governmental Fund	Enterprise Fund
	General Fund	CaPFA
Fund Balance/Net Position - September 30, 2022, as Previously Reported	\$ 177,634	\$ (59,313,572)
Restatement:		
Change in Reporting Entity	(311,879)	-
Implementation of GASB 94	-	(36,041,258)
Fund Balance/Net Position - September 30, 2022, as Restated	\$ (134,245)	\$ (95,354,830)
		Enterprise Fund Garbage Fund
Net Position - September 30, 2022, as Previously Reported		\$ 311,879
Restatement:		
Total Capital Assets, Net		13,350
Deferred Outflows:		
Pension Related		17,546
Liabilities:		
Compensated Absences		(4,203)
Net Pension Liability		(63,833)
OPEB Liability		(5,761)
Deferred Inflows:		
Pension Related		(7,129)
Net Position - September 30, 2022, as Restated		\$ 261,849

CITY OF MOORE HAVEN, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2 PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector, respectively. Property values are assessed on a county-wide basis as of January 1 of each year. Tax bills are mailed for the City by Glades County on or about October 1 (the levy date) of each year and are payable with discounts of up to 4% offered for early payment. The City's levy becomes an enforceable claim on November 1. Taxes become delinquent on April 1 of the year following the year of assessment and state law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-earning tax certificates to satisfy unpaid property taxes. The City is subject to certain limitations on millage rate assessments as defined by state statutes.

NOTE 3 BUDGETARY INFORMATION

Florida Statutes require that all municipal governments establish budgetary systems and approve annual operating budgets. The Council adopts an annual operating budget and appropriates funds only for the General Fund. The procedures for establishing budgetary data are as follows:

By July 1st of each year, the Property Appraiser certifies the tax roll for the City on form DR-420. This tax roll is used in formulating the proposed millage rate for the coming year. Thereafter the following timetable must be adhered to:

- a. Within 35 days, the City Clerk must have submitted the proposed budget to Council and delivered form DR-420 to the Property Appraiser.
- b. Between 65-80 days from the date of certification (September 3 – 18), the City must hold a tentative budget and millage hearing. Budget hearings cannot be held sooner than 10 days following the mailing of notices by the Property Appraiser (August 24th).
- c. Within 15 days of the tentative budget and millage hearing (September 18 – October 3), the City must advertise a final hearing on the budget.
- d. Not less than two or more than five days after the advertisement (September 20 – October 8), a final hearing adopting the budget and millage is held.
- e. Within three days after adoption, the City must certify the adopted millage to the Property Appraiser and Tax Collector.
- f. Within three days after the receipt of final value, as discussed below, the City Clerk completes form DR-422 and returns it to the Property Appraiser.
- g. Within 30 days of final millage and budget adoption, the City must certify compliance with Section 200.065 and 200.068, Florida Statutes, to the Department of Revenue.

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

NOTE 3 BUDGETARY INFORMATION (CONTINUED)

The adopted budget is prepared in accordance with U.S. GAAP. The Council also adopts a nonappropriated operating budget for the Electric Fund and Water Fund on a basis consistent with U.S. GAAP, except that depreciation/amortization is not budgeted.

Total expenditures may not legally exceed total appropriations at the fund level. The Council may amend the current year's budget appropriation by passage of a budget amendment resolution after conducting one public hearing on the matter. Unexpended appropriations lapse at year-end.

For the year ended September 30, 2023, expenditures exceeded appropriations within the general fund.

NOTE 4 CASH, CASH EQUIVALENTS, AND INVESTMENTS

As of September 30, 2023, the City's cash and investments were as follows:

Deposits with Financial Institutions	\$ 18,374,888
Investments Considered as Cash Equivalents	36,041,152
Total	<u>\$ 54,416,040</u>
Cash and Cash Equivalents	\$ 16,136,963
Restricted Cash and Cash Equivalents	38,279,077
Total	<u>\$ 54,416,040</u>

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. CaPFA Capital Corp 2000F and CaPFA Capital Corp. 2010A do not have a deposit policy for custodial credit risk. The City's policy is to follow Florida Statutes, which authorize the deposit of funds in demand deposits or time deposits of financial institutions approved by the Florida Chief Financial Officer as qualified public depositories. These are defined as public deposits. The City and CaPFA Capital Corp. 2000F's deposits are held in qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof and, therefore, the City and CaPFA 2000F are not exposed to custodial credit risk for its deposits.

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

NOTE 4 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments

The City does not have a written investment policy and as such, its practice is to follow Florida Statute 218.415, which limits the types of investments that a local government may invest in. Local governments electing not to adopt a written investment policy in accordance with policies developed by the state may only invest surplus public funds in the state pool or similar, highly rated money market funds, time deposits, savings accounts, or direct obligations of the U.S. Treasury. Florida Statute 218.415 does not apply to the investment of funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds.

The Trust Indenture for the outstanding bonds and certificates of participation, as listed in Note 7, defines eligible investments for CaPFA Capital Corp. 2000F and CaPFA Capital Corp. 2010A. The investments listed below are eligible investments per the Trust Indentures:

Investment Type (Cash Equivalent)	Amortized Cost	Investment Maturities Less Than One Year
First American Treasury Obligation Fund Class D	\$ 2,600,069	\$ 2,600,069
Dreyfus Gov Cash Mgmt Investor	33,441,083	33,441,083
Total	\$ 36,041,152	\$ 36,041,152

The First American Treasury Obligation Fund Class D invests exclusively in short-term U.S. government securities, including repurchase agreements secured by U.S. government securities. The funds objective is to seek maximum current income to the extent consistent with the preservation of capital and maintenance of liquidity. There are no redemption restrictions.

The Dreyfus Government Cash Management – Investor invests only in government securities, repurchase agreements collateralized solely by government securities and/or cash, and cash equivalents. The fund seeks to invest in securities that present minimal credit risk, based on BNY Mellon Investment Adviser's assessment of the issuer's or guarantor's credit quality and capacity to meet its financial obligations, which may include environmental, social and governance (ESG) factors as appropriate and applicable, among other factors. The funds seeks as high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity. There are no redemption restrictions.

Investments in Securities and Exchange Commission registered money market funds (First American Treasury Obligation Fund Class D and Dreyfus Government Cash Management – Investor) are not evidenced by securities that exist in physical or book form and, therefore, disclosures for interest rate risk, concentration of credit risk, and custodial credit risk are not applicable.

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

NOTE 4 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in the market interest rates. CaPFA Capital Corp. 2000F and CaPFA Capital Corp. 2010A do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a credit quality rating by a nationally recognized statistical rating organization. CaPFA Capital Corp. 2000F and CaPFA Capital Corp. 2010A have no investment policy that would further limit its investment choices.

As of September 30, 2023, CaPFA Capital Corp. 2000F and CaPFA Capital Corp. 2010A's investments were rated as follows:

<u>Investment Type (Cash Equivalent)</u>	<u>Moody's Investors Services</u>	<u>Standard & Poor's</u>
First American Treasury Obligation Fund Class D	Aaa-mf	AAAm
Dreyfus Gov Cash Mgmt Investor	Aaa-mf	AAAm

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. CaPFA Capital Corp. 2000F and CaPFA Capital Corp. 2010A place no limit on the amount that may be invested in any one issuer. All of CaPFA 2010A's investments are held in First American Treasury Obligation Fund Class D, and CaPFA 2000F's investments are held in Dreyfus Government Cash Management – Investor as of September 30, 2023.

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

NOTE 5 CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2023, is summarized as follows:

<u>Governmental Activities:</u>	Beginning Balance ¹	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 265,077	\$ 1,406	\$ -	\$ 266,483
Construction in Progress	75,620	282,784	75,620	282,784
Total Capital Assets Not Being Depreciated	340,697	284,190	75,620	549,267
Capital Assets Being Depreciated and Amortized:				
Infrastructure	11,066,152	75,620	-	11,141,772
Structures and Improvements	1,955,941	-	-	1,955,941
Machinery and Equipment	894,777	33,216	-	927,993
Right to Use Asset - Equipment	12,676	-	-	12,676
Total Capital Assets Being Depreciated and Amortized	13,929,546	108,836	-	14,038,382
Less Accumulated Depreciation and Amortization for:				
Infrastructure	7,927,720	248,100	-	8,175,820
Structures and Improvements	900,205	75,936	-	976,141
Machinery and Equipment	775,766	26,802	-	802,568
Right to Use Asset - Equipment	3,803	3,803	-	7,606
Total Accumulated Depreciation and Amortization	9,607,494	354,641	-	9,962,135
Capital Assets Being Depreciated and Amortized, Net	4,322,052	(245,805)	-	4,076,247
Governmental Activities Capital Assets, Net	<u>\$ 4,662,749</u>	<u>\$ 38,385</u>	<u>\$ 75,620</u>	<u>\$ 4,625,514</u>

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

NOTE 5 CAPITAL ASSETS (CONTINUED)

