

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

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

**TABLE OF CONTENTS**

**FINANCIAL SECTION**

Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	4

**BASIC FINANCIAL STATEMENTS**

**Government-wide Financial Statements:**

Statement of Net Position .....	11
Statement of Activities.....	12

**Governmental Funds Financial Statements:**

Balance Sheet-Governmental Funds .....	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	14
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds .....	16

**Proprietary Funds Financial Statements:**

Statement of Net Position-Proprietary Funds .....	17
Statement of Revenues, Expenditures, and Changes in Net Position-Proprietary Funds .....	19
Statement of Cash Flows-Proprietary Funds .....	20

**Fiduciary Funds Financial Statements:**

Statement of Fiduciary Net Position-Fiduciary Funds.....	22
Statement of Changes in Fiduciary Net Position-Fiduciary Fund .....	23
<b>Notes to Financial Statements</b> .....	24

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Changes in the OPEB Liability and Related Ratios.....	53
Schedule of Changes in the Net Pension Liability and Related Ratios .....	54
Schedule of Contributions.....	55
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	56
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - CRA .....	57
Notes to Budget and Actual Schedules .....	58

**COMBINING FUND FINANCIAL STATEMENTS**

Combining Balance Sheet-Non-Major Governmental Funds.....	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Non-Major Governmental Funds .....	60
Combining Statement of Net Position-Non-Major Proprietary Funds .....	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position- Non-Major Proprietary Funds.....	63

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

**TABLE OF CONTENTS  
(concluded)**

**COMPLIANCE SECTION**

Schedule of Expenditures of State Financial Assistance Projects .....	64
Notes to Schedule of Expenditures of State Financial Assistance Projects .....	65

**OTHER REPORTS**

Independent Auditor’s Report on Compliance for Each Major State Projects on Internal Control over Compliance in Accordance with Chapter 10.550, <i>Rules of the Auditor General</i> .....	66
Schedule of Findings and Questioned Costs .....	69
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance with Government Auditing Standards .....	71
Independent Auditor’s Report on Compliance with the Requirements Of Section 218.415 Florida Statutes .....	73
Independent Auditor’s Management Letter .....	74

**CITY OF QUINCY, FLORIDA  
LIST OF PRINCIPAL OFFICIALS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Freida Bass Prieto

Mayor

Dr. Robin Wood

Commissioner

Angela G. Sapp

Mayor

Ronte R. Harris

Mayor Pro Tem

Dr. Beverly A. Nash

Commissioner

**CITY OF QUINCY, FLORIDA**

**FINANCIAL SECTION**

**SEPTEMBER 30, 2023**

### INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, City Commissioners, and City Manager  
City of Quincy, Florida

#### **Opinion**

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

#### **Basis for Opinion**

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

#### **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 known information that may raise substantial doubt shortly thereafter.

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

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

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

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

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

#### **Required Supplementary Information**

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplementary Information**

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
October 10, 2024



**CITY OF QUINCY, FLORIDA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

As management of the City of Quincy, 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.

**FINANCIAL HIGHLIGHTS**

- The City's net position as of September 30, 2023, was \$14,034,883 as compared to \$13,159,776 for fiscal year 2022, an increase of \$875,105. The City’s unrestricted net assets as of September 30, 2023, were negative \$10,949,520 compared to negative \$8,215,320 for fiscal year ended September 30, 2022.
- Governmental activities unrestricted net position was a negative \$13,322,980 as of September 30, 2023, versus negative \$11,346,053 as of September 30, 2022.
- The total revenues from all sources were \$30,203,611 for the fiscal year 2023 versus \$35,115,786 for the fiscal year 2022. Enterprise fund revenue decreased \$5,279,036, while governmental fund revenue increased \$366,861, in fiscal year 2023.
- The total cost of all City programs was \$29,328,506 for the fiscal year 2023 versus \$33,583,844 for the fiscal year 2022. Overall, there was a decrease of \$687,286 in expenses in the governmental funds and a decrease of expenses in the enterprise funds of \$3,568,052.
- During fiscal year 2023, the City's governmental and business activity total revenues exceeded expenses (change in net assets) by \$875,105, and the revenues exceeded expenses by \$1,531,942 for 2022. This is a decrease of \$656,837.
- Total expenditures in the governmental funds of \$11,187,750 exceeded total revenues of \$6,864,117 by \$4,323,633, excluding net transfers of \$5,523,491 for fiscal year 2023, while total expenditures for fiscal year 2022 of \$11,875,036 exceeded total revenues of \$6,497,256 by \$5,377,780, excluding net transfers in the amount of \$5,833,139.
- The General Fund’s fund balance is \$1,244,293 for fiscal year 2023, compared to \$1,212,540 at the end of fiscal year 2022, an increase of \$31,753.
- The City's total long-term debt is \$11,816,859 as of September 30, 2023, representing a decrease of \$1,269,320 from \$13,086,179 as of September 30, 2022.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of a series of financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

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

The statement of net position presents information on all of the City’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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, economic environment, and culture and recreation. The business-type activities of the City include wastewater, electricity, water, gas, refuse, and landfill operations.

The government-wide financial statements can be found on pages 11-12 of this report.

**Fund Financial Statements**

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

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The City maintains two major governmental funds, the General Fund and the CRA Fund, and two non-major governmental funds, the Confiscated Property Fund and the 2012 Refunding Bond Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for all funds.

The City adopts an annual appropriated budget for the major governmental funds. Budgetary comparison schedules have been provided for the general fund and CRA fund to demonstrate compliance with the budget.

**Proprietary Funds**

The City maintains six proprietary funds, three major and three nonmajor. Enterprise funds are used to report the same functions presented in the business-type activities in the government-wide financial statements. The City's six enterprise funds are to account for wastewater, electric, water, gas, refuse and landfill operations.

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 wastewater, electric, and water operations (major funds) and gas, refuse and landfill operations (nonmajor funds).

**Internal Service Fund**

The Internal Service Fund is used as an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains one internal service fund to account for information technology services provided both to the governmental funds and to the enterprise funds. The amount of the allocation is based on an equal distribution of cost across all departments.

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

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs and operations. The City maintains two major fiduciary funds, the Retirement Savings Plan Fund and the Police and Fire Pension Plan Fund.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to get full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-52 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary information, pension liability and other post-employment benefits liability. Required information can be found on pages 53-58 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$14,034,833 at the close of the most recent fiscal year.

Summary of the Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
<b>Assets:</b>						
Current & Other	\$ 5,100,647	\$ 4,925,237	\$ 13,603,509	\$ 11,435,188	\$ 18,704,156	\$ 16,360,425
Capital Assets	8,649,893	9,463,369	20,152,087	19,308,993	28,801,980	28,772,362
<b>Total Assets</b>	<b>13,750,540</b>	<b>14,388,606</b>	<b>33,755,596</b>	<b>30,744,181</b>	<b>47,506,136</b>	<b>45,132,787</b>
Deferred Outflows of Resources	3,413,826	3,170,071	-	-	3,413,826	3,170,071
<b>Liabilities:</b>						
Current & Other	3,753,380	3,241,506	5,440,586	5,220,957	9,193,966	8,462,463
Long-term Debt	1,878,218	1,578,592	11,147,236	8,680,202	13,025,454	10,258,794
Net Pension Liability	3,062,937	2,141,694	-	-	3,062,937	2,141,694
OPEB Liability	9,479,109	7,173,366	-	-	9,479,109	7,173,366
<b>Total Liabilities</b>	<b>18,173,644</b>	<b>14,135,158</b>	<b>16,587,822</b>	<b>13,901,159</b>	<b>34,761,466</b>	<b>28,036,317</b>
Deferred Inflows of Resources	2,998,718	6,231,658	-	-	2,998,718	6,231,658
<b>Net Position:</b>						
Invested in Capital	6,806,321	7,738,864	9,620,120	9,882,043	16,426,441	17,620,907
Restricted	531,734	2,775,977	4,416,921	4,587,519	4,948,655	7,363,496
Unrestricted	(11,346,051)	(13,322,980)	3,130,733	2,373,460	(8,215,318)	(10,949,520)
<b>Total Net Position</b>	<b>\$ (4,007,996)</b>	<b>\$ (2,808,139)</b>	<b>\$ 17,167,774</b>	<b>\$ 16,843,022</b>	<b>\$ 13,159,778</b>	<b>\$ 14,034,883</b>

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

A large portion of the City's net position (125.55%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spendings. 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, \$7,363,496, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

**Governmental Activities**

Governmental activities increased the City's net position by \$1,199,858 in the most recent fiscal year.

The key element of this change is an increase in tax and state shared revenues.

Summary of the Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
<b>Revenues:</b>						
Program Revenue	\$ 2,369,137	\$ 1,355,312	\$ 28,706,122	\$ 23,241,411	\$ 31,075,259	\$ 24,596,723
Property Tax	1,288,768	1,700,181	-	-	1,288,768	1,700,181
Tax Increment	555,654	783,005	-	-	555,654	783,005
Utility Service Tax	252,989	263,744	-	-	252,989	263,744
Discretionary Sales Tax	760,573	795,656	-	-	760,573	795,656
Local Option Gas Tax	228,042	233,172	-	-	228,042	233,172
State Shared Revenues	946,412	1,558,111	-	-	946,412	1,558,111
Investment Earnings (Losses)	95,681	5,672	(87,592)	(57,973)	8,089	(52,301)
Miscellaneous	-	169,264	-	156,056	-	325,320
<b>Total Revenues</b>	<b>6,497,256</b>	<b>6,864,117</b>	<b>28,618,530</b>	<b>23,339,494</b>	<b>35,115,786</b>	<b>30,203,611</b>
<b>Program Expenses:</b>						
General Governments	3,206,386	3,259,229	-	-	3,206,386	3,259,229
Public Safety	5,702,341	5,090,066	-	-	5,702,341	5,090,066
Physical Environment	355,276	228,277	-	-	355,276	228,277
Transportation	1,261,328	1,111,560	-	-	1,261,328	1,111,560
Economic Environment	604,721	616,918	-	-	604,721	616,918
Culture and Recreation	691,537	829,875	-	-	691,537	829,875
Interest on Long-term Debt	53,447	51,826	-	-	53,447	51,826
Business-type Activities	-	-	21,708,808	18,140,756	21,708,808	18,140,756
<b>Total Program Expenses</b>	<b>11,875,036</b>	<b>11,187,750</b>	<b>21,708,808</b>	<b>18,140,756</b>	<b>33,583,844</b>	<b>29,328,506</b>
<b>Excess (Deficit before Transfers)</b>	<b>(5,377,780)</b>	<b>(4,323,633)</b>	<b>6,909,722</b>	<b>5,198,738</b>	<b>1,531,942</b>	<b>875,105</b>
<b>Transfers</b>	<b>5,833,139</b>	<b>5,523,491</b>	<b>(5,833,139)</b>	<b>(5,523,491)</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>455,359</b>	<b>1,199,858</b>	<b>1,076,583</b>	<b>(324,753)</b>	<b>1,531,942</b>	<b>875,105</b>
<b>Net Position, Beginning</b>	<b>(4,463,356)</b>	<b>(4,007,997)</b>	<b>16,091,192</b>	<b>17,167,775</b>	<b>11,627,836</b>	<b>13,159,778</b>
<b>Net Position, Ending</b>	<b>\$ (4,007,997)</b>	<b>\$ (2,808,139)</b>	<b>\$ 17,167,775</b>	<b>\$ 16,843,022</b>	<b>\$ 13,159,778</b>	<b>\$ 14,034,883</b>

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

**Business-Type Activities**

Business-type activities decreased the City's net position by \$324,753 in the most recent fiscal year.