<u>Business-Type Activities:</u>	Beginning Balance ⁽¹⁾	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 190,500	\$ -	\$ -	\$ 190,500
Construction in Progress	2,623,523	86,722	2,699,105	11,140
Total Capital Assets Not Being Depreciated	2,814,023	86,722	2,699,105	201,640
Capital Assets Being Depreciated and Amortized:				
Structures and Improvements	169,126,774	572,019	1,353,509	168,345,284
Apartment Furniture and Appliances	2,839,450	799,789	1,134,898	2,504,341
Transmission, Distribution, and Collection Plants	15,233,790	-	-	15,233,790
Machinery and Equipment	1,893,730	110,271	105,004	1,898,997
Right to Use Asset - Equipment	50,967	26,451	21,055	56,363
Total Capital Assets Being Depreciated and Amortized	189,144,711	1,508,530	2,614,466	188,038,776
Less Accumulated Depreciation and Amortization for:				
Structures and Improvements	94,057,027	4,525,155	1,353,244	97,228,938
Apartment Furniture and Appliances	2,061,829	541,887	1,134,898	1,468,818
Transmission, Distribution, and Collection Plants	8,333,292	413,476		8,746,768
Machinery and Equipment	1,389,142	132,086	101,730	1,419,498
Right to Use Asset - Equipment	16,600	18,393	21,055	13,938
Total Accumulated Depreciation and Amortization	105,857,890	5,630,997	2,610,927	108,877,960
Capital Assets Being Depreciated and Amortized, Net	83,286,821	(4,122,467)	3,539	79,160,816
Business-Type Activities Capital Assets, Net	\$ 86,100,844	\$ (4,035,745)	\$ 2,702,644	\$ 79,362,456

(1) The beginning balances were restated due to the implementation of GASB Statement No. 94 and the reclassification of the Garbage Fund from the General Fund. See Note 1.

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

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to function/program as follows:

Governmental Activities:

General Government	\$	22,532
Public Safety		1,748
Physical Environment		198,511
Transportation		45,006
Culture and Recreation		86,844
Total Depreciation and Amortization Expense, Governmental Activities		354,641

Business-Type Activities:

CaPFA	\$	5,115,841
Electric		45,943
Water		455,863
Garbage		13,350
Total Depreciation and Amortization Expense, Business-Type Activities		5,630,997

Pursuant to bond resolution, CaPFA leases the land of the project associated with the CaPFA Capital Corp. 2000F from the Knight's Crossing Student Housing, LLC, for \$10 per year, plus any residual profits. Knight's Crossing Student Housing, LLC, is a single-member Florida Limited Liability Company, the sole member of which is the University of Central Florida Foundation, Inc. The lease, dated December 1, 2000, is for a term ending after the bonds are paid or 40 years, whichever is sooner. CaPFA 2000F holds title of the buildings on the leased land. Title to the buildings will revert to the Knight's Crossing Student Housing, LLC, after the bonds mature and are paid in full.

As indicated in Note 1, the buildings and certain building improvements are being depreciated over 40 years which exceed the final maturity of the bonds. This will result in a residual value in those assets of approximately \$21,427,000 at the date the bonds mature. The residual value will be considered a contribution to Knight's Crossing Student Housing, LLC, when the title to the assets reverts.

NOTE 6 INVESTMENT IN GLADES COUNTY ELECTRIC COOPERATIVE

As a former member of the Glades County Electric Cooperative, the City of Moore Haven was entitled to share in the net earnings of this nonprofit organization. The Cooperative accumulates these credits on behalf of each of its members, with distribution being made upon termination of membership or upon the Cooperative's fulfillment of their debt requirements with the Rural Electric Administration (REA) and the National Rural Utilities Cooperative Finance Corporation (CFC) Mortgages. During the year ended September 30, 2016 the City withdrew from the Cooperative. To date the City has received \$584,059 related to the period 1987 and prior. At September 30, 2023, the amount of the credit balance remaining as computed by the Cooperative was \$435,199.

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

NOTE 7 LONG-TERM OBLIGATIONS

Changes in long-term debt for the year ended September 30, 2023, are as follows:

	Beginning Balance ¹	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 17,155	\$ 25,454	\$ 19,076	\$ 23,533	\$ 23,533
Lease Liability	9,048	-	3,775	5,273	3,928
Governmental Fund Total	<u>\$ 26,203</u>	<u>\$ 25,454</u>	<u>\$ 22,851</u>	<u>\$ 28,806</u>	<u>\$ 27,461</u>
Business-Type Activities:					
Revenue Bonds	\$ 156,042,221	\$ -	\$ 5,695,449	\$ 150,346,772	\$ 7,850,000
Direct Placement Revenue Bonds	3,747,118	-	79,268	3,667,850	81,745
Direct Placement Certificates of Participation	65,668,823	-	1,604,741	64,064,082	2,565,000
Compensated Absences	16,567	31,086	23,540	24,113	24,113
Lease Liability	33,187	26,451	16,171	43,467	11,029
Business-Type Fund Total	<u>\$ 225,507,916</u>	<u>\$ 57,537</u>	<u>\$ 7,419,169</u>	<u>\$ 218,146,284</u>	<u>\$ 10,531,887</u>

(1) The beginning balances were restated due to the reclassification of the Garbage Fund from the General Fund. See Note 1.

Governmental Activities

Compensated Absences: This amount represents the City's long-term liability for earned and unpaid vacation benefits as of September 30, 2023, which is not expected to be paid with current available resources.

Lease Liability: Lease liabilities represent City's obligation to make lease payments arising from the lease long-term leases.

The City is a lessee for leases of copy machines. At September 30, 2023, the City's lease payable of \$5,273 was composed of the following:

Copier lease at City Hall – payments totaling \$10,760, including interest at an annual rate of 4%. Payments are due monthly, and the lease expires in January 2025. Lease liability balance is \$4,184 at September 30, 2023.

Copier lease at a City warehouse – payments totaling \$2,800, including interest at an annual rate of 4%. Payments are due monthly, and the lease expires in January 2025. Lease liability balance is \$1,089 at September 30, 2023.

The future principal and interest lease payments for the City's governmental activities leases were as follows:

<u>Year Ending September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Amount</u>
2024	\$ 3,928	\$ 139	\$ 4,067
2025	1,345	11	1,356
Total	<u>\$ 5,273</u>	<u>\$ 150</u>	<u>\$ 5,423</u>

CITY OF MOORE HAVEN, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Business-Type Activities

Student Housing Revenue Bonds: The Revenue bonds are payable from and collateralized by revenue derived from the operation of the CaPFA 2000F project, which is a student housing facility.

Bond covenants require CaPFA 2000F to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient based on stated ratios, to meet the payment and operating expenses, current debt service, and reserve requirements as defined in the bond documents.

Direct Placement Water Revenue Bonds Payable: The revenue bonds are payable from and collateralized by revenue derived from the operation of the water system and, accordingly, are recorded in the enterprise fund.

Bond covenants require the Water Fund to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient based on stated ratios, to meet the payment and operating expenses, current debt service, and reserve requirements as defined in the bond documents.

Direct Placement Certificates of Participation – John F. Kennedy High School Project: The certificates of participation are payable from and collateralized by revenue derived from leasing the CaPFA 2010A project, which is a high school, to the government of Guam.

Certificate covenants require CaPFA 2010A to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient based on stated ratios, to meet the payment and operating expenses, current debt service, and reserve requirements as defined in the certificate of participation documents.

Compensated absences: This amount represents the City's long-term liability for earned and unpaid vacation benefits as of September 30, 2023.

Lease Liability: Lease liabilities represent City's obligation to make lease payments arising from the long-term leases.

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

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Business-Type Activities (Continued)

The long-term debt at September 30, 2023, is summarized as follows:

	Balance
<u>Revenue Bonds</u>	
Series 2020A-1, \$126,115,000, due in annual installments beginning October 1, 2024 ranging from \$2,865,000 to \$14,615,000 through October 1, 2035. Interest at 5% per annum is payable on April 1 and October 1 of each year.	\$ 126,115,000
Series 2020A-2, \$22,200,000, due in annual installments ranging from \$4,360,000 to \$7,850,000, through October 1, 2024. Interest at 4%, per annum, is payable on April 1 and October 1 of each year.	13,450,000
<u>Direct Placement Debt</u>	
Certificates of Participation Series 2020A, \$65,420,000, due in annual installments ranging from \$20,000 to \$5,395,000 through February 1, 2040. Interest ranging from 3.625% to 5.0% per annum is payable on February 1 and August 1 of each year.	63,820,000
Water and Sewer Revenue Bond - \$4,402,000 Water Revenue Bonds, Series 2009, due in annual installments ranging from \$61,971 to \$193,475 through September 1, 2052. Interest of 3.125% is payable annually on September 1 of each year. The bond is collateralized by a lien on revenues of the water system.	3,667,850
Total Debt	207,052,850
Add: Bond Premiums	11,025,854
Total Debt	218,078,704
Current Maturities	(10,496,745)
Total Long-Term Debt Net of Bond Discounts, Bond Premiums, and Current Maturities	\$ 207,581,959

The total interest expense for the year ended September 30, 2023, was \$8,714,965.

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

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Business-Type Activities (Continued)

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

Year Ending September 30,	Revenue Bonds		Direct Placement Revenue Bonds		Direct Placement Certificates of Participation		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
	2024	\$ 7,850,000	\$ 6,686,750	\$ 81,745	\$ 114,620	\$ 2,565,000	
2025	8,465,000	6,346,125	84,299	112,066	2,660,000	2,864,675	20,532,165
2026	9,130,000	5,934,250	86,934	109,431	2,770,000	2,757,600	20,788,215
2027	9,890,000	5,458,750	89,650	106,715	2,890,000	2,637,325	21,072,440
2028	10,385,000	4,951,875	92,452	103,913	3,015,000	2,511,844	21,060,084
2029-2033	60,260,000	16,222,500	507,446	474,380	17,275,000	10,353,625	105,092,951
2034-2038	33,585,000	2,075,375	591,847	389,979	22,120,000	5,506,500	64,268,701
2039-2043	-	-	690,286	291,540	10,525,000	532,875	12,039,701
2044-2048	-	-	805,098	176,728	-	-	981,826
2049-2052	-	-	638,093	45,988	-	-	684,081
Total	\$ 139,565,000	\$ 47,675,625	\$ 3,667,850	\$ 1,925,360	\$ 63,820,000	\$ 30,123,822	\$ 286,777,657

Provisions of Revenue Bond Resolutions – CaPFA 2000F

Bond covenants require CaPFA 2000F to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient (based on stated ratios) to meet the payment of operating expenses, current debt service, and reserve requirements. Certain bond covenants are noted below:

Project Fund

The Project Fund will consist of sub-accounts for each series of Bonds: the Tax-Exempt Accounts for proceeds of each tax-exempt series of Bonds and the Taxable Account for proceeds of any taxable series of Bonds. The balance in the proceed accounts as of September 30, 2023 was \$-0-.

With respect to the Series 2020A Bonds, there is a Costs of Issuance Subaccount. Amounts deposited to the Costs of Issuance Subaccount shall be disbursed by the Trustee upon written direction of the Borrower. Any amounts remaining in the subaccount 180 days following the date of delivery of the Series 2020A Bonds shall be transferred to the Revenue Fund and the subaccount shall thereafter be closed. The Balance in the Cost of Issuance Subaccount at September 30, 2023, was \$43.

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

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Revenue Bond Resolutions – CaPFA 2000F (Continued)

Daily Deposit Fund

Daily Deposit Account established and maintained by the Trustee, which shall be for the account of the Issuer and all monies therein shall be held in trust hereunder by the Trustee for periodic transfers to the Revenue Fund, and only the Trustee shall have withdrawal rights under the Daily Deposit Account. The Borrower (or the Manager on its behalf) is required by Section 4.3 of the Agreement to deposit Pledged Revenues into the Daily Deposit Account. The balance in the Daily Deposit Account as of September 30, 2023 was \$-0-.

Revenue Fund

The provisions of the bond documents require CaPFA 2000F to establish a Revenue Fund. All operating revenues received by CaPFA 2000F held by the Trustee in the Daily Deposit Account are deposited into this fund, and then disbursed as outlined in the bond documents. The balance in the Revenue Fund at September 30, 2023, was \$-0-.

Within the Revenue Fund there is the Prepaid Rent Subaccount. Specific funds on deposit in the Daily Deposit Account identified in writing by the Borrower or the Manager shall be deposited into the Prepaid Rent Subaccount. The Borrower or the Manager shall provide the Trustee a schedule detailing the amounts and times that amounts on deposit in the Prepaid Rent Subaccount are to be transferred to the Revenue Fund. The balance in the Prepaid Rent Fund at September 30, 2023, was \$352,407.

Bond Fund

There are two separate accounts created with the Bond Fund: a) the Principal account and b) the Interest account. Monies are required to be held in these accounts for the payments of principal and interest when due. The balance in these accounts at September 30, 2023, was \$11,976,828.

Debt Service Reserve Fund

For the 2020A Bonds, \$15,232,875 was calculated on the date of issuance and defined as the maximum annual debt service (the maximum amount of Bond Service Charges, exclusive of premium payable on the Bonds, due in any Fiscal Year of the Borrower while any of the Bonds remain outstanding). Monies are required to be held in the Debt Service Reserve Fund for the payments of principal and interest should any shortfalls occur in the other funds. The balance of the Debt Reserve Fund was \$16,291,146 as of September 30, 2023.

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

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Revenue Bond Resolutions – CaPFA 2000F (Continued)

Repair and Replacement Fund

The current balance is \$2,614,580. An amount equal to \$550 per bed per year is deposited into this account (increased (i) each year by the consumer price index evidenced by a Certificate of the Borrower or (ii) in the judgement of the Borrower as set forth in the Operating Budget, which amount shall be further increased or decreased, as necessary, not less frequently than every five years, commencing on or before October 1, 2025, in accordance with a Certificate of the Borrower filed with the Trustee and the Company, at any time, and which Certificate shall be accompanied by a written report of a Housing Consultant describing, in the opinion of such Housing Consultant, the appropriate amount that should be on deposit in the Repair and Replacement Fund in light of (a) the financial condition and the physical condition of the Project, and (b) similar provisions for repair and replacement reserves made with respect to other housing projects that are comparable to the Project). Amounts on hand in this account may be used for acquiring equipment, fixtures or furnishings and construction, rehabilitation, repair, replacement or improvement of the project. Further, amounts in this fund may be used to cure deficiencies to the extent pledged revenues are not sufficient to meet minimum requirements. The amount required to be deposited into the Repair and Replacement Fund for fiscal year ending September 30, 2023, was \$617 per bed.

Surplus Fund

CaPFA 2000F is required to create and deposit monies into the Surplus Fund. Amounts in the Surplus Fund are to be applied to the following items by the Trustee: a) to satisfy any deficiencies in the application of pledged revenues, b) to pay the Trustee and CaPFA 2000F certain costs and amounts when due, and c) upon satisfaction of the Release Test pay Knight's Crossing Student Housing, LLC, a Florida limited liability company, additional payments on the Ground Lease. The balance in the Surplus Fund at September 30, 2023, was \$2,558,478.

COVID Fund

At the time of issuance of the Series 2020A Bonds, an amount equal to 50% of the maximum annual debt service requirement on the Series 2020A Bonds shall be deposited to the COVID Fund. Amounts on deposit in the COVID Fund shall satisfy any deficiency in the Revenue Fund and pay amounts directly to Knight's Crossing Student Housing, LLC, a Florida limited liability, on October 1, 2022. During the fiscal year ended September 30, 2023, the amount paid was \$7,828,154. The balance in the COVID Fund at September 30, 2023 was \$8.

Rebate Fund

CaPFA 2000F is required to maintain, as a separate deposit account in the custody of the Trustee, a trust fund designated "Capital Projects Finance Authority – Florida Universities Rebate Fund" (the Rebate Fund). Any moneys deposited therein in accordance with the provisions of the Tax Agreement shall be used for no other purpose than payments to the United States Treasury, at the time and in the manner and amount specified in the Tax Agreement. The balance in the Rebate Fund at September 30, 2023, was \$-0-.

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

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Revenue Bond Resolutions – CaPFA 2000F (Continued)

Release Test/Rate Covenant

The Bond Documents provide that the borrower shall, subject to applicable requirements or restrictions imposed by law, charge and maintain rental rates for the units comprising the Project and other revenue producing facilities of the Project at a level which will (i) provide Net Revenues available for debt service in each fiscal year which are at least equal to 120% of the bond service charges due in such fiscal year on all senior bonds then outstanding, and (ii) provide net revenues available for debt service in each fiscal year which are at least equal to 110% of the bond service charges due in such fiscal year on all bonds then outstanding. In addition, a Surplus Fund is created in which any excess funds, after all expenses have been paid and all sinking fund requirements have been met are deposited.

Upon being provided the officer's certificate, known as the "Release Test," the Trustee will release to CaPFA 2000F the surplus funds for distribution to the Knight's Crossing Student Housing, LLC, as determined by section 4.13(c) of the trust indenture.

Percentage of Net Revenues Available For Debt Service in excess of Bond Service Charges on the Senior Bonds for prior Fiscal Year	Percentage of funds on deposit in Surplus Fund that may be paid
Equal to or greater than 1.20x	100%
1.18 to 1.1999x	75%
1.16 to 1.1799x	50%
1.10 to 1.1599x	25%

Provisions of Certificates of Participation Resolutions – CaPFA 2010A

Bond covenants require CaPFA 2010A to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient (based on stated ratios) to meet the payment of operating expenses, current debt service, and reserve requirements. Certain bond covenants are noted below:

Project Fund

At closing, a portion of the proceeds of the Certificates were deposited in the Project Fund. Amounts on deposit in the Project Fund shall be withdrawn and used solely for the payment of cost incurred on the project. Upon receipt of a Completion Certificate stating that all of the Project Costs and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Project Fund is to be maintained in the full amount of such claims until such dispute is resolved), the Trustee shall transfer any amounts remaining in the Project Fund and the accounts therein (but less the amount of any such retention) to the Certificate Payment Fund, and shall close the Project Fund. The balance in this account at September 30, 2023, was \$459,466.

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

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Certificates of Participation Resolutions – CaPFA 2010A (Continued)

Cost of Delivery Account

The provisions of the certificate of participation documents require CaPFA 2010A to establish a Cost of Delivery Account. Amounts on deposit in the Costs of Delivery Account shall be withdrawn and used solely for the payment of Costs of Delivery in respect of the Series of Certificates for which such account was established. Unless otherwise provided in a related Supplemental Trust Agreement, amounts remaining on deposit in the Costs of Delivery Account 180 days after delivery of the related Certificates shall be transferred to the Holding Fund, and such Costs of Delivery Account shall be closed. The balance in this account at September 30, 2023, was \$72,458.