The key element of this change was the decrease in revenues from the Hurricane Michael surcharge.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds**

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

As of the end of the current fiscal year, the City's governmental fund reported an ending fund balance of \$2,251,376, an increase of \$507,102 in comparison with the prior year. (\$524,601) of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The general fund is the chief operating fund of the City.

**Proprietary Funds**

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

Unrestricted net position for the enterprise funds at the end of the year amounted to \$2,272,424. The total decrease in net position for the funds was \$392,679. Other factors concerning finances of the funds have already been addressed in the discussion of the City's business-type activities.

**GENERAL BUDGETARY HIGHLIGHTS**

The City did not amend their budgets during the current fiscal year. The City underspent the annual budget.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$17,620,907 (net of accumulated depreciation and outstanding debt). This investment in capital assets includes land, buildings and systems, improvements, infrastructure, machinery and equipment. The City's net investment in capital assets increased by \$1,194,466 in the current year.

Additional information on the City's capital assets can be found in Note 6, on page 36 of this report.

**CITY OF QUINCY, FLORIDA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Long-Term Debt**

At the end of the current fiscal year, the City had long-term debt outstanding of \$21,131,919.

Summary of Outstanding Debt

	Governmental Activities	Business-type Activities	Total
Bonds Payable	\$ 1,358,000	\$ 8,297,361	\$ 9,655,361
Notes Payable	-	1,119,659	1,119,659
Capital Leases Payable	366,505	9,929	376,434
Landfill Closure	-	108,016	108,016
Compensated Absences	421,732	135,657	557,389
Net Pension Liability	2,141,694	-	2,141,694
OPEB Liability	7,173,366	-	7,173,366
Total	<u>\$ 11,461,297</u>	<u>\$ 9,670,622</u>	<u>\$ 21,131,919</u>

Additional information on the City’s long-term debt can be found in Note 7, on pages 37-42 of this report.

**ECONOMIC FACTORS AND MAJOR ACCOMPLISHMENTS**

**New Housing Options** – Currently the City of Quincy is assisting three multifamily housing developers. Combined, approximately 200 new apartment and townhouse units will be added to our inventory. In an effort to support two of the new developments, the City received \$1.2 Million in Rural Infrastructure Fund grants to add or extend necessary electrical infrastructure and an access road.

**Utilities Improvements** – The investment by the City is guided by the five-year capital improvements plan, which was revised this fiscal year. The capital improvements plan contains strategic elements to ensure that the City is continuously enhancing the electrical distribution system underground, improving the vegetation management program, restoring the SCDA, and outage management. Other activities related to the capital improvement plan include the following:

- Utilities staff completed the installation of power lines to the new, 80-unit apartment complex – The Arbours of Quincy.
- Utilities department completed a city-wide, customer backflow device inspection. This is the first time the City of Quincy observed 100% compliance. When customers refused to comply, a plumber was hired to complete the inspection, and the cost was charged to the customer.
- Utilities department completed the installation of a bypass pump for the Virginia Street lift station. All reporting requirements were met which included the water consumer confidence report, the Public Service Commission net metering report and storm hardening report, and the Federal report EIA-861.

**Utility Grants** – During the fiscal year ended September 30, 2023, the utilities department received three significant grants:

- \$150,000 grant from North Florida Water Management District for water meter replacement
- \$909,810 grant from Florida Department of Commerce for the extension of S. Springs Road

**CITY OF QUINCY, FLORIDA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

and the utilities needed to serve future customers.

- \$300,000 grant from Florida Department of Commerce for an engineering study to site a new wastewater treatment plant

**Smart Grid** – The City has made significant strides in completing the installation of its Smart Grid, which will use digital technologies, sensors and software to better match the supply and demand of electricity in real time. The competency will help with minimizing costs and maintaining the stability and reliability of the grid.

**Community Redevelopment Agency Grants (“CRA”)** – The CRA provided \$100,000 in grants to support 11 existing businesses. Qualified businesses were eligible for up to \$10,000. Business owners used the funds to make capital improvements to their respective spaces and to purchase new inventory and equipment. Additionally, the CRA funded home repair grants to 15 homes for a total amount of \$120,000. These homes received individual grants up to \$10,000 for repairs including roof replacements and various repairs to kitchens and bathrooms.

**Parks and Recreation Center Renovations** – The City’s public works staff complete a significant project to renovate the Joe Ferrolito Recreation Center. The site hosts the City’s recreation department and all indoor athletic events and activities. The renovation included painting the facility’s interior and exterior, remodeling the primary restrooms, updating the locker room, adding new bleachers, and making improvements to the plumbing. The facility will feature new sports and recreational programming for the City’s residents. The City saved a considerable amount by using in-house employees to complete the majority of the work.

**Fire Station Upgrade** – The City’s public works staff completed renovations at the Quincy Fire Station 1. The upgrades included bathroom renovations, kitchen improvements, and new carpet and repairs to the living and office quarters.

**Public Works Upgrades** – The public works department effectively addressed serious impairments in the City’s water drainage network. Numerous storm-drain installations or remediations eliminated massive flooding in low lying areas on the City’s southside. Upgrading drainage pipe in some areas from 48-inches to 60-inches was so impactful that several neighborhoods saw flooding completely eliminated.

**REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, at the City of Quincy, 404 West Jefferson Street, Quincy, Florida 32351-2328.

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



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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 28,034	\$ 1,715,910	\$ 1,743,944
Investments	879,538	727,836	1,607,374
Accounts Receivable, Net	18,592	3,023,054	3,041,646
Assessments Receivable	172,699	-	172,699
Due from Other Governments	478,675	140,991	619,666
Prepaid	555,523	-	555,523
Inventories	-	1,239,878	1,239,878
Restricted Assets:			
Cash and Cash Equivalents	2,792,176	4,587,519	7,379,695
Capital Assets:			
Nondepreciable	4,617,561	1,719,582	6,337,143
Depreciable, Net	4,827,211	17,589,411	22,416,622
Right of Use Asset, Net	18,597	-	18,597
<b>Total Assets</b>	<u>14,388,606</u>	<u>30,744,181</u>	<u>45,132,787</u>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows for OPEB	1,938,907	-	1,938,907
Deferred Outflows for Pensions	1,231,164	-	1,231,164
<b>Total Deferred Outflows of Resources</b>	<u>3,170,071</u>	<u>-</u>	<u>3,170,071</u>
<b>Liabilities</b>			
Accounts Payable	98,630	2,260,090	2,358,720
Accrued Payroll	434,814	155,390	590,204
Accrued Interest	-	73,874	73,874
Unearned Revenue	2,140,417	51,302	2,191,719
Noncurrent Liabilities:			
Due within One Year			
Accrued Compensated Absences	105,433	33,915	139,348
Bonds, Notes, and Leases Payable	462,212	956,506	1,418,718
Due within More Than One Year			
Accrued Compensated Absences	316,299	101,742	418,041
Bonds, Notes, and Leases Payable	1,262,293	8,470,444	9,732,737
Net Pension Liability	2,141,694	-	2,141,694
OPEB Liability	7,173,366	-	7,173,366
Customer Deposits	-	1,689,880	1,689,880
Landfill Closure Costs	-	108,016	108,016
<b>Total Liabilities</b>	<u>14,135,158</u>	<u>13,901,159</u>	<u>28,036,317</u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows for OPEB	5,274,381	-	5,274,381
Deferred Inflows for Pensions	957,277	-	957,277
<b>Total Deferred Inflows of Resources</b>	<u>6,231,658</u>	<u>-</u>	<u>6,231,658</u>
<b>Net Position</b>			
Net Investment in Capital Assets	7,738,864	9,882,043	17,620,907
Restricted for:			
Debt Service	144,408	4,163,019	4,307,427
Public Safety	22,608	-	22,608
Economic Environment	840,067	-	840,067
Grants	1,768,894	424,500	2,193,394
Unrestricted	(13,322,980)	2,373,460	(10,949,520)
<b>Total Net Position</b>	<u>\$ (2,808,139)</u>	<u>\$ 16,843,022</u>	<u>\$ 14,034,883</u>

See accompanying notes to Financial Statements

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>							
General Government	\$ 3,259,229	\$ 544,694	\$ -	\$ 390,042	\$ (2,324,493)	\$ -	\$ (2,324,493)
Public Safety	5,090,066	-	-	-	(5,090,066)	-	(5,090,066)
Physical Environment	228,277	-	-	-	(228,277)	-	(228,277)
Transportation	1,111,560	-	-	420,576	(690,984)	-	(690,984)
Economic Environment	616,918	-	-	-	(616,918)	-	(616,918)
Culture and Recreation	829,875	-	-	-	(829,875)	-	(829,875)
Interest on Long-term Debt	51,826	-	-	-	(51,826)	-	(51,826)
<b>Total Governmental Activities</b>	<b>11,187,750</b>	<b>544,694</b>	<b>-</b>	<b>810,618</b>	<b>(9,832,438)</b>	<b>-</b>	<b>(9,832,438)</b>
<b>Business-Type Activities</b>							
Wastewater Fund	2,005,963	2,212,695	-	516,836	-	723,568	723,568
Electric Fund	11,599,186	15,154,639	-	96,812	-	3,652,265	3,652,265
Water Fund	1,594,653	2,002,756	-	17,974	-	426,077	426,077
Non-Major Funds	2,940,954	3,221,725	-	17,974	-	298,745	298,745
<b>Total Business-Type Activities</b>	<b>18,140,756</b>	<b>22,591,815</b>	<b>-</b>	<b>649,596</b>	<b>-</b>	<b>5,100,655</b>	<b>5,100,655</b>
<b>Total Primary Government</b>	<b>\$ 29,328,506</b>	<b>\$ 23,136,509</b>	<b>\$ -</b>	<b>\$ 1,460,214</b>	<b>(9,832,438)</b>	<b>5,100,655</b>	<b>(4,731,783)</b>
<b>General Revenues</b>							
Taxes:							
Property Taxes					1,700,181	-	1,700,181
Tax Increment					783,005	-	783,005
Utility Service Tax					263,744	-	263,744
Discretionary Sales Surtax					795,656	-	795,656
Local Option Gas Tax					233,172	-	233,172
Sales Tax and Other Shared Revenues					1,558,111	-	1,558,111
Interest and Other Miscellaneous					174,936	98,083	273,019
<b>Transfers</b>					<b>5,523,491</b>	<b>(5,523,491)</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>11,032,296</b>	<b>(5,425,408)</b>	<b>5,606,888</b>
<b>Change in Net Position</b>					<b>1,199,858</b>	<b>(324,753)</b>	<b>875,105</b>
<b>Net Position Beginning of Year</b>					<b>(4,007,997)</b>	<b>17,167,775</b>	<b>13,159,778</b>
<b>Net Position End of Year</b>					<b>\$ (2,808,139)</b>	<b>\$ 16,843,022</b>	<b>\$ 14,034,883</b>