Holding Fund

The provisions of the certificate of participation documents require CaPFA 2010A to establish a Holding Fund. All aggregate base rental payments (net of amounts held in the Capitalized Interest Account) received by CaPFA 2010A are deposited into this fund then disbursed as outlined in the certificate of participation documents. The balance in this account at September 30, 2023, was \$891.

Capitalized Interest Account

At closing, a portion of the proceeds of the Certificates were deposited in the Capitalized Interest Account. The monies on deposit therein shall be used for the payment of interest represented by the Certificates and are to be transferred by the Trustee from the Capitalized Interest Account to the Interest Fund, on each date that is five business days prior to February 1, 2021, and August 1, 2021, in the amounts specified in the Trust Agreement. After both of such transfers have been made, the Trustee shall close the Capitalized Interest Account. The balance in this account at September 30, 2023, was \$1.

Certificate Payment Fund

There are three separate accounts created with the Certificate Payment Fund: a) the Principal Fund, b) the Interest Fund, and c) the Redemption Fund. CaPFA 2010A is required to create and deposit monies into the Certificate Payment Fund. Amounts in the Certificate Payment Fund are to be applied to the following items by the Trustee: a) pay interest represented by the Certificates as it becomes due and payable, b) pay principal represented by the Certificates or Mandatory Sinking Fund Payments when due and payable, and c) paying interest and principal represented by Certificates to be prepaid as provided in the Trust. The balance in these accounts at September 30, 2023, was \$258,823.

CITY OF MOORE HAVEN, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Certificates of Participation Resolutions – CaPFA 2010A (Continued)

Rebate Fund

The provisions of the certificate of participation documents require CaPFA 2010A to establish a Rebate Fund. There shall be deposited by the Trustee in the Rebate Fund such amounts as are required to be deposited pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. The balance in this account at September 30, 2023, was \$-0-.

Insurance and Maintenance Fund

The provisions of the certificate of participation documents require CaPFA 2010A to establish an Insurance and Maintenance Fund. Deposits into the Insurance and Maintenance Fund consist of Additional Rentals and any Base Rentals in excess of the amounts required to be transferred to the Certificate Payment Fund or the Certificate Debt Service Reserve Fund, an amount equal to the upcoming year's budget for the payment of certain expenses relating to the Project meeting the applicable requirements of the Lease and determined pursuant to the procedures described in the Lease and the Maintenance Agreement. Monies in the Insurance and Maintenance Fund are to be used and withdrawn by the Trustee for the purpose of paying Project-related costs including, but not limited to, annual fees of the Trustee and the Lessor and taxes (if any) relating to insurance for, and maintenance of, the Project in accordance with the Lease and determined pursuant to the procedures described in the Lease and the Maintenance Agreement. The balance in this account at September 30, 2023, was \$600,918.

Capital Replacement Reserve

Provisions of the certificate of participation documents require CaPFA 2010A to establish a Capital Replacement Reserve. Deposits into the Capital Replacement Reserve consist of Additional Rentals and any Base Rentals in excess of the amounts required to be transferred to the Certificate Payment Fund, the Certificate Debt Service Reserve Fund, or the Insurance and Maintenance Fund, a maximum deposit of \$589,500 for such Fiscal Year; provided that no such deposit shall be required after the balance on deposit in the Capital Replacement Reserve reaches \$3,200,000. Amounts on hand in this fund may be used for the purpose of paying costs of maintenance of the Project, including but not limited to the replacement of major capital items of the Project, including but not limited to and unanticipated, unbudgeted, or emergency repairs of and emergency replacements for the Project pursuant to the procedures described in the Lease and the Maintenance Agreement. The balance in this account at September 30, 2023, was \$1,207,511.

Surplus Fund

The provisions of the certificate of participation documents require CaPFA 2010A to establish a Surplus Fund. Amounts on deposit in the Surplus Fund are to be disbursed or deposited to or upon the order of the Lessee on any date. The balance in the Surplus Fund at September 30, 2023, was \$-0-.

CITY OF MOORE HAVEN, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Revenue Bond Resolutions – Water Fund

Bond covenants require the City to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient (based on stated ratios) to meet the payment of operating expenses, current debt service, and reserve requirements. Certain bond covenants are noted below:

Revenue Fund

The provisions of the bond documents require the issuer to establish a Revenue Fund. All operating revenues received by the Water Fund are required to be deposited into this fund then disbursed as outlined in the bond documents. The balance in the Revenue Fund at September 30, 2023, was \$-0-.

Third Subordinate Debt Service Fund

The bond documents require the issuer to establish a Third Subordinate Debt Service Fund to be exclusively used for the purpose paying principal and interest on the Bonds as they become due and payable. On or before the 20th day of each month, the Issuer is required to transfer from the Revenue Fund an amount equal to 1/12 of the principal maturing on the next succeeding principal payment date, along with 1/12 the annual interest on the interest becoming due on the next succeeding interest payment date. The balance in the Third Subordinate Debt Service Fund at September 30, 2023, was \$16,364.

Third Subordinate Reserve Fund

The bond documents require the Issuer shall deposit to the credit of the Third Subordinate Reserve Fund, on or before the 20th day of each month, an amount equal to 1/120 of the Reserve fund Requirement until such time as the amount on deposit in the Third Subordinate Reserve Fund equals the Reserve Fund Requirement, and monthly thereafter, such amount as shall be necessary to maintain the amount on deposit in the Third Subordinate Reserve Fund in an amount equal to the Reserve Fund Requirement, provided that the maximum amount required to be deposited in any single calendar month shall not exceed 1/120 of the Reserve Fund Requirement. Amounts on deposit in the Third Subordinate Reserve Fund shall be used only for the purpose of making payments into the Third Subordinate Debt Service Fund when the monies available therein shall be insufficient to pay principal and interest on the Bonds. Investments on deposit in the Third Subordinate Reserve Fund shall be valued at least annually on each principal payment date at the fair market value thereof. Investments on deposit in the Third Subordinate Reserve Fund shall be retained therein until the amount of money on deposit therein equals the Reserve Fund Requirement, and thereafter such earnings shall be deposited in the Third Subordinate Debt Service Fund and applied in the manner established for the application of funds therein. The "Reserve Fund Requirement" shall mean the lesser of (i) the maximum amount of principal and interest scheduled to become due on the Bonds in the current or any succeeding Bond Year; (ii) 125% of the average annual debt service on the Bonds calculated at the date of issuance; or (iii) 10% of the proceeds of the Bonds. The Reserve Fund Requirement as of September 30, 2023, was calculated to be \$209,456. The balance in the Third Subordinate Reserve Account at September 30, 2023, was \$209,456.

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

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Revenue Bond Resolutions – Water Fund (Continued)

Operation and Maintenance Fund

The bond documents require the Issuer to establish an Operation and Maintenance Fund to be used exclusively for the purpose of receiving funds to be transferred monthly by the Issuer from the Revenue Fund, and for paying, as they accrue, the Current Expenses of the system pursuant to the Annual Budget. After having made the deposits to the Sinking Fund as noted above, the Issuer shall transfer on or before the 15th day of each month from the Revenue Fund and deposit to the credit of the Operation and Maintenance Fund a sum sufficient to pay the Current Expenses of the system for the current month, all in accordance with the Annual Budget. Any balance remaining in the Operation and Maintenance Fund at the end of the fiscal year and not required to pay costs incurred during said fiscal year shall be deposited promptly into the Third Subordinate Debt Service Fund. The balance in the Operation and Maintenance Fund at September 30, 2023, was \$-0-.

Asset Management Reserve Fund

The bond documents require the Issuer to establish an Asset Management Reserve Fund to be used exclusively for the purpose of paying expenditures required for the renewal and replacement of short-lived assets of the System. After having made the deposits to the Sinking Fund as noted above, the Issuer shall transfer on or before the 20th day of each month from surplus funds in the Revenue Fund and deposit to the credit of the Asset Management Reserve Fund an amount equal to one-twelfth (1/12) of the required annual deposit of \$37,510 (the Annual Deposit), and monthly thereafter, provided that the maximum amount required to be on deposit in the Asset Management Reserve Fund shall not exceed the sum of ten (10) Annual Deposits. The balance in the Asset Management Reserve Fund at September 30, 2023 was \$375,100.

Leases Liability

CaPFA 2000F leases land in Orlando, Florida, which has been developed and is used as student housing under a noncancelable lease. Rent on the land is a lump-sum payment of \$400 paid at signing and additional rent, paid annually, equal to the amounts available and released from the Surplus Fund. During the year ended September 30, 2023, the amounts released and paid as additional rent was \$7,469,195.

CaPFA 2000F leases office equipment from third-party vendors under noncancellable long-term leases. At September 30, 2023, CaPFA 2000F's lease payable of \$43,467 was composed of equipment leases with monthly payments totaling \$11,029 plus interest at a rate of 4.50%, due dates ranging from October 2, 2023, to July 2, 2028.