See accompanying notes to Financial Statements

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

	<b>General Fund</b>	<b>Community Redevelopment Agency</b>	<b>Non-Major Governmental</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 27,157	\$ 877	\$ -	\$ 28,034
Investments	879,538	-	-	879,538
Accounts Receivable, Net	18,592	-	-	18,592
Assessments Receivable	172,699	-	-	172,699
Due from Other Governments	478,675	-	-	478,675
Prepaid	555,523	-	-	555,523
Restricted Assets:				
Cash and Cash Equivalents	1,768,894	856,266	167,016	2,792,176
<b>Total Assets</b>	<u>3,901,078</u>	<u>857,143</u>	<u>167,016</u>	<u>4,925,237</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	83,941	14,689	-	98,630
Accrued Expenses	432,427	2,387	-	434,814
Unearned Revenue	2,140,417	-	-	2,140,417
<b>Total Liabilities</b>	<u>2,656,785</u>	<u>17,076</u>	<u>-</u>	<u>2,673,861</u>
<b>Fund Balances</b>				
Restricted for:				
Public Safety	-	-	22,608	22,608
Economic Environment	-	840,067	-	840,067
Debt Service	-	-	144,408	144,408
Grants	1,768,894	-	-	1,768,894
Unassigned	(524,601)	-	-	(524,601)
<b>Total Fund Balances</b>	<u>1,244,293</u>	<u>840,067</u>	<u>167,016</u>	<u>2,251,376</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,901,078</u>	<u>\$ 857,143</u>	<u>\$ 167,016</u>	<u>\$ 4,925,237</u>

See accompanying notes to Financial Statements

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

<b>Total Fund Balances of Governmental Funds</b>	\$	2,251,376
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		9,463,369
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds, notes, and leases payable	(1,724,505)	
OPEB liability	(7,173,366)	
Net pension liability	(2,141,694)	
Compensated absences	(421,732)	(11,461,297)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in governmental funds.		
Deferred outflows of resources for pensions	1,231,164	
Deferred outflows of resources for OPEB	1,938,907	
Deferred inflows of resources for OPEB	(5,274,381)	
Deferred inflows of resources for pensions	(957,277)	(3,061,587)
<b>Total Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>(2,808,139)</u></b>

**CITY OF QUINCY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>General Fund</u>	<u>Community Redevelopment Agency</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 2,992,753	\$ -	\$ -	\$ 2,992,753
Tax Increment	-	783,005	-	783,005
Licenses and Permits	163,801	-	-	163,801
Intergovernmental Revenues	2,153,421	-	-	2,153,421
Charges for Services	544,694	-	-	544,694
Fines and Foreitures	51,507	-	-	51,507
Interest Income	5,071	277	324	5,672
Miscellaneous Revenues	169,264	-	-	169,264
<b>Total Revenues</b>	<u>6,080,511</u>	<u>783,282</u>	<u>324</u>	<u>6,864,117</u>
<b>Expenditures</b>				
Current:				
General Government	3,012,197	-	31,912	3,044,109
Public Safety	4,724,435	-	7	4,724,442
Physical Environment	207,956	-	-	207,956
Transportation	1,039,780	-	-	1,039,780
Economic Environment	328,544	272,366	-	600,910
Culture and Recreation	787,772	-	-	787,772
Debt Service:				
Principal	101,197	2,229	323,000	426,426
Interest	13,082	-	38,744	51,826
Capital Outlay	1,314,799	-	-	1,314,799
<b>Total Expenditures</b>	<u>11,529,762</u>	<u>274,595</u>	<u>393,663</u>	<u>12,198,020</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(5,449,251)</u>	<u>508,687</u>	<u>(393,339)</u>	<u>(5,333,903)</u>
<b>Other Financing Sources (Uses)</b>				
Debt Proceeds	307,359	-	-	307,359
Sale of Asset	10,155	-	-	10,155
Transfers In	5,528,491	-	360,000	5,888,491
Transfers Out	(365,000)	-	-	(365,000)
<b>Total Other Financing Sources (Uses)</b>	<u>5,481,005</u>	<u>-</u>	<u>360,000</u>	<u>5,841,005</u>
<b>Net Change in Fund Balances</b>	31,754	508,687	(33,339)	507,102
<b>Fund Balances, Beginning of Year</b>	<u>1,212,539</u>	<u>331,380</u>	<u>200,355</u>	<u>1,744,274</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,244,293</u>	<u>\$ 840,067</u>	<u>\$ 167,016</u>	<u>\$ 2,251,376</u>

See accompanying notes to Financial Statements

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

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

Net Change in Fund Balances - Total Governmental Funds.	\$	507,102
<p>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 expense:</p>		
Expenditures for Capital Assets		1,304,644
Less: Current Year Depreciation		<u>(491,168)</u>
		813,476
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but as a reduction of long-term liabilities in the statement of net assets.</p>		
		426,426
<p>The issuance of long-term debt provides current financial resources to governmental funds, while it has no effect on the statement of activities.</p>		
		(307,359)
<p>Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the plan made after the measurement date:</p>		
Deferred Inflows Related to Pensions		(934,558)
Deferred Outflows Related to Pensions		(57,731)
Deferred Inflows Related to OPEB		(2,298,382)
Deferred Outflows Related to OPEB		<u>(186,024)</u>
		<u>(3,476,695)</u>
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>		
Changes in Compensated Absences		9,922
Change in Other Postemployment Benefits		2,305,743
Change in Net Pension Liability		<u>921,243</u>
		<u>3,236,908</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u><u>1,199,858</u></u></b>

**CITY OF QUINCY, FLORIDA**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2023**

	Business-Type Activities					
	Enterprise Funds					Internal Service Fund
	Major Funds			Non-Major Funds	Total Enterprise Funds	
Wastewater Fund	Electric Fund	Water Fund				
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 34,975	\$ 270,965	\$ 1,019,486	\$ 253,934	\$ 1,579,360	\$ 136,550
Investments	-	364,241	363,595	-	727,836	-
Receivables (Net)	486,801	1,679,551	447,819	408,883	3,023,054	-
Due from Other Governments	20,704	84,339	17,974	17,974	140,991	-
Interfund Receivables (Payables)	279,943	(1,239,829)	479,943	479,943	-	-
Inventories	37,126	835,149	290,193	77,410	1,239,878	-
<b>Total Current Assets</b>	<b>859,549</b>	<b>1,994,416</b>	<b>2,619,010</b>	<b>1,238,144</b>	<b>6,711,119</b>	<b>136,550</b>
<b>Noncurrent Assets</b>						
<b>Restricted Assets:</b>						
Restricted Cash and Cash Equivalents	204,103	3,243,996	708,537	430,883	4,587,519	-
<b>Total Restricted Assets</b>	<b>204,103</b>	<b>3,243,996</b>	<b>708,537</b>	<b>430,883</b>	<b>4,587,519</b>	<b>-</b>
<b>Capital Assets:</b>						
Land and Land Improvements	403,717	403,717	453,553	458,595	1,719,582	-
Property, Plant and Equipment	13,272,236	30,060,712	14,992,989	2,202,380	60,528,317	89,953
(Accumulated Depreciation)	(6,507,895)	(20,795,096)	(13,781,016)	(1,910,322)	(42,994,329)	(34,530)
<b>Total Net Capital Assets</b>	<b>7,168,058</b>	<b>9,669,333</b>	<b>1,665,526</b>	<b>750,653</b>	<b>19,253,570</b>	<b>55,423</b>
<b>Total Assets</b>	<b>\$ 8,231,710</b>	<b>\$ 14,907,745</b>	<b>\$ 4,993,073</b>	<b>\$ 2,419,680</b>	<b>\$ 30,552,208</b>	<b>\$ 191,973</b>

See accompanying notes to Financial Statements

**CITY OF QUINCY, FLORIDA**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2023**

	Business-Type Activities					
	Enterprise Funds					Internal Service Fund
	Major Funds			Non-Major Funds	Total Enterprise Funds	
Wastewater Fund	Electric Fund	Water Fund				
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 119,637	\$ 1,644,057	\$ 133,021	\$ 328,165	\$ 2,224,880	\$ 35,210
Accrued Liabilities	4,415	124,250	4,424	21,997	155,086	304
Accrued Interest	14,909	34,627	20,166	4,172	73,874	-
Unearned Revenue	-	51,302	-	-	51,302	-
Current Portion:						
Bonds Payable	133,906	350,255	284,145	30,622	798,928	-
Notes Payable	50,790	101,823	-	-	152,613	-
Lease Asset Liability	993	1,986	993	993	4,965	-
Compensated Absences Payable	2,695	20,474	2,343	8,403	33,915	-
<b>Total Current Liabilities</b>	<b>327,345</b>	<b>2,328,774</b>	<b>445,092</b>	<b>394,352</b>	<b>3,495,563</b>	<b>35,514</b>
<b>Noncurrent Liabilities</b>						
Customer Deposits	-	1,659,154	22,863	7,863	1,689,880	-
Long-term Portion:						
Bonds Payable	1,082,832	3,444,873	2,495,594	475,134	7,498,433	-
Notes Payable	967,047	-	-	-	967,047	-
Lease Asset Liability	993	1,985	993	993	4,964	-
Compensated Absences	8,084	61,422	7,028	25,208	101,742	-
Land Fill Closure Liability	-	-	-	108,016	108,016	-
<b>Total Noncurrent Liabilities</b>	<b>2,058,956</b>	<b>5,167,434</b>	<b>2,526,478</b>	<b>617,214</b>	<b>10,370,082</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,386,301</b>	<b>7,496,208</b>	<b>2,971,570</b>	<b>1,011,566</b>	<b>13,865,645</b>	<b>35,514</b>
<b>Net Position</b>						
Net Investment in Capital Assets	4,931,497	5,768,411	(1,116,199)	242,911	9,826,620	55,423
Restricted for:						
Debt Service	204,103	2,819,496	708,537	430,883	4,163,019	-
Grants	-	424,500	-	-	424,500	-
Unrestricted	709,809	(1,600,870)	2,429,165	734,320	2,272,424	101,036
<b>Total Net Position</b>	<b>5,845,409</b>	<b>7,411,537</b>	<b>2,021,503</b>	<b>1,408,114</b>	<b>16,686,563</b>	<b>156,459</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 8,231,710</b>	<b>\$ 14,907,745</b>	<b>\$ 4,993,073</b>	<b>\$ 2,419,680</b>	<b>\$ 30,552,208</b>	<b>\$ 191,973</b>