The future minimum lease payments due under the leases are as follows:

<u>Year Ending September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Amount</u>
2024	\$ 11,029	\$ 2,620	\$ 13,649
2025	11,717	1,933	13,650
2026	9,741	1,218	10,959
2027	5,784	690	6,474
2028	5,196	199	5,395
Total	<u>\$ 43,467</u>	<u>\$ 6,660</u>	<u>\$ 50,127</u>

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

NOTE 8 INTERFUND TRANSACTIONS

Interfund transfers for the fiscal year ended September 30, 2023, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities:		
General	\$ 970,662	\$ 4,963
CRA	4,963	-
ARPA	-	-
Total Governmental Activities	<u>\$ 975,625</u>	<u>\$ 4,963</u>
Business-Type Activities:		
CaPFA	\$ -	\$ 101,522
Electric	-	439,354
Water	38,815	260,755
Garbage	-	207,846
Total Business-Type Activities	<u>\$ 38,815</u>	<u>\$ 1,009,477</u>

Transfers were made to move unrestricted business-type revenues to the General Fund to subsidize operations and to move City contributions from the General Fund to the City's CRA Fund.

The composition of interfund receivables and payables as of September 30, 2023, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Activities:		
General	\$ 118,993	\$ 149,533
CRA	4,223	-
Grants	-	101,619
Total Governmental Activities	<u>\$ 123,216</u>	<u>\$ 251,152</u>
Business-Type Activities:		
Electric	\$ 204,144	\$ 59,299
Water	-	183,534
CaPFA	183,999	17,374
Total Business-Type Activities	<u>\$ 388,143</u>	<u>\$ 260,207</u>

The outstanding balances between funds result mainly from short-term advances and the time lag between the date's transactions are recorded in the accounting system and payments between funds are made.

Availability Payment Arrangement

During fiscal year 2010, CaPFA 2010A, entered into a financed purchase agreement with the Government of Guam, under which the Guam Department of Education will design, build, and operate the JFK High School for 30 years or until the debt is paid, and CaPFA 2010A would issue certificates of participation to finance it. At the end of fiscal year 2011, the high school was placed into service.

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

NOTE 9 PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS

Availability Payment Arrangement (Continued)

CaPFA 2010A has recognized a receivable and a deferred inflow of resources in the amount of \$64.2 million as of September 30, 2023, for the future payments from Guam for the base rent over the term of the agreement. The discount rate used to measure the receivable was 3.625% to 5%, same as the debt that was issued.

NOTE 10 SEGMENT INFORMATION

The City's blended component units, CaPFA and two special purpose corporations issued revenue bonds and certificates of participation to finance the acquisition of student housing and to build a high school. CaPFA 2000F financed the cost of acquisition of the Knights Circle and Pointe at Central (formerly known as Pegasus Landing and Pegasus Pointe) housing projects which consist of 744 apartments and 432 apartments respectively, located near the University of Central Florida in Orlando, Florida. CaPFA 2010A is financing the costs of construction of John F. Kennedy High School in Guam.

	CaPFA	CaPFA Capital Corp. 2000F	CaPFA Capital Corp. 2010A
Condensed Statement of Net Position (Deficit)			
ASSETS			
Current and Other Assets	\$ -	\$ 12,947,428	\$ 64,868,425
Capital Assets, Net	-	72,215,841	-
Restricted Assets, Cash and Cash Equivalents	2,973,043	30,882,562	2,600,069
Due from Other Funds	183,999	-	-
Advance to Joint Venture	163,670	-	-
Total Assets	3,320,712	116,045,831	67,468,494
DEFERRED OUTFLOWS			
Deferred Outflows on Refunding	-	189,831	554,945
Total Deferred Outflows	-	189,831	554,945
LIABILITIES			
Current Liabilities	-	12,926,164	5,431,872
Due to Other Funds	11,294	-	6,079
Noncurrent Liabilities	-	142,529,210	61,499,082
Total Liabilities	11,294	155,455,374	66,937,033
DEFERRED INFLOWS			
Deferred Amount on Availability Payment Arrangement	-	-	64,215,000
NET POSITION (DEFICIT)			
Net investment in Capital Assets	-	(41,171,174)	-
Restricted for Debt Service	-	24,865,118	-
Restricted for Capital Projects	2,973,043	-	-
Restricted for Renewal and Replacement	-	2,614,580	1,207,511
Restricted for Insurance	-	-	600,918
Unrestricted Net Position (Deficit)	336,376	(25,528,236)	(64,937,024)
Total Net Position (Deficit)	\$ 3,309,419	\$ (39,219,712)	\$ (63,128,595)

CITY OF MOORE HAVEN, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 10 SEGMENT INFORMATION (CONTINUED)

	<u>CaPFA</u>	<u>CaPFA Capital Corp. 2000F</u>	<u>CaPFA Capital Corp. 2010A</u>
Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit)			
OPERATING INCOME			
Lease and Rental Income	\$ -	\$ 34,746,309	\$ 7,130,058
Other Tenant Income	-	947,354	-
Issuer and Management Fees	447,088	-	-
Depreciation/Amortization	-	(5,115,841)	-
Other Operating Expenses	(193,476)	(21,154,904)	(2,445,101)
Net Operating Income	<u>253,612</u>	<u>9,422,918</u>	<u>4,684,957</u>
NONOPERATING REVENUE (EXPENSES)			
Investment Income	5,394	1,249,260	183,192
Interest Expense	-	(5,563,879)	(3,034,196)
Loss on Disposal of Assets	-	(2,702,644)	-
Miscellaneous	10,245	(30,867)	-
Contributions	-	(7,828,154)	(232,374)
Total Nonoperating Revenues (Expenses)	<u>15,639</u>	<u>(14,876,284)</u>	<u>(3,083,378)</u>
TRANSFERS	<u>(101,522)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION (DEFICIT)	167,729	(5,453,366)	1,601,579
Net Position (Deficit) - Beginning of Year	3,141,690	(33,766,346)	(28,688,916)
Restatement - Note 1	-	-	(36,041,258)
Total Net Position (Deficit) - Beginning, as Restated	<u>3,141,690</u>	<u>(33,766,346)</u>	<u>(64,730,174)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 3,309,419</u>	<u>\$ (39,219,712)</u>	<u>\$ (63,128,595)</u>
	<u>CaPFA</u>	<u>CaPFA Capital Corp. 2000F</u>	<u>CaPFA Capital Corp. 2010A</u>
Condensed Statement of Cash Flows			
NET CASH FROM			
Operating Activities	\$ 263,419	\$ 5,787,571	\$ 4,564,061
Noncapital Financing Activities	(353,508)	-	-
Capital and Related Financing Activities	-	(12,700,137)	(4,846,880)
Investing Activities	15,638	1,249,261	183,192
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(74,451)	(5,663,305)	(99,627)
Net Cash and Cash Equivalents - Beginning of Year	<u>3,047,494</u>	<u>47,943,132</u>	<u>2,987,653</u>
NET CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,973,043</u>	<u>\$ 42,279,827</u>	<u>\$ 2,888,026</u>

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

NOTE 11 COMMITMENTS AND CONTINGENCIES

Florida Municipal Power Agency (FMPA)

The City has entered into agreements with FMPA, of which it is a member, and with certain other members of FMPA, to sell the City's capacity and energy (entitlement share) from Florida Power & Light's St. Lucie Unit No. 2 Project (the Unit). Pursuant to a Power Sales Contract and a Project Support Contract, the City has acquired an entitlement share of FMPA's allocation of these services.

The Power Sales Contract requires payments for each month in which capacity, energy, or transmission services are available from the St. Lucie Project. Payments due each month are based upon an annual budget. Once each year, the excess or deficiency of payments related to actual cost is calculated and applied to the monthly statements from FMPA to the City. The Power Sales Contract will remain in effect until the latest of: (1) the date principal, premium (if any), and interest on all Bonds has been paid or funds are set aside for the payment thereof, (2) the date the Unit is decommissioned or finally disposed of as an electric generating unit pursuant to the Participation Agreement or FMPA's interest in the unit is terminated pursuant to the Participation Agreement or otherwise disposed of, or (3) the date all obligations of FMPA under the Participation Agreement have been paid, performed, or provided for.

In any month when electric capacity, energy, or transmission services are not made available to the City, payment is made to FMPA under a Project Support Contract in a like amount as would have been due under the Power Sales Contract. The City accounts for purchases under these contracts as operating expenses. Total revenue netted against operating expenses for the year ended September 30, 2023, is \$0-.

Water Tank Maintenance Agreement

On June 1, 2004, the City entered into a Maintenance Agreement with a company to clean and maintain the City's water tower. The agreement calls for annual payments on June of each year. The base rate for the services was scheduled to be \$8,855 from 2008 thru 2010, then increasing to the current cost of the services every third year thereafter, not to exceed a maximum of 5% annually. The City may cancel the contract with notice prior to 90 days of the anniversary date of the contract.

Management Contract

Effective February 1, 2023, CaPFA entered into an agreement with Asset Campus USA, LLC. to manage the Project for 12 months, with automatic renewal for two additional 12-month terms unless terminated under certain provisions of the agreement. The annual management fee through the expiration of this agreement in January 2026 is \$2,073,217.

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

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Letter of Credit

On June 29, 2016, the City entered into a revocable letter of credit (the letter) with First Bank, which serves as the security deposit for Florida Power & Light Company (FPL), the City's electric provider. The letter is in the amount of \$250,000 and is available to FPL if the City causes an event of default under the electric agreement or if First Bank notifies FPL the letter will not be extended beyond the expiry date and the City fails to provide alternative security within 10 days of the expiry date. The letter is for a term of one year and expires on June 30. The letter renews automatically for one year unless First Bank provides notification at least 30 days prior to expiry date. As of September 30, 2023, no amounts have been drawn on the letter.