See accompanying notes to Financial Statements



**CITY OF QUINCY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Business-Type Activities					
	Enterprise Funds					Internal Service Fund
	Major Funds		Water Fund	Non-Major Funds	Total Enterprise Funds	
Wastewater Fund	Electric Fund					
<b>Operating Revenues</b>						
Charges for Services	\$ 2,202,644	\$ 14,238,622	\$ 1,947,828	\$ 2,856,165	\$ 21,245,259	\$ 186,989
Interfund Charges	-	892,574	54,928	7,240	954,742	-
Miscellaneous Revenues	10,051	23,443	-	168,648	202,142	2,683
<b>Total Operating Revenue</b>	<u>2,212,695</u>	<u>15,154,639</u>	<u>2,002,756</u>	<u>3,032,053</u>	<u>22,402,143</u>	<u>189,672</u>
<b>Operating Expenses</b>						
Purchase Power	-	7,614,816	-	735,612	8,350,428	-
Personal Service	230,681	1,429,089	260,886	278,540	2,199,196	-
Contractual Service	981,102	182,213	413,304	1,529,824	3,106,443	79,584
Supplies	11,710	46,434	2,545	4,758	65,447	1,993
Repairs and Maintenance	24,098	169,673	103,379	4,519	301,669	-
Utility/Telephone	200,219	83,957	134,902	4,763	423,841	19,372
Shared Service	61,528	463,710	98,555	136,404	760,197	-
Depreciation	362,027	991,825	434,024	26,568	1,814,444	-
Other Expenses	60,970	509,640	66,505	49,342	686,457	25,797
Bad Debt	30,288	-	31,148	6,908	68,344	-
IT- Support	9,500	33,988	9,500	28,500	81,488	-
<b>(Total Operating Expenses)</b>	<u>(1,972,123)</u>	<u>(11,525,345)</u>	<u>(1,554,748)</u>	<u>(2,805,738)</u>	<u>(17,857,954)</u>	<u>(126,746)</u>
<b>Operating Income</b>	<u>240,572</u>	<u>3,629,294</u>	<u>448,008</u>	<u>226,315</u>	<u>4,544,189</u>	<u>62,926</u>
<b>Non-Operating (Expenses)</b>						
Capital Grants	516,836	96,812	17,974	17,974	649,596	-
Interest Income	3,154	5,912	21,765	8,425	39,256	-
Interest Expenses	(33,840)	(73,841)	(39,905)	(8,470)	(156,056)	-
Investment Gains and Losses	-	21,840	36,987	-	58,827	-
<b>Total Non-Operating Revenues</b>						
<b>(Expenses)</b>	<u>486,150</u>	<u>50,723</u>	<u>36,821</u>	<u>17,929</u>	<u>591,623</u>	<u>-</u>
<b>Income Before Transfers</b>	<u>726,722</u>	<u>3,680,017</u>	<u>484,829</u>	<u>244,244</u>	<u>5,135,812</u>	<u>62,926</u>
<b>Operating Transfers</b>						
Transfers In	-	-	-	-	-	5,000
Transfers Out	(311,517)	(4,401,069)	(463,685)	(352,220)	(5,528,491)	-
<b>Total Operating Transfers</b>	<u>(311,517)</u>	<u>(4,401,069)</u>	<u>(463,685)</u>	<u>(352,220)</u>	<u>(5,528,491)</u>	<u>5,000</u>
<b>Change in Net Position</b>	<u>415,205</u>	<u>(721,052)</u>	<u>21,144</u>	<u>(107,976)</u>	<u>(392,679)</u>	<u>67,926</u>
<b>Net Position, Beginning of Year</b>	5,430,204	8,132,589	2,000,359	1,516,090	17,079,242	88,533
<b>Net Position, End of Year</b>	<u>\$ 5,845,409</u>	<u>\$ 7,411,537</u>	<u>\$ 2,021,503</u>	<u>\$ 1,408,114</u>	<u>\$ 16,686,563</u>	<u>\$ 156,459</u>

See accompanying notes to Financial Statements

**CITY OF QUINCY, FLORIDA**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Wastewater Fund</b>	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Non-Major Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities</b>						
Cash Received from Customers and Others	\$ 2,159,711	\$ 15,497,083	\$ 2,265,682	\$ 2,654,652	\$ 22,577,128	\$ 216,265
Cash Paid to Employees	(230,681)	(1,429,089)	(413,304)	(278,540)	(2,351,614)	-
Cash Paid to Suppliers	(1,379,415)	(9,231,358)	(612,520)	(2,067,852)	(13,291,145)	(126,746)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>549,615</u>	<u>4,836,636</u>	<u>1,239,858</u>	<u>308,260</u>	<u>6,934,369</u>	<u>89,519</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Operating Transfers In	-	-	-	-	-	5,000
Operating Transfers Out	(311,517)	(4,401,069)	(463,685)	(352,220)	(5,528,491)	-
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>(311,517)</u>	<u>(4,401,069)</u>	<u>(463,685)</u>	<u>(352,220)</u>	<u>(5,528,491)</u>	<u>5,000</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Grants	516,836	96,812	17,974	17,974	649,596	-
Loan Proceeds	124,033	-	-	-	124,033	-
Principal Payments on Debt	(217,192)	(531,202)	(449,123)	(74,943)	(1,272,460)	-
Interest Payments on Debt	(33,840)	(73,841)	(39,905)	(8,470)	(156,056)	-
Purchase of Fixed Assets	(744,130)	(81,059)	(46,333)	(91,621)	(963,143)	-
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(354,293)</u>	<u>(589,290)</u>	<u>(517,387)</u>	<u>(157,060)</u>	<u>(1,618,030)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>						
Interest Received	3,154	5,912	21,765	8,425	39,256	-
Investment Activity	-	21,840	36,987	-	58,827	-
<b>Net Cash Provided from Investing</b>	<u>3,154</u>	<u>27,752</u>	<u>58,752</u>	<u>8,425</u>	<u>98,083</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(113,041)	(125,971)	317,538	(192,595)	(114,069)	94,519
<b>Cash and Cash Equivalents, Beginning of Year</b>	352,119	3,640,932	1,410,485	877,412	6,280,948	42,031
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 239,078</u>	<u>\$ 3,514,961</u>	<u>\$ 1,728,023</u>	<u>\$ 684,817</u>	<u>\$ 6,166,879</u>	<u>\$ 136,550</u>

See accompanying notes to Financial Statements

**CITY OF QUINCY, FLORIDA**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Wastewater Fund</b>	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Non-Major Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b><u>Included on the Accompanying Balance Sheet</u></b>						
<b><u>Under the Following Captions</u></b>						
Cash and Cash Equivalents	\$ 34,975	\$ 270,965	\$ 1,019,486	\$ 253,934	\$ 1,579,360	\$ 136,550
Restricted Assets:						
Cash and Cash Equivalents	204,103	3,243,996	708,537	430,883	4,587,519	-
<b>Total</b>	<b>\$ 239,078</b>	<b>\$ 3,514,961</b>	<b>\$ 1,728,023</b>	<b>\$ 684,817</b>	<b>\$ 6,166,879</b>	<b>\$ 136,550</b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash</u></b>						
<b><u>Provided by (Used in) Operating Activities</u></b>						
<b>Cash Flows from Operating Activities</b>						
Operating Income (Loss)	\$ 240,572	\$ 3,629,294	\$ 448,008	\$ 226,315	\$ 4,544,189	\$ 62,926
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation	362,027	991,825	434,024	26,568	1,814,444	-
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease)						
Investments	-	(22,305)	474,401	-	452,096	-
Accounts Receivable, Net	(113,591)	357,220	(102,658)	31,482	172,453	-
Due from Other Governments	15,788	157,754	(17,974)	(17,974)	137,594	-
Interfund Receivable/(Payable)	-	-	-	-	-	-
Inventories	(16,785)	(143,527)	(83,942)	(13,868)	(258,122)	-
Accounts Payable	62,871	(130,208)	94,900	33,124	60,687	26,593
Accrued Liabilities	(2,190)	(86,318)	(3,184)	48,811	(42,881)	-
Accrued Interest	43	(4,221)	(3,544)	(249)	(7,971)	-
Due to Other Governments	-	-	-	(26,879)	(26,879)	-
Deferred Revenue	-	(12,473)	-	-	(12,473)	-
Customer Deposits	-	94,784	(980)	(665)	93,139	-
Compensated Absences	880	4,811	807	1,595	8,093	-
Landfill Closure Liability	-	-	-	(43,408)	(43,408)	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 549,615</b>	<b>\$ 4,836,636</b>	<b>\$ 1,239,858</b>	<b>\$ 308,260</b>	<b>\$ 6,934,369</b>	<b>\$ 89,519</b>

See accompanying notes to Financial Statements

**CITY OF QUINCY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Retirement Savings Plan</u>	<u>Police and Firemen's Supplemental Pension Plan</u>	<u>Total</u>
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	\$ 51,256	\$ 338,884	\$ 390,140
Investments	8,216,301	8,761,053	16,977,354
Receivables	192,356	143,504	335,860
Prepays	-	3,137	3,137
Total Current Assets	<u>8,459,913</u>	<u>9,246,578</u>	<u>17,706,491</u>
<b>Total Assets</b>	<u>8,459,913</u>	<u>9,246,578</u>	<u>17,706,491</u>
<b>Liabilities</b>			
Payables			
Refunds of Member Contributions	-	22,753	22,753
Administrative Expenses	-	8,041	8,041
Total Liabilities	<u>-</u>	<u>30,794</u>	<u>30,794</u>
<b>Net Position</b>			
Restricted for Pension Benefits	<u>8,459,913</u>	<u>9,215,784</u>	<u>17,675,697</u>
<b>Total Net Position</b>	<u>\$ 8,459,913</u>	<u>\$ 9,215,784</u>	<u>\$ 17,675,697</u>

See accompanying notes to Financial Statements

**CITY OF QUINCY, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Retirement Savings Plan</b>	<b>Police and Firemen's Supplemental Pension Plan</b>	<b>Total</b>
<b>Additions</b>			
<b>Contributions</b>			
Plan Member	\$ 14,157	\$ 134,169	\$ 148,326
Employer	649,854	306,406	956,260
State	-	127,573	127,573
Other	6,274	-	6,274
<b>Total Contributions</b>	<u>670,285</u>	<u>568,148</u>	<u>1,238,433</u>
<b>Investment Income (Loss):</b>			
Net Realized and Unrealized Gain/Loss	939,356	627,549	1,566,905
Interest and Dividends	270,151	278,007	548,158
<b>Net Investment Income (Loss)</b>	<u>1,209,507</u>	<u>905,556</u>	<u>2,115,063</u>
<b>Total Additions</b>	<u>1,879,792</u>	<u>1,473,704</u>	<u>3,353,496</u>
<b>Deductions</b>			
Benefits Payments	1,001,235	846,290	1,847,525
Administrative Expenses	1,163	43,756	44,919
<b>Total Deductions</b>	<u>1,002,398</u>	<u>890,046</u>	<u>1,892,444</u>
<b>Change in Net Position</b>	877,394	583,658	1,461,052
<b>Net Position - Beginning of Year, Previously Reported</b>	7,582,519	8,337,804	15,920,323
<b>Restatement</b>	-	294,322	294,322
<b>Net Position - Beginning of Year, Restated</b>	<u>7,582,519</u>	<u>8,632,126</u>	<u>16,214,645</u>
<b>Net Position - End of Year</b>	<u>\$ 8,459,913</u>	<u>\$ 9,215,784</u>	<u>\$ 17,675,697</u>

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

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

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

**Reporting Entity**

The City of Quincy, Florida, (the “City”) is a municipality, which operates under a Commission-City Manager form of government established on November 19, 1828, pursuant to a Special Act of the State of Florida Legislature. The City provides municipal services to its residents, including general government, public safety, public works, culture and recreation, economic environment, cemetery, and engineering. The City also provides electric, water, sewer (wastewater), gas, refuse collection, and a landfill.

The City is also a part of the Capital Trust Authority, Inc. (the “Authority”) which was incorporated on June 6, 2022 under the laws of the State of Florida, as a not-for-profit corporation. The Authority was created as a result of an interlocal agreement between the City of Gulf Breeze, Florida and the City, with three initial directors appointed by the City Council of Gulf Breeze, Florida. The purpose of the Authority is to relieve the burdens of governments by assisting in the financing, acquisition, construction, development, equipping, maintenance operation, and/or promotion of certain facilities, intangibles, and capital projects.

The following is a summary of the City’s significant accounting policies presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

**Reporting Standards**

In accordance with Codification of Governmental Accounting and Financial Reporting Standards, the accompanying financial statements include all funds for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. GASB has set forth criteria for consideration in determining financial accountability. These criteria include appointing a majority of an organization’s governing body and: (1) the ability of the City to impose its will on that organization; or, (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City. Other considerations are whether the organization is legally separate, whether the City holds the corporate powers of the organization, and whether there is fiscal dependency by the organization on the City.

**Blended Component Unit**

**Quincy Community Redevelopment Agency (CRA)** - In 1999, the City passed Ordinance No. 896 establishing the CRA which is governed by the City Commission. The CRA has responsibility for the southern portion of the City which includes three enumeration districts.

The CRA is reported as a blended component unit because the organization’s governing body is the same as the City and the organization provides services almost entirely to the primary government. With the adoption of GASB 61 and management’s re-evaluation of the CRA, the City is now reporting the CRA as a major special revenue fund in order to more fully comply with generally accepted accounting principles.

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

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

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. For the most part, the effect of the 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 support.

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

Separate financial statements are provided for governmental and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus and Basis of Accounting**

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.

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 City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition under capital leases are reported as other financing sources.

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



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

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

The proprietary and pension trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**Basis of Presentation**

While separate government-wide and fund financial statements are presented, they are interrelated. The government activities column incorporates governmental funds while business-type activities incorporate the City's enterprise funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's electric, water, wastewater, gas and telecommunications function, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Accounting**

The accounts of the City are organized into funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues, and expenditures or expenses, as appropriate. The City has the following funds:

**Governmental Fund Types**

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

The following comprise the City's major governmental funds:

- **General Fund** - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other funds are accounted for in this fund. Many of the more important activities of the City, including operation of the City's street and highway maintenance; public safety, parks, recreation programs, and general service departments are accounted for in this fund.
- **Quincy Community Redevelopment Agency** - (The CRA) was created in accordance with Chapter 163, Florida Statutes on February 23, 1999, by the City. The CRA is funded by the incremental tax funds contributed by Gadsden County and the City and is charged with the responsibility of facilitating the revitalization of designated "slum" and or "blighted" areas within the City.

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

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

The other governmental funds of the City are considered non-major and are as follows:

- **Special Revenue Funds** - used to account for revenues derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds.
- **Confiscated Property** - used to account for confiscated property to be used for public safety purposes.
- **Debt Service Funds** – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**Proprietary Fund Types** – used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position, and cash flows. Pursuant to the election option made available by GASB Statement No. 20, pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the Proprietary Fund types.

- **Enterprise Funds** - finance and account for the acquisition, operation, and maintenance of the City's facilities and services which are supported primarily by user charges. The following comprise the City's major enterprise funds:
  - **Electric Fund** – used to account for the operation and maintenance of the City's electric distribution system.
  - **Water Fund** – used to account for the operation and maintenance of the City's water distribution system.
  - **Wastewater Fund** – used to account for the operation and maintenance of the City's sewer system.

The other enterprise funds of the City are considered non-major and are as follows:

- **Refuse Fund** – used to account for the operation and maintenance of the City's refuse system.
- **Landfill Fund** – used to account for the operation and maintenance of the City's landfill site.
- **Gas Fund** – used to account for the operation and maintenance of the City's gas distribution system.
- **Internal Service Funds** – was originally used to accumulate and allocate costs internally among the City's various functions. However, over the years it has been used to accumulate the discontinued operations related to "Net Quincy" including all assets and liabilities. The City transferred all the assets and general long-term debt of the fund to the electric fund during the year.

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

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

**Fiduciary Fund Types (Trust Funds)** - used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

- **Trust and Agency Funds** – used to account for assets held in a trustee capacity or as an agent for the City’s Retirement Savings Plan and for the Police and Firemen’s Supplemental Pension Plan. The *pension trust fund* is accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting.

**Deposits and Investments**

The City maintains a cash pool that is available for use by all funds. Interest income earned as a result of pooling is distributed monthly to the appropriate funds based on average daily balances. The government’s cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid instruments with original maturities of three months or less from the date of acquisition.

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as qualified public depositories, a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions providing full insurance for public deposits. The City had deposits only with qualifying institutions as of September 30, 2023.

Investments are held in the General Fund and the proprietary funds and consist of marketable securities reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales quote at current exchange rates. Investments that do not have an established market are reported at estimated fair value based on market indicators regarded as measures of equity or fixed income performance results.

**Receivable and Payables**

Outstanding balances between funds are reported as internal balances. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Receivables are reported net of an allowance of uncollectible. The City calculates its allowance for uncollectible using historical collections data, specific account analysis, and management’s judgment.

**Inventory**

Inventory for governmental-type activities is valued at the lower of cost, using the first-in, first-out (FIFO) method, or market value. Generally, the costs of governmental fund type inventories are recorded as expenditures when consumed (consumption method) rather than when purchased. Business-type activities, utility supplies and plant inventory are valued at lower of cost, as determined by the average unit cost method, or market value.

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

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

**Prepaid**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are accounted for by use of the consumption method.

**Restricted Assets**

Certain resources are set aside for debt reserves, customer deposits, and other purposes. These resources are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, ordinances, or regulations.

**Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life, in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Buildings	10-50 Years
Improvements	10-35 Years
Infrastructure	40-55 Years
Furniture, Fixtures, and Equipment	3-20 Years

**Compensated Absences**

Accumulated unpaid vacation time, compensatory time, and sick time amounts, including the related direct and incremental salary-related payments, accrues in the enterprise funds, and appear as increases in salary expenses in the proprietary financial statements. In the governmental funds, these costs are recognized when payments are made to employees or when the costs mature as a result of an employee resignation or retirement. All vacation, compensatory, and sick pay accrues when incurred in the government-wide financial statements.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the bond premium or discount. Bond issuance costs are expensed when incurred, with the exception of bond insurance, which is amortized over the term of the related debt.

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

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

In the fund financial statements, governmental fund types record bond premiums and discounts, as well as bond issuance costs in the year incurred. The face amount of debt issued is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

**Fund Balance**

Fund balance classifications comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: non-spendable, restricted, committed, assigned and unassigned:

- **Non-spendable** - this component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories. On the governmental funds balance sheet, the inventory balance reported is offset by a non-spendable fund balance classification which indicates it does not constitute “available spendable resources” even though it is a component of net current position.
- **Restricted** - this component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed** - this component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (i.e., by ordinance) of the organization’s governing authority (the City Commission). These committed amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action employed to constrain those amounts.
- **Assigned** - this component of fund balance consists of amounts that the City intends to use for a specific purpose as determined by the City Commission in accordance with the City’s fiscal policies. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.
- **Unassigned** - this classification is used for: (a) deficit unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed or assigned. When both restricted and unrestricted resources are available for use, it is generally the practice of the City to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use in any governmental fund, it is the City’s practice to use committed resources first, then assigned, and then unassigned as needed.

**Net Position**

Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position invested in capital assets, net of related debt excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations.

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

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

Net position not reported as net position invested in capital assets, net of related debt or restricted net position, are reported as unrestricted net position. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as needed.

**Deferred Outflows, Deferred Inflows, and Net Position**

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

***Pension and OPEB Related*** - Pension and OPEB Related Deferred Inflows and Outflows represent the difference between expected and actual experience with regard to economic or demographic factors and changes to assumptions in the measurement of total pension and OPEB liability, and the differences between expected and actual earnings on pension plan investments, and changes in the City's proportionate share of pension contributions. These amounts are reported as deferred inflows or outflows of resources, to be recognized in expense over time. Also included in deferred outflows are amounts contributed to the pension plans subsequent to the measurement date. See Note 10 and Note 11 for more information on Pension Related Deferred Inflows and Outflows and OPEB Related Deferred Inflows and Outflows.

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

**Postemployment Benefits Other than Pension Benefits (OPEB)**

The City participates and administers a single-employer plan under which qualified retired employees are permitted to participate in the health, dental, vision, and life insurance benefits program. Additional information on the City's OPEB liability can be found in Note 10.

**Revenues and Expenditures/Expenses**

***Program Revenues*** – Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

***Property Taxes*** – The Gadsden County Tax Collector bills and collects property taxes for the City in accordance with the laws of the State of Florida. Property taxes attach as an enforceable lien on property as of the date of assessment and remain in effect until discharged by payment. Taxes are payable when levied (on November 1, or as soon thereafter as the assessment roll becomes available to the Tax Collector).

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

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

**Accounting Estimates**

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

**Budgets and Budgetary Accounting**

The City, in accordance with its charter and state law, adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Prior to August 15, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are held to obtain taxpayer comments.
- Prior to October 1, the budget is legally enacted through passage of an ordinance.

Budgetary control is maintained at the departmental and fund level, with finance department providing support to departments in the administration of their budgets. In accordance with the City's budget transfer policy, the City Manager is authorized to transfer budgeted amounts within any fund or function; however, the City Commission must approve any supplemental appropriations or revisions that amend the total expenditures of any fund. During the year, supplementary appropriations were necessary to ensure that expenditures did not exceed budgeted appropriations. All budgets are on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted, or as amended in accordance with City ordinances. The accompanying financial statements incorporate the original budget ordinances. All annual appropriations lapse at fiscal year-end.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

At year end, the carrying amount of the City's cash and cash equivalents was \$1,743,944 and the total of the bank balances was \$2,201,714. The City's carrying amount of restricted cash and cash equivalents, exclusive of externally managed portfolio, was \$7,379,695 and the total of the bank balances was \$7,335,870. The bank balances were covered by Federal depository insurance or by collateral held by the City's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act Chapter 280, Florida Statutes.