NOTE 12 CONDUIT DEBT

The City has approved the issuance of educational facilities and student housing facilities revenue bonds for the benefit of Flagler College, Inc, Provident Group and Southwest Charter Foundation, Inc.. This debt is secured by the revenues of the facility and do not constitute an indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2023, the bond issuances outstanding had an aggregate balance of \$179,625,543. The full faith and credit of the City has not been pledged in support of the bonds, and in the event of default, the City cannot be held liable.

NOTE 13 JOINTLY GOVERNED ORGANIZATIONS

The City, through an inter-local agreement with Glades County, Florida, created the City-County Public Works Authority (the Authority). The Authority provides water, sewer, and reclaimed water facilities within its boundaries. The Authority's governing board is comprised of the Glades County Board of County Commissioners and the Council of Moore Haven. The Authority is an independent entity organized under the laws of the state of Florida and neither the City nor the County has a participating ownership interest in the Authority.

The City provides the Authority with personnel to operate the facilities, as well as providing administrative services. For the year ended September 30, 2023, the City received \$233,970 and \$30,000 for personnel reimbursement and administrative services, respectively.

Financial statements for the Authority can be obtained from the City Clerk at the City of Moore Haven, Florida, City Hall, 299 Riverside Drive, Moore Haven, Florida 33471.

CITY OF MOORE HAVEN, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 14 DEFINED BENEFIT PENSION PLANS

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the City are eligible to enroll as members of the state-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The City's pension expense totaled \$324,820 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2023.

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected City Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55, if vested, or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55, if vested, or at any age after 25 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 8 years after electing to participate, except that certain instructional personnel may participate for up to 10 years. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan 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 member's five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the member's 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 class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

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

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Class Members Initially Enrolled before July 1, 2011:	
Retirement up to Age 62 or up to 30 Years of Service	1.60
Retirement at Age 63 or with 31 Years of Service	1.63
Retirement at Age 64 or with 32 Years of Service	1.65
Retirement at Age 65 or with 33 Years of Service	1.68
Regular Class Members Initially Enrolled on or after July 1, 2011:	
Retirement up to Age 65 or up to 33 Years of Service	1.60
Retirement at Age 66 or with 34 Years of Service	1.63
Retirement at Age 67 or with 35 Years of Service	1.65
Retirement at Age 68 or with 36 Years of Service	1.68
Elected City Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular:	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the City, effective July 1, 2022, were applied to employee salaries as follows: regular employees 10.19%, City elected officials 55.28%, senior management 29.85%, DROP participants 16.94% and retirees initially reemployed on or after July 1, 2010, who are not eligible for retirement coverage 4.23%. The City's contributions to the FRS Plan were \$80,891 for the year ended September 30, 2023.

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

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2023, the City reported a liability of \$781,904 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2023, the City's proportion was 0.00196%, which was a decrease of 0.00012% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the City recognized pension expense of \$146,509 for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 73,414	\$ -
Changes in Actuarial Assumptions	50,971	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	32,654	-
Changes in Proportion and Differences Between City		
Contributions and Proportionate Share of Contributions	15,461	62,413
City Contributions Subsequent to the Measurement Date	22,550	-
Total	<u>\$ 195,050</u>	<u>\$ 62,413</u>

\$22,550 reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2024	\$ 15,864
2025	(20,605)
2026	112,197
2027	1,141
2028	1,490
Thereafter	-

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

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.70%

Mortality rates were based on the generational mortality using PUB-2010 base table varies by member category and sex, projected generational with scale MP-2018 mortality improvement projection scale. The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
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	3.8	6.3	6.1	7.7
Totals	<u>100.0 %</u>			
Assumed Inflation – Mean			2.4	1.4

Discount Rate

The discount rate used to measure the total pension liability remained the same at 6.70% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	One Percent Decrease	Current Discount Rate	One Percent Increase in Discount Rate
FRS Plan Discount Rate	5.70%	6.70%	7.70%
Authority's Proportionate Share of the FRS Plan Net Pension Liability	<u>\$ 1,335,653</u>	<u>\$ 781,904</u>	<u>\$ 318,629</u>

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2023, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were \$20,435 for the year ended September 30, 2023.

Pension Costs

At September 30, 2023, the City reported a liability of \$464,551 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all participating employers. At June 30, 2023, the City's proportion was 0.00293%, which was a decrease of 0.00002% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the City recognized pension expense of \$178,311 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 6,801	\$ 1,090
Changes in Actuarial Assumptions	12,213	40,255
Net Difference Between Projected and Actual		
Earnings on HIS Program Investments	240	-
Changes in Proportion and Differences Between City		
Contributions and Proportionate Share of Contributions	20,679	25,106
City Contributions Subsequent to the Measurement Date	5,603	-
Total	<u>\$ 45,536</u>	<u>\$ 66,451</u>

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

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

\$5,603 reported as deferred outflows of resources related to pensions resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2024	\$ (730)
2025	165
2026	(6,870)
2027	(12,460)
2028	(6,173)
Thereafter	(450)

Actuarial Assumptions

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.54%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability changed from 3.54% to 3.65% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	One Percent Decrease	Current Discount Rate	One Percent Increase in Discount Rate
HIS Plan Discount Rate	2.65%	3.65%	4.65%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	<u>\$ 529,982</u>	<u>\$ 464,551</u>	<u>\$ 410,316</u>

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

Summary

The aggregate amount of net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense for the City's defined benefit pension plans as summarized below:

	FRS Plan	HIS Plan	Total
Net Pension Liability	\$ 781,904	\$ 464,551	\$ 1,246,455
Deferred Outflows of Resources Related to Pensions	195,050	45,536	240,586
Deferred Inflows of Resources Related to Pensions	62,413	66,451	128,864
Pension Expense	146,509	178,311	324,820

NOTE 15 DEFINED CONTRIBUTION PLAN

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

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

NOTE 15 DEFINED CONTRIBUTION PLAN (CONTINUED)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan pension expense totaled \$44,264 for the year ended September 30, 2023.

CITY OF MOORE HAVEN, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 FUND DEFICIT

The following funds had a net position deficit as of September 30, 2023:

Grant Fund	\$ (152,822)
CAPFA Fund	(99,038,888)

The deficit in the Grant Fund is the result of timing differences in expenditures made, grant funds received and reimbursements to other fund for payments of grant expenditures. The deficit will be eliminated with funding from the general fund and future grant receipts.

The deficit in the CaPFA Fund relates to CaPFA 2000F and CaPFA 2010A, parts of the blended component unit. The CaPFA 2000F condition is the result of annual deficits recorded due to the terms of the Loan Agreement and Trust Indenture. CaPFA 2000F reported a negative change in net position. Pursuant to the terms of the Loan Agreement and the Trust Indenture, the Net Revenues of CaPFA 2000F must fund current year debt service requirements, operations, and certain other reserve requirements. If a surplus exists after meeting the aforementioned requirements and other ratios are met, the remaining surplus is to be paid to the University of Central Florida Foundation, Inc. in accordance with the terms of the Ground Lease Agreement. The CaPFA 2010A condition is the result of noncash expenditures like depreciation expense and the amortization of bond issuance costs and discounts. The terms of the lease agreement with Guam calls for rental income to cover operating expenditures and debt payments as a result CaPFA 2010A will continue to accumulate a deficit balance for noncash expenses. This condition is not the result of deteriorating financial conditions.

NOTE 17 RISK MANAGEMENT

Employee Benefits: The City has obtained employee health insurance coverage from a commercial company. For the fiscal year ended September 30, 2023, the City has incurred health insurance expense of \$224,399. There have been no claims in excess of insurance coverage as of September 30, 2023.

Property and Casualty: The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To cover itself against these exposures, the City became a member of Public Risk Management of Florida (the Pool), a local government liability risk pool. The Pool has approximately 50 local government agency members. The Pool administers activities relating to property, general liability, police professional, automobile liability, public officials liability, workers' compensation, and machinery. The Pool absorbs losses up to a specified amount each Pool year, and in addition purchases excess and other specific coverage from third-party carriers. The Pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the Pool can make additional limited assessments. Losses, if any, in excess of the Pool's ability to assess its members, revert back to the member that incurred the loss. The cost of the insurance is allocated among the appropriate departments and funds.

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

NOTE 17 RISK MANAGEMENT (CONTINUED)

There has been no significant reduction in insurance coverage from the prior year and there have been no settlements in excess of insurance coverage in any of the prior three years. There were no additional assessments levied against the City for the fiscal year ended September 30, 2023.

As specified in the Loan Agreement, CaPFA 2000F and CaPFA 2010A are required to purchase and maintain certain levels of commercial insurance to cover losses resulting from workers' compensation, general liability insurance, property insurance, automobile insurance, and other various types of insurance coverage. There have been no significant reductions in insurance coverage from the prior year and the amount of settlements, if any, have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 18 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description and Funding Policy

The City provides postretirement health care benefits in accordance with Section 112.0801, Florida Statutes, to all eligible employees who retire from the City. The employee's contribution is the full amount of the annual premium. Expenditures for postemployment health care benefits are recognized as premiums are paid. As of September 30, 2023, no retirees have elected to participate in the health care plan.