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

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

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

Deposits as of September 30, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Cash Equivalents	\$	1,743,944
Restricted Cash and Cash Equivalents:		
Debt Service (2012 Bond)		144,408
Public Safety		22,608
Economic Environment		840,067
ARPA Grant		2,193,394
Smart Grid Cash from Bond Issue		1,555,939
Debt Service (Series 2003 Bond)		79,732
Debt Service SRF Loan		200,017
Debt Service Drinking Loan		251,931
SRL Rerserve		1,962
Rate Stabilization		2,002,703
Landfill Closure Costs		54,008
Hurricane Michael Fee		16,727
Total Restricted Cash and Cash Equivalents		<u>7,363,496</u>
Total Cash and Cash Equivalents	\$	<u>9,107,440</u>

**Investments**

Following are the investments, credit ratings and maturities of the City’s governmental and business-type activities at September 30, 2023:

	Carrying Amount	Credit Rating	Maturity
Certificates of Deposit	\$ 23,216	N/A	< 180 days
Externally Managed Portfolio: Level Four	<u>1,584,158</u>	N/A	N/A
Total Investment	<u>\$ 1,607,374</u>		

As of September 30, 2023, the value of the General Employees’ Retirement Savings Plan’s investment with their respective credit ratings, were as follows:

	Carrying Amount	Credit Rating	Maturity
Externally Managed Portfolio: American Funds	\$ 8,267,557	N/A	N/A
Total Externally Managed Portfolio	<u>\$ 8,267,557</u>		

General Employees’ Pension Funds are invested with American Funds which is considered a mutual fund.



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

**NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)**

As of September 30, 2023, the value of the City’s deposits and investments in the Police and Fire Supplemental activities, with their respective credit ratings, were as follows:

	<u>Cost Amount</u>	<u>Carrying Amount</u>	<u>Credit Rating</u>	<u>Maturity</u>
Externally Managed Portfolio				
Cash and Equivalents:				
Salem Trust-515	\$ 338,884	\$ 338,884	N/A	N/A
Mutual Funds:				
Fixed Income	1,493,190	1,493,190	AAA	N/A
Equity	5,850,755	5,850,755	AAA	N/A
Pooled Funds:				
Real Estate	1,417,108	1,417,108	AAA	N/A
Total Externally Managed Portfolio	<u>\$ 9,099,937</u>	<u>\$ 9,099,937</u>		

*Credit Risk-* The City’s Investment Policy limits credit risk by restricting authorized investments to the following: Local Government Surplus Funds Trust Fund, State direct obligations of the United States or its agencies and instrumentalities, direct obligations of states and municipalities, repurchase agreements, commercial paper, bankers’ acceptances, and money market mutual funds.

*Interest Rate Risk-* Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of investments. The City manages interest rate risk by setting the range of duration for the City’s portfolio as .5 years to 2.5 years, with a five-year average of 1.5 years. The effective duration of investments is listed in the preceding table.

*Custodial Credit Risk-* Custodial credit risk is the risk that, in the event of a bank failure or the failure of the counterparty, the government’s deposits may not be returned to it, or may not be able to recover the value of its investments that are in the possession of an outside party. The City generally utilizes third party custodians to help manage custodial credit risk. Custodians are primarily bank trust departments, insurance companies, and brokerage firms.

*Concentration of Credit Risk-* The City’s investment policy requires diversification of investments in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. All of the City’s investments are in external investment pools.

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

**NOTE 3 - RECEIVABLES**

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities		Business-type Activities	
	General	Wastewater	Electric	Water
Accounts Receivable	\$ 18,592	\$ 649,068	\$ 2,439,822	\$ 597,092
Less Allowance for Bad Debt	-	(162,267)	(760,271)	(149,273)
Net Accounts Receivable	<u>\$ 18,592</u>	<u>\$ 486,801</u>	<u>\$ 1,679,551</u>	<u>\$ 447,819</u>

  

	Business-type Activities			
	Gas	Refuse	Landfill	Total
Accounts Receivable	\$ 207,240	\$ 350,959	\$ -	\$ 4,262,773
Less Allowance for Bad Debt	(61,576)	(87,740)	-	(1,221,127)
Net Accounts Receivable	<u>\$ 145,664</u>	<u>\$ 263,219</u>	<u>\$ -</u>	<u>\$ 3,041,646</u>

As of September 30, 2023, the City also had due from other governments of \$478,675 in the general fund, \$51,302 in the electric fund.

**NOTE 4 – INTERFUND TRANSFERS, LOANS, AND ADVANCES**

Interfund receivables and payables at September 30, 2023, are comprised of the following:

Interfund Payables		Interfund Receivables		
		Electric	Wastewater	Total
Electric	\$ 200,000	\$ -	\$ 200,000	\$ 200,000
Water	479,943	479,943	-	479,943
Wastewater	479,943	479,943	-	479,943
Gas	479,943	479,943	-	479,943
Total	<u>\$ 1,639,829</u>	<u>\$ 1,439,829</u>	<u>\$ 200,000</u>	<u>\$ 1,639,829</u>

**NOTE 5 - -INVENTORY**

Inventory at September 30, 2023, consists of the following:

Electric Inventory	\$ 835,149
Water, Wastewater and Gas Inventory	404,729
Total Inventory	<u>\$ 1,239,878</u>

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

**NOTE 6 - CAPITAL ASSETS**

	<u>Balance September 30, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance September 30, 2023</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,617,561	\$ -	\$ -	\$ 4,617,561
Total Capital Assets, Not Being Depreciated	<u>4,617,561</u>	<u>-</u>	<u>-</u>	<u>4,617,561</u>
Capital Assets, Being Depreciated:				
Building and Improvements	5,828,990	-	-	5,828,990
Improvements other than Buildings	11,058,291	-	-	11,058,291
Infrastructure	8,337,627	889,779	-	9,227,406
Equipment and Other	9,457,035	425,020	(10,155)	9,871,900
Right of Use Asset	46,492	-	-	46,492
Total Capital Assets, Being Depreciated	<u>34,728,435</u>	<u>1,314,799</u>	<u>(10,155)</u>	<u>36,033,079</u>
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(5,797,169)	(31,821)	-	(5,828,990)
Improvements other than Buildings	(11,227,819)	-	169,528	(11,058,291)
Infrastructure	(6,471,852)	(237,713)	-	(6,709,565)
Equipment and Other	(7,199,263)	(401,317)	10,155	(7,590,425)
Total Accumulated Depreciation	<u>(30,696,103)</u>	<u>(670,851)</u>	<u>179,683</u>	<u>(31,187,271)</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>4,032,332</u>	<u>643,948</u>	<u>169,528</u>	<u>4,845,808</u>
<b>Total Governmental Capital Assets, Net</b>	<u>\$ 8,649,893</u>	<u>\$ 643,948</u>	<u>\$ 169,528</u>	<u>\$ 9,463,369</u>
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,666,353	\$ -	\$ -	\$ 1,666,353
Total Capital Assets, Not Being Depreciated	<u>1,666,353</u>	<u>-</u>	<u>-</u>	<u>1,666,353</u>
Capital Assets, Being Depreciated				
Buildings	27,381,339	620,165	-	28,001,504
Utility, Plant Equipment and Improvements	21,173,450	140,991	-	21,314,441
Infrastructure	4,386,002	-	-	4,386,002
Equipment and Other	6,761,358	210,194	-	6,971,552
Total Capital Assets, Being Depreciated	<u>59,702,149</u>	<u>971,350</u>	<u>-</u>	<u>60,673,499</u>
Less Accumulated Depreciation for:				
Buildings	(21,471,468)	(780,340)	-	(22,251,808)
Utility, Plant Equipment and Improvements	(14,291,147)	(980,859)	-	(15,272,006)
Equipment and Other	(5,451,800)	(55,245)	-	(5,507,045)
Total Accumulated Depreciation	<u>(41,214,415)</u>	<u>(1,816,444)</u>	<u>-</u>	<u>(43,030,859)</u>
Total Capital Assets, Being Depreciated, Net	<u>18,487,734</u>	<u>(845,094)</u>	<u>-</u>	<u>17,642,640</u>
<b>Total Business-Type Capital Assets, Net</b>	<u>\$ 20,154,087</u>	<u>\$ (845,094)</u>	<u>\$ -</u>	<u>\$ 19,308,993</u>
<b>Depreciation expense was charged to governmental functions as follows:</b>				
General Government				\$ 144,551
Public Safety				245,682
Transportation				48,233
Culture and Recreation				28,291
Economic Environment				10,757
Physical Environment				13,654
<b>Total</b>				<u>\$ 491,168</u>

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

**NOTE 7 - LONG-TERM DEBT**

<b>Governmental Funds:</b>	<b>September 30,</b>			<b>September 30,</b>
	<b>2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>2023</b>
<b>General Fund:</b>				
Capital Improvement Refunding Revenue Bond 2012	\$ 1,681,000	\$ -	\$ 323,000	\$ 1,358,000
Honeywell Lease (Gov't Portion)	18,219	-	18,219	-
Capital Lease Police Cars	124,653	307,359	75,980	356,032
Right of Use Asset	19,700	-	9,227	10,473
Compensated Absenses	431,654	-	9,922	421,732
Net Pension Liability	3,062,937	-	921,243	2,141,694
Other Post Employment Benefits Liability	9,479,109	-	2,305,743	7,173,366
<b>Total Governmental Activities Long Term Debt</b>	<b>\$ 14,817,272</b>	<b>\$ 307,359</b>	<b>\$ 3,663,334</b>	<b>\$ 11,461,297</b>
<b>Business-Type Activities:</b>				
<b>Electric Fund:</b>				
Utility Revenue Refunding Series 2020A Bonds	\$ 1,624,323	\$ -	\$ 202,359	\$ 1,421,964
Utility Revenue Series 2021	2,514,510	-	141,346	2,373,164
Honeywell Lease (Electric Portion)	84,627	-	84,627	-
Right to Use Asset	6,796	-	2,825	3,971
Capital City Bank Loan - Digger Truck	201,868	-	100,045	101,823
Compensated Absenses	77,085	4,811	-	81,896
<b>Total General Long Term Debt: Electric Fund</b>	<b>4,509,209</b>	<b>4,811</b>	<b>531,202</b>	<b>3,982,818</b>
<b>Water Fund:</b>				
Utility Revenue Refunding Series 2020A Bonds	812,161	-	101,179	710,982
Utility Revenue Refunding Series 2020C Bonds	1,710,121	-	147,120	1,563,001
Utility Revenue Series 2021	535,879	-	30,123	505,756
State Revolving Loan - Project No. DW200601	142,844	-	142,844	-
Honeywell Lease (Water Portion)	26,445	-	26,445	-
Right to Use Asset	3,398	-	1,412	1,986
Compensated Absenses	8,563	808	-	9,371
<b>Total General Long Term Debt: Water Fund</b>	<b>3,239,411</b>	<b>808</b>	<b>449,123</b>	<b>2,791,096</b>

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

**NOTE 7 – LONG-TERM DEBT (Continued)**

	<u>September 30,</u> <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>September 30,</u> <u>2023</u>
<b>Wastewater Fund:</b>				
Utility Revenue Refunding Series 2020A Bonds	812,161	-	101,179	710,982
Utility Revenue Series 2021	535,879	-	30,123	505,756
State Revolving Loan - Project No. 200100	291,387	-	23,897	267,490
State Revolving Loan - Project No. 641090	235,814	-	12,979	222,835
State Revolving Loan - Project No. 200114 (Solar Array)	403,478	124,033	-	527,511
Honeywell Lease (Wastewater Portion)	47,602	-	47,602	-
Right to Use Asset	3,398	-	1,412	1,986
Compensated Absenses	9,898	881	-	10,779
<b>Total General Long Term Debt: Wastewater Fund</b>	<u>2,339,617</u>	<u>124,914</u>	<u>217,192</u>	<u>2,247,339</u>
<b>Gas Fund:</b>				
Utility Revenue Series 2021	535,879	-	30,123	505,756
Right to Use Asset	3,398	-	1,412	1,986
Compensated Absenses	27,121	1,278	-	28,399
<b>Total General Long Term Debt: Gas Fund</b>	<u>566,398</u>	<u>1,278</u>	<u>31,535</u>	<u>536,141</u>
<b>Landfill Fund:</b>				
Compensated Absenses	4,895	317	-	5,212
Estimated Landfill Closure and Post Closure	151,424	-	43,408	108,016
<b>Total General Long Term Debt: Landfill Fund</b>	<u>156,319</u>	<u>317</u>	<u>43,408</u>	<u>113,228</u>
<b>Total Business-type Activities Long Term Debt</b>	<u>\$ 10,810,954</u>	<u>\$ 132,128</u>	<u>\$ 1,272,460</u>	<u>\$ 9,670,622</u>

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

**NOTE 7 - LONG-TERM DEBT (Continued)**

	<u>September 30,</u> <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>September 30,</u> <u>2023</u>	<u>Due</u> <u>Within</u> <u>One</u> <u>Year</u>
<b><u>Governmental Activities:</u></b>					
<b>Bonds:</b>					
Capital Improvement Refunding Revenue Bond 2012	\$ 1,681,000	\$ -	\$ 323,000	\$ 1,358,000	\$ 327,000
<b>Capitalized Leases:</b>					
Honeywell Lease (Gov't Portion)	18,219	-	18,219	-	-
Capital Lease Police Cars	124,653	307,359	75,980	356,032	125,985
Right to Use Asset	19,700	-	9,227	10,473	9,227
<b>Compensated Absences</b>	431,654	-	9,922	421,732	105,433
<b>Net Pension Liability</b>	3,062,937	-	921,243	2,141,694	-
<b>Other Post Employment Benefits Liability</b>	9,479,109	-	2,305,743	7,173,366	-
<b>Total Governmental Activities Debt</b>	<u>\$ 14,817,272</u>	<u>\$ 307,359</u>	<u>\$ 3,663,334</u>	<u>\$ 11,461,297</u>	<u>\$ 567,645</u>
<b><u>Business-Type Activities:</u></b>					
<b>Bonds:</b>					
Utility Revenue Refunding Series 2020A Bonds	\$ 3,248,645	\$ -	\$ 404,717	\$ 2,843,928	\$ 413,137
Utility Revenue Refunding Series 2020C Bonds	1,710,121	-	147,120	1,563,001	150,239
Utility Series 2021 Bond	4,122,147	-	231,715	3,890,432	235,553
<b>Notes Payable:</b>					
State Revolving Loan - Project No. DW2006010	142,844	-	142,844	-	-
State Revolving Loan - Project No. 200100	291,387	-	23,897	267,490	24,041
State Revolving Loan - Project No. 641090	235,814	-	12,979	222,835	13,259
State Revolving Loan - Project No. 200114 (Solar Array)	403,478	124,033	-	527,511	13,490
Capital City Bank Loan - Digger Truck	201,868	-	100,045	101,823	101,823
<b>Capitalized Leases:</b>					
Honeywell Lease	158,674	-	158,674	-	-
Right to Use Asset	16,990	-	7,061	9,929	4,965
<b>Estimated Landfill Closure and Post Closure</b>	151,424	-	43,408	108,016	-
<b>Compensated Absences</b>	127,562	8,095	-	135,657	33,914
<b>Total Business-Type Activities Debt</b>	<u>\$ 10,810,954</u>	<u>\$ 132,128</u>	<u>\$ 1,272,460</u>	<u>\$ 9,670,622</u>	<u>\$ 990,421</u>

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

**NOTE 7 – LONG-TERM DEBT (Continued)**

**Governmental Activities**

**Revenue Bond**

The City issues bonds where it pledges income derived from tax funds remitted by the State of Florida. Amounts outstanding at the end of the current fiscal year related to these bond issues in prior years totaled \$1,358,000.

\$4,507,000 Capital Improvement and Refunding Revenue Bond, Series 2012, dated December 28, 2012, and payable in annual installments ranging from \$224,000 to \$349,000 through June 1, 2027, plus interest at 2.3%.

**Capitalized Leases**

The City enters into lease obligations to acquire vehicles and equipment. Amounts outstanding at the end of the current fiscal year related to these lease obligations totaled \$366,505.

\$1,777,900 Honeywell lease for a high efficiency HVAC and lighting upgrade, dated April 21, 2008, and payable in thirty semi-annual installments ending July 1, 2023. The governmental fund is only responsible for a portion of the debt. The lease was paid off during the September 30, 2023, fiscal year.

\$163,971 Enterprise leases payable for four Ford Interceptor police vehicles, dated July 10, 2020, payable monthly for 48 months. Each vehicle has a monthly payment of \$879, of which \$738 is principal and \$141 is a service fee. The amount outstanding at September 30, 2023, was \$33,843.

\$60,933 Enterprise leases payable for two Ford Explorer police vehicles, dated August 11, 2022, payable monthly for 48 months. Each vehicle has a monthly payment of \$686, of which \$548 is principal and \$138 is a service fee. The amount outstanding at September 30, 2023, was \$47,795.

\$36,814 Enterprise lease payable for a Ford Explorer police vehicle, dated March 20, 2023, payable monthly for 48 months. The vehicle has a monthly payment of \$855, of which \$663 is principal and \$192 is a service fee. The amount outstanding at September 30, 2023, was \$30,548.

\$87,800 Enterprise leases payable for two Chevrolet Tahoe police vehicles, dated January 10, 2023, payable monthly for 48 months. Each vehicle has a monthly payment of \$1016, of which \$790 is principal and \$226 is a service fee. The amount outstanding at September 30, 2023, was \$71,724.

\$60,933 Enterprise leases payable for five Chevrolet Traverser police vehicles, dated August 2, 2023, payable monthly for 48 months. Each vehicle has a monthly payment of \$857, of which \$659 is principal and \$198 is a service fee. The amount outstanding at September 30, 2023, was \$172,122.

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

**NOTE 7 – LONG-TERM DEBT (Continued)**

**Business-type Activities**

**Revenue Bonds**

The City issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. Amounts outstanding at the end of the current fiscal year related to these bonds issued in prior years totaled \$8,297,361.

\$4,114,071 Utility Revenue Refunding Bond, Series 2020A, payable in semi-annual installments ranging from \$80,574 to \$232,533 through October 1, 2029, plus interest at 2.07%, collateralized by a first lien on net revenues of the utility system. The amount outstanding at September 30, 2023, was \$2,843,928.

\$2,045,254 Utility Revenue Refunding Bond, Series 2020C, payable in semi-annual installments ranging from \$50,000 to \$90,262 through December 15, 2032, plus interest at 2.00%, collateralized by a first parity lien on net revenues of the utility system. The amount outstanding at September 30, 2023, was \$1,563,001.

\$4,342,007.83, Utility Revenue Refunding Bond, Series 2021, payable in semi-annual installments ranging from \$114,437 to \$389,178 through October 1, 2032, plus interest at 1.65%, collateralized by a first parity lien on net revenues of the utility system. The amount outstanding at September 30, 2023, was \$3,890,432.

**State Revolving Loan Notes**

The City receives state revolving loan notes from the Florida Department of Environmental Protection to construct, repair or upgrade their water and wastewater facilities. Amounts outstanding at the end of the current fiscal year related to these loans totaled \$1,014,836.

\$527,511, WW200114 Solar Array Loan, payable in semi-annual installments of \$14,879, starting April 15, 2024, which includes a fee of \$52,751 which represents 2.00% of the loan. The total amount of the loan was \$2,637,553 and of that amount \$2,110,042 was forgiven by a grant. The loan is collateralized by revenues from the operations of the water and sewer systems. The amount outstanding at September 30, 2023, was \$527,511.

\$480,291, CW200100 Construction Loan, payable in semi-annual installments of \$13,602, which includes interest and fees, through March 15, 2034. The loan is collateralized by revenues from the operations of the water and sewer systems. The amount outstanding at September 30, 2023, was \$267,490.

\$6,277,772, DW200601, Construction Loan, payable as an annual installment of \$257,037, through June of 2023, plus interest of 2.33%. The loan is collateralized by revenues from the operations of the water and sewer systems. The loan was paid off at September 30, 2023.

\$365,753, CW641090, Clean Water Improvement Loan, payable in semi-annual installments of \$8,978, through November 15, 2037, plus interest of 1.07%. The loan is collateralized by revenues from the operations of the water and sewer systems. The amount outstanding at September 30, 2023, was \$222,835.



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

**NOTE 7 – LONG-TERM DEBT (Concluded)**

**Line of Credit**

\$300,000, Capital City Bank Equipment Line of Credit dated July 14, 2024, payable in annual installments through July 14, 2024, plus interest at 1.95%. The amount outstanding at September 30, 2023, was \$101,823.

**Debt Service Requirements**

The annual requirements to amortize all long-term debt outstanding at September 30, 2023, other than the liability for accumulated vacation and sick leave, is as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 462,212	\$ 42,954	\$ 956,506	\$ 163,567
2025	433,388	34,113	884,436	146,534
2026	432,238	26,140	896,055	129,950
2027	396,667	14,577	912,966	113,040
2028	-	-	930,210	95,795
Thereafter	-	-	4,846,776	248,044
Total	<u>\$ 1,724,505</u>	<u>\$ 117,784</u>	<u>\$ 9,426,949</u>	<u>\$ 896,930</u>

**NOTE 8 – CONTINGENCIES AND COMMITMENTS**

**Electric Purchase Contract**

During the fiscal year 2017, the City had purchase power contract with the U.S. Department of Energy, Southern Power Administration (SEPA) and with Florida Power and Light (FP&L). Under the terms of these contracts, in the given month, the City purchased 8,400 kilowatts of its capacity from SEPA and the remainder of its capacity from FP&L. The City’s contract with SEPA is an ongoing contract which can be terminated by either party by giving a two-year advance notice. The City entered into an eight-year agreement with Florida Power and Light beginning January 1, 2016. For the year ended September 30, 2023, the City purchased electric capacity totaling \$7,614,816.

**Gas Supply Contract**

The City has an existing gas supply contract with the Municipal Gas Authority of Georgia (the “Authority”) through December 31, 2025. Under the terms of the original contract including supplemental contracts, the Authority is obligated to establish a fair and non-discriminatory pricing mechanism designed to recover all of the costs for such services and maintain, to the extent practical, relative comparative pricing in a manner consistent in the industry. The City must establish, maintain and collect rates and charges, to be able to pay all amounts payable to the Authority including but not limited to (a) cost of gas supplies provided to the City and costs allocated to the City under the Annual Authority Budget and Project Cost Projections; and (b) all other lawful charges against the City’s gas revenue. In addition, the City is obligated not to suspend or discontinue any payments provided in the contract, until all obligations of the Authority for the furtherance of providing services to the City, have been fully paid. For the year ended September 30, 2023, the City purchased gas totaling \$735,612.

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

**NOTE 8 – CONTINGENCIES AND COMMITMENTS (Concluded)**

**Grant Programs**

The City participates in a number of federal and state grant programs. These programs are subject to financial and compliance audits by the grantors or their respective representatives. The possible disallowance of any item charged to the program or request for the return of any unexpended funds cannot be determined at this time. No provision for any liability that may result has been made in the financial statements.

**Litigation**

The City is involved in pending lawsuits. Although the outcome of these lawsuits is not presently determined, in the opinion of management and the City's Attorney, potential claims from litigation against the City which are not covered by insurance, would not materially affect the financial position of the City.

**Accounting for Municipal Landfill Closure and Post Closure Care Costs**

At September 30, 2023, the City's total liability for landfill closure and post-closure care costs was approximately \$108,016. The City was notified by Florida Department of Environmental Protection (FDEP) that the Quincy-Byrd Landfill was determined to be closed.

The current liability is based on annual monitory costs of \$54,008 for a period of two years. The liability was reduced by the annual monitoring expenses estimated. The City is required by state and federal laws and regulations to make annual deposits in an interest-bearing escrow account to cover one year of post closure care costs of \$54,008. As of September 30, 2023, cash deposited in the escrow account was \$50,474.

**Permit to Operate Sewer System**

The City is operating its Sewer System under a permit from the Florida Department of Environmental Protection (FL0029033-Major). This permit is issued under the provisions of Chapter 403, Florida Statutes (F.S.), and applicable rules of the Florida Administrative Code (F.A.C.) and constitutes authorization to discharge to waters of the state under the National Pollutant Discharge Elimination System. The permit is accompanied by an Administrative Order, pursuant to paragraphs 403.088(2)(e) and (f), Florida Statutes.

Compliance with Administrative Order, AO058NWD is a specific requirement of the permit. The City filed a one hundred and eighty (180) day permit renewal application before the August 19, 2017, sewer permit expiration date to continue to operate the sewer facilities. The City's 180-day permit renewal application provides an automatic extension to continue operations of the Sewer System facility, until the five (5) year renewal permit is issued.

**NOTE 9 – RETIREMENT SAVINGS PLAN**

The Retirement Savings Plan (RSP) of the City is a defined contribution pension plan established to provide benefits to employees upon retirement. The City is required to contribute an amount equal to 12% of the base pay of each eligible employee. Plan provisions and contribution requirements are established and may be amended by the City. During the fiscal year September 30, 2023, the City contributed \$649,854 for eligible employees.

The Plan Manager for the Retirement Savings Plan allowed employees to take out loans against their retirement. For the year ended September 30, 2023, these loans are shown as a receivable in the amount of \$192,356.

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

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description:*

The City of Quincy’s Retiree Health Care Plan (Plan) is a single employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City’s retirement plans to continue medical insurance coverage as a participant in the City’s plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

*Employees Covered by Benefit Terms:*

At September 30, 2021, the following employees were covered by the benefit terms:

Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	41
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	104
	145

*Benefits Provided:*

The City pays 100% of the retiree’s monthly medical premium before and after age 65. The retiree must pay the full premium for eligible dependent coverage. Retirees are covered for their lifetime and eligible dependents are also covered for their lifetime as long as they continue to pay the premium.

Retirees participating in the dental insurance plans offered by the City are required to contribute 100% of the Active premiums. As such, the projected employee premiums for the dental program are assumed to cover the entire cost of the program.

**TOTAL OPEB LIABILITY**

The measurement date is September 30, 2022.

The measurement period for the OPEB expense was October 1, 2021 to September 30, 2022.

The reporting period is October 1, 2022 through September 30, 2023.

The City’s Total OPEB Liability was measured as of September 30, 2021.

*Actuarial Assumptions:*

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2021, using the following actuarial assumptions:

Inflation Rate	2.50%
Salary Increase Rate(s)	4.00%
Discount Rate	4.77%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	53

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

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

All morality rates were based on the Pub-2010 mortality tables. All mortality rates are those outlined in Milliman’s July 1, 2021 Florida Retirement System (FRS) valuation report with appropriate adjustments made based on plan demographics. All tables include fully generational adjustments for mortality improvements using gender-specific improvement scale MP-2018.

Discount Rate:

Given the City’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.77%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal Bond Index with a maturity rate of 20 years. Eligible bonds must be rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

**CHANGE IN TOTAL OPEB LIABILITY**

	Increases and (Decreases) in Total OPEB Liability	
Reporting Period Ending September 30, 2022	\$	9,479,109
Changes for the Year:		
Service Cost		744,210
Interest		245,121
Differences between Expected and Actual Experience		-
Changes of Assumptions		(3,021,374)
Changes of Benefit Terms		-
Contributions – Employer		-
Benefit Payments		(273,700)
Other Changes		-
Net Changes		(2,305,743)
Reporting Period Ending September 30, 2023	\$	7,173,366

Changes in Assumptions reflect a change in the discount rate from 2.43% for the reporting period ended September 30, 2022, to 4.77% for the reporting period ended September 30, 2023.

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

The following presents the Total OPEB Liability of the City, as well as what the City’s Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	3.77%	4.77%	5.77%
Total OPEB Liability (Asset)	\$ 8,274,683	\$ 7,173,366	\$ 6,281,517

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

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (Concluded)**

*Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates:*

The following presents the Total OPEB Liability of the City, as well as what the City’s Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00%-6.50%	Healthcare Cost Trend Rates 4.00%-7.50%	1% Increase 5.00%-8.50%
Total OPEB Liability (Asset)	\$ 6,142,843	\$ 7,173,366	\$ 8,481,904

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.**

For the year ended September 30, 2023, the city will recognize OPEB expense of \$476,141.

On September 30, 2023, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 259,604
Changes in Assumptions	1,641,429	5,014,777
Employer Contributions Subsequent to the Measurement Date	297,478	-
<b>Total</b>	<b>\$ 1,938,907</b>	<b>\$ 5,274,381</b>

Amounts reported as Deferred Outflows or Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2024	\$ (517,740)
2025	\$ (517,740)
2026	\$ (517,736)
2027	\$ (425,087)
2028	\$ (344,643)
Thereafter	\$ (1,310,006)

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

**NOTE 11 – POLICE AND FIREMEN’S SUPPLEMENTAL PENSION PLAN**

*Plan Description*

The Plan is a single-employer defined benefit plan administered by the Plan’s Board of Trustees comprised of: Five Members, two of whom, unless prohibited by law shall be legal residents of the municipality, who shall be appointed by the legislative body of the City and one Member of the Board shall be a police officer as defined in Florida Statutes 185.02 and one Member shall be a firefighter as defined in Florida Statutes 175.032, respectively, elected by a majority of the active firefighters and police officers who are Members of the plan. The fifth Member shall be chosen by a majority of the previous four Members as provided herein, and such person’s name shall be submitted to the legislative body of the City.

Full time employees who are classified as Police Officers or Firefighters participate as a condition of employment.

*Benefits Provided*

The Plan provides retirement, termination, disability, and death benefits.

*Benefit Changes*

No benefit changes have been reflected since the prior year.

*Members as of October 1, 2022, valuation date:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	42
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	21
Active Plan Members	34
	97

*Actuarial Assumptions*

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2022, updated to September 30, 2023, using the following actuarial assumptions:

Inflation	2.50%	
Salary Increases		Service Based
Discount Rate	6.70%	
Investment Rate of Return	6.70%	

*Mortality Rate Healthy Active Lives:*

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

*Mortality Rate Healthy Retiree Lives:*

Female: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

*Mortality Rate Beneficiary Lives:*

Female: PubG-H-2010 (Below Median) for Healthy Retirees.

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

**NOTE 11 – POLICE AND FIREMEN’S SUPPLEMENTAL PENSION PLAN (Continued)**

Male:PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

*Mortality Rate Disabled Lives:*

80% PubG.H-2010 for Disabled Retirees/20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2021, FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated August 4, 2022.

*Changes in Assumptions*

Total Pension Liability and GASB 68 Pension Expense measured as of September 30, 2023, reflect no assumption changes.

*Discount Rate:*

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate.

Based on those assumptions, the Pension Plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (6.70 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

No projected benefit payments were discounted using a high-quality municipal bond rate of 4.87 percent. The high-quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index.

The single equivalent Discount Rate was 6.70 percent.

*Support for Long-Term Expected Rate of Return*

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2023 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

**NOTE 11 – POLICE AND FIREMEN’S SUPPLEMENTAL PENSION PLAN (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan’s target asset allocation as of September 30, 2023, as provided by AndCo Consulting, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return <sup>(1)</sup>
Domestic Equity	50.00%	7.50%
International Equity	15.00%	8.50%
Broad Market Fixed Income	17.00%	2.50%
Fixed Income (Non-Core)	2.50%	2.50%
Global Fixed Income	2.50%	3.50%
Real Estate	10.0 %	4.50%
Cash	3.00%	2.50%
<b>Total</b>	<b>100%</b>	

Pension Plan investments were applied to all periods of projected benefit payments to determine the Total Pension Liability.

*Concentrations*

The Plan did not hold investment in any one organization that represent 5 percent or more of the Pension Plan’s fiduciary net position.

Measurement Date	<u>9/30/2023</u>
<b>Total Pension Liability</b>	
Service Cost	\$ 191,370
Interest	768,040
Share Plan Allocation	9,986
Changes of Benefit Terms	-
Experience Gains/Losses	(460,691)
Changes of Assumptions	-
Benefit Payments	<u>(846,290)</u>
<b>Net Change in Total