No trust or agency fund has been established for the plan.

The plan does not issue a separate financial report.

Participant Data

As of September 30, 2023, the following employees were covered by the benefit terms:

	Valuation Date September 30, 2021
Active Employees Electing Coverage	22
Actives Waiving Coverage	0
Retirees Electing Coverage	0
Total Employees	22

Total OPEB Liability

The City's total OPEB liability of \$90,006 was measured as of September 30, 2022, and was determined by an actuarial valuation as of September 30, 2021. The following table shows the changes in the City's total OPEB liability for the year ended September 30, 2023.

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

NOTE 18 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

<u>Total OPEB Liability</u>	
Balance - October 1, 2022	\$ 93,878
Changes:	
Service Cost	14,394
Interest	2,371
Differences Between Expected and Actual Experience	-
Changes of Assumptions	(20,637)
Benefit Payments	-
Net Change	<u>(3,872)</u>
Balance - September 30, 2023	<u>\$ 90,006</u>

OPEB Liability Discount Rate Sensitivity

The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

<u>Description</u>	<u>One Percent Decrease in Discount Rate</u>	<u>Current Discount</u>	<u>One Percent Increase in Discount Rate</u>
OPEB Plan Discount Rate	3.40%	4.40%	5.40%
Total OPEB Liability	<u>\$ 98,972</u>	<u>\$ 90,006</u>	<u>\$ 81,691</u>

OPEB Liability Health Care Trend Rate Sensitivity

The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate one percentage point lower or one percentage point higher than the current healthcare trend rate:

<u>Description</u>	<u>One Percent Decrease in Trend Rate</u>	<u>Current Trend Rate</u>	<u>One Percent Increase in Trend Rate</u>
OPEB Plan Trend Rate	5.70%	6.70%	7.70%
Total OPEB Liability	<u>\$ 77,495</u>	<u>\$ 90,006</u>	<u>\$ 104,890</u>

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

NOTE 18 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City's OPEB benefit was \$3,872. In addition, the City reported no deferred outflows and inflows of resources.

Methods and Assumptions

The City uses the alternative measurement method. The alternative measurement method only allows amortization of investment gains and losses. All other gains and losses due to experience and assumption changes are recognized immediately in the annual OPEB expense.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Calculations for financial reporting purposes are based on the benefits provided under terms of the plan as understood by the employer and the plan members in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, 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.

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

NOTE 18 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Methods and Assumptions (Continued)

The actuarial method is:

Actuarial cost method	Entry Age Normal level percent of pay
-----------------------	---------------------------------------

The actuarial assumptions are:

Discount rate	4.40% (Based on the Fidelity 20-Year Municipal GO AA Index rate for 20-year, tax-exempt municipal bonds)
Healthcare cost trend rate	6.70% for FY2022, gradually decreasing over several decades to an ultimate rate of 3.70% in FY2075 and later years.
Expected return on plan assets	N/A
Inflation rate	2.25%
Retirement Age	Latest of age 62, plan eligibility or current age.
Coverage Elections	50% of the employees expected to retire in the future are assumed to elect coverage at retirement, continue coverage to age 65 and then waive coverage. Employees currently waiving coverage are assumed to waive coverage at retirement.
Medicare Eligibility	100% of current and future retirees under age 65 are assumed to become Medicare eligible at the later of age 65 or retirement. Actual Medicare status was used for retired members.
Disability	None

Mortality rates were based on assumptions used in the July 1, 2022, Florida Retirement System Pension Plan actuarial valuation: Pub-2010 headcount weighted, below median healthy mortality tables with MP-2018 generational mortality. Female tables used with no setback and males set back one year.

The following change was recognized under GASB 75 during the fiscal year:

The discount rate was changed from 2.19% to 4.40% based on updated Fidelity 20-Year Municipal GO AA Index rate for 20-year, tax-exempt municipal bonds.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**CITY OF MOORE HAVEN, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS ¹**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY						
Service Cost	\$ 14,394	\$ 19,628	\$ 18,154	\$ 11,205	\$ 11,764	\$ 11,713
Interest	2,371	2,895	2,803	6,794	6,752	5,982
Differences Between Expected and Actual Experience	-	(24,513)	-	(101,272)	-	-
Changes of Assumptions	(20,637)	(2,177)	2,741	19,253	(10,675)	(5,049)
Benefit Payments	-	(4,879)	(9,094)	(27,704)	(17,921)	(7,552)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET CHANGE IN TOTAL OPEB LIABILITY	(3,872)	(9,046)	14,604	(91,724)	(10,080)	5,094
Total OPEB Liability - Beginning of Year	93,878	102,924	88,320	180,044	190,124	185,030
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 90,006</u>	<u>\$ 93,878</u>	<u>\$ 102,924</u>	<u>\$ 88,320</u>	<u>\$ 180,044</u>	<u>\$ 190,124</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Covered Employee Payroll	<u>\$ 1,036,960</u>	<u>\$ 1,127,603</u>	<u>\$ 1,052,992</u>	<u>\$ 1,120,142</u>	<u>\$ 900,020</u>	<u>\$ 851,949</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	8.68%	8.33%	9.77%	7.88%	20.00%	22.32%

¹ The City implemented GASB Statements No. 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN *
LAST 10 FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Moore Haven, Florida's Proportion of the Net Pension Liability	0.001962277%	0.002086731%	0.002262658%	0.002282990%	0.002271527%	0.195455500%	0.001905069%	0.001756239%	0.001931602%	0.001907122%
City of Moore Haven, Florida's Proportionate Share of the Net Pension Liability	<u>\$ 781,904</u>	<u>\$ 776,432</u>	<u>\$ 170,918</u>	<u>\$ 989,481</u>	<u>\$ 782,282</u>	<u>\$ 588,722</u>	<u>\$ 563,507</u>	<u>\$ 443,452</u>	<u>\$ 249,492</u>	<u>\$ 116,362</u>
City of Moore Haven, Florida's Covered Payroll	<u>\$ 1,175,254</u>	<u>\$ 1,077,419</u>	<u>\$ 1,127,603</u>	<u>\$ 1,130,834</u>	<u>\$ 1,053,988</u>	<u>\$ 877,263</u>	<u>\$ 843,212</u>	<u>\$ 802,621</u>	<u>\$ 800,886</u>	<u>\$ 820,567</u>
City of Moore Haven, Florida's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	66.53%	72.06%	15.16%	87.50%	74.22%	67.11%	66.83%	55.25%	31.15%	14.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of 6/30.

For June 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF CITY'S CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN *
LAST 10 FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 93,055	\$ 88,332	\$ 87,586	\$ 73,732	\$ 72,236	\$ 57,729	\$ 49,472	\$ 42,509	\$ 42,135	\$ 41,792
Contributions in Relation to the Contractually Required Contribution	<u>(93,055)</u>	<u>(88,332)</u>	<u>(87,586)</u>	<u>(73,732)</u>	<u>(72,236)</u>	<u>(57,729)</u>	<u>(49,472)</u>	<u>(42,509)</u>	<u>(42,135)</u>	<u>(41,792)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 1,173,642</u>	<u>\$ 1,068,406</u>	<u>\$ 1,120,721</u>	<u>\$ 1,129,447</u>	<u>\$ 1,100,887</u>	<u>\$ 900,804</u>	<u>\$ 851,948</u>	<u>\$ 842,767</u>	<u>\$ 799,845</u>	<u>\$ 793,147</u>
Contributions as a Percentage of Covered Payroll	7.93%	8.27%	7.82%	6.53%	6.56%	6.41%	5.81%	5.04%	5.27%	5.27%

* The amounts presented for each fiscal year were determined as of 9/30.

CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN *
LAST 10 FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Moore Haven, Florida's Proportion of the Net Pension Liability	0.002925147%	0.002950586%	0.003185136%	0.003258253%	0.003151528%	0.002685956%	0.002645433%	0.002583764%	0.002639949%	0.002666834%
City of Moore Haven, Florida's Proportionate Share of the Net Pension Liability	<u>\$ 464,551</u>	<u>\$ 312,514</u>	<u>\$ 390,705</u>	<u>\$ 397,827</u>	<u>\$ 352,624</u>	<u>\$ 284,285</u>	<u>\$ 282,862</u>	<u>\$ 301,127</u>	<u>\$ 269,233</u>	<u>\$ 249,355</u>
City of Moore Haven, Florida's Covered Payroll	<u>\$ 1,175,254</u>	<u>\$ 1,077,419</u>	<u>\$ 1,127,603</u>	<u>\$ 1,130,834</u>	<u>\$ 1,053,988</u>	<u>\$ 877,263</u>	<u>\$ 843,212</u>	<u>\$ 802,621</u>	<u>\$ 800,886</u>	<u>\$ 820,567</u>
City of Moore Haven, Florida's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	39.53%	29.01%	34.65%	35.18%	33.46%	32.41%	33.55%	37.52%	33.62%	30.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.

For June 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF CITY'S CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN *
LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 20,168	\$ 17,704	\$ 18,608	\$ 18,748	\$ 18,275	\$ 14,953	\$ 14,142	\$ 13,990	\$ 10,797	\$ 9,626
Contributions in Relation to the Contractually Required Contribution	<u>(20,168)</u>	<u>(17,704)</u>	<u>(18,608)</u>	<u>(18,748)</u>	<u>(18,275)</u>	<u>(14,953)</u>	<u>(14,142)</u>	<u>(13,990)</u>	<u>(10,797)</u>	<u>(9,626)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 1,173,642</u>	<u>\$ 1,068,406</u>	<u>\$ 1,120,721</u>	<u>\$ 1,129,447</u>	<u>\$ 1,100,887</u>	<u>\$ 900,804</u>	<u>\$ 851,948</u>	<u>\$ 842,767</u>	<u>\$ 799,845</u>	<u>\$ 793,147</u>
Contributions as a Percentage of Covered Payroll	1.72%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.35%	1.21%

* The amounts presented for each fiscal year were determined as of 9/30.

GOVERNMENT AUDITING STANDARDS



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

Honorable Mayor and City Council
City of Moore Haven, Florida
Moore Haven, 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 Moore Haven, 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 April 23, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 and responses as item 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.

Honorable Mayor and City Council
City of Moore Haven, Florida

Report on Compliance and Other Matters

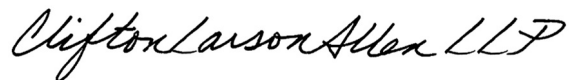
As part of obtaining reasonable assurance about whether City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2023-004.

The City’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 responses. The City’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 result of that testing, and not to provide an opinion on the effectiveness of the City’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 23, 2025

**CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023**

Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

2023-001 Audit Adjustments

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria

City management is responsible for establishing and maintaining internal controls for the proper recording of all the City's receipts and disbursements, including reclassifications between funds, year-end accruals, and activity of all cash and investment accounts.

Condition

As part of the audit, we proposed audit adjustments to revise the City's books at year-end. These adjustments involved the recording of accruals, reclassifications of revenues and disbursements to the proper accounts, and fund balance reclassifications. Management reviews, approves and takes responsibility for the proposed audit adjustments.

Cause

Management relies on the auditor to help make the necessary entries at year-end.

Effect

The design of the controls over the financial reporting process affects the City's ability to report their financial data consistent with the assertions of management.

Repeat Finding

The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-001.

Recommendation

We understand that this material weakness is already known to management and represents a conscious decision by management and the Council to accept that degree of risk because of cost or other considerations. We acknowledge the fact that management is responsible for making decisions concerning costs and the related benefits. We are responsible to communicate significant deficiencies and material weaknesses in accordance with professional standards regardless of management's decisions to ensure that the Council is aware of this situation.

**CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023**

Financial Statement Findings (Continued)

2023-001 Audit Adjustments (Continued)

Views of Responsible Officials and Planned Corrective Actions

The City did implement a new financial and reporting system for FY 2023 on October 1, 2022. The existing financial system had been out of production and support for a long period of time. It was extremely difficult to export data in a format for loading into the new system or determine the accuracy of the data being transferred from the existing system. As a result, the new service provider was not able to load Brought Forward Balances into the system until mid-fiscal year which made balancing accounts difficult. Also, products developed by the new financial system provider were not posting in the proper period and by the time it was discovered it had created additional problems. Management will make every effort to improve the balancing and closing of financials to reduce and hopefully to eliminate audit adjustments going forward.

2023-002 Pooled Cash Account Reconciliations

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria

Accurate and timely bank reconciliations are essential for ensuring the integrity of financial records and detecting errors or fraudulent activities. The City's policies require monthly reconciliations to be completed and reviewed by designated personnel.

Condition

During the audit, it was noted that the pooled cash bank reconciliations for the fiscal year were not accurately prepared. Several discrepancies were identified between the organization's internal financial records and the bank statements, and audit adjustments were necessary to correct the financial statements.

Cause

Implementation of new accounting software during the year, and the City encountered difficulties in utilizing the software for required accounting functions.

Effect

The discrepancies in the bank reconciliations resulted in misstated financial records, which could potentially lead to undetected errors or fraud. This undermines the reliability of the financial statements and may affect decision-making by management and council.

Repeat Finding

No

**CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023**

Financial Statement Findings (Continued)

2023-002 Pooled Cash Account Reconciliations (Continued)

Recommendation

We understand some of the errors were caused by the implementation of the new accounting software. We recommend, any time there is a change in software or processes, the City review the old procedures in place and the required standard entries. As processes change it is imperative that an in-depth review of current standard procedures and controls be performed to update them. Without proper updating incorrect procedures could be performed and incorrect entries posted which would cause significant difficulty in reconciling balances.

Views of Responsible Officials and Planned Corrective Actions

As identified in the previous Finding, by the time the issues with both existing and new systems had been identified, it required reviewing an extremely large number of transactions from October 1 forward particularly with Utility accounts and transactions. The late posting of Brought Forward Balances added to these problems. Once the extent of the problem was identified The City did obtain external resources to help with this comprehensive review going back to October 1. Management will make every effort to ensure controls and procedures are updated as needed.

2023-003 Improper Cutoff

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria

Transactions should be recorded in the appropriate accounting period to ensure accurate financial reporting.

Condition

During the audit, it was observed the purchase of utility poles was recorded in the incorrect accounting period, requiring an audit adjustment.

Cause

Controls in place did not prevent or detect the error.

Effect

The misstatements in the financial statements could lead to incorrect financial reporting, affecting the reliability of the financial information provided to management and Council.

Repeat Finding

No.

Recommendation

We recommend the City provide training to staff on the importance of proper cutoff procedures and the impact on financial reporting. Included in the training should be to record expenditures/expenses when the service or product is received, not based on invoice date which can be dated well after.

**CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023**

Financial Statement Findings (Continued)

2023-003 Improper Cutoff (Continued)

Views of Responsible Officials and Planned Corrective Actions

As identified in the previous Findings, there were numerous issues during the fiscal year and Management is committed to making corrections in controls, training and procedures to preclude these problems going forward.

2023-004 Filing Delay

Type of Finding: Compliance

Criteria

Florida Statute 218.39(1)(b) requires any municipality with revenues or the total of expenditures and expenses in excess of \$250,000, as reported on the fund financial statements shall have an annual financial audit of its accounts and records completed within 9 months after the end of its fiscal year by an independent certified public accountant retained by it and paid from its public funds.

In addition, the USDA debt requires the City to follow 7 CFR 1780.47(d) which stipulates audits shall be annual unless otherwise prohibited and supplied to the processing office as soon as possible but in no event later than 150 days following the period covered by the audit. The USDA granted the City an extension to 9 months after fiscal year-end.

Condition

Fiscal year ended September 30, 2023 financial statements were not filed by required deadline.

Cause

Implementation of new accounting software during the year, and the City encountered difficulties in utilizing the software for required accounting functions.

Effect

The City is in violation of the Florida Statute and debt requirement. It could result in revenues being withheld by the state or future debt requests being denied.

Repeat Finding

No.

**CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023**

Financial Statement Findings (Continued)

2023-004 Filing Delay (Continued)

Type of Finding: Compliance

Recommendation

We recommend the City implement a system for regular monitoring and review of the financial reporting process. This can help identify potential issues early and allow for corrective actions before deadlines are missed. As part of monitoring and review there should be clear procedures to follow if staff run into problems that prevent them from completing required procedures timely. It is important problems be addressed immediately so they do not become bigger problems later.

Views of Responsible Officials and Planned Corrective Actions

The City is aware of the reporting deadlines required by Florida Statute, the USDA, and others. Management made every effort to ensure that the State, USDA, the JLAC and many others were aware of the issues and updated timelines as necessary. Management is committed to ensure all reporting deadlines will be met and will communicate with all agencies as necessary.



MANAGEMENT LETTER

Honorable Mayor and City Council
City of Moore Haven, Florida
Moore Haven, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Moore Haven, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 23, 2025.

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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 23, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. See Exhibit A for the status of findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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

- a. The total number of district employees compensated in the last pay period of the district’s fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district’s fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as 0 (provide list).
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as 0.

Honorable Mayor and City Council
City of Moore Haven, Florida

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the City of Moore Haven Affordable Housing Finance Authority reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as 0 (provide list).
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as 0.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the City of Moore Haven Capital Projects Finance Authority reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 150,500.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as 0 (provide list).
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as 0.

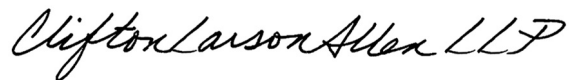
Honorable Mayor and City Council
City of Moore Haven, Florida

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 identified one such finding which is described in the accompanying schedule of findings and responses as item 2023-004.

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, Council members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 23, 2025

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT LETTER
EXHIBIT A
SEPTEMBER 30, 2023**

Prior Year Findings		Finding Number			Current Year Status		
		Current Year	2021-2022	2020-2021	Cleared	Partially Cleared	Not Cleared
2022-001 Audit Adjustments	Material Weakness	2023-001	2022-001	2021-001			X
2022-002 Controls Over Mowing Receivables and Related Revenues	Significant Deficiency	N/A	2022-002	N/A	X		
2022-003 Florida Statute 189.016(4) and (6) - Uniform Special District Accountability Act	Significant Deficiency	N/A	2022-003	2021-004	X		



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and City Council
City of Moore Haven, Florida
Moore Haven, Florida

We have examined the City of Moore Haven, Florida's (the City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the City is responsible for the City's compliance with specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
April 23, 2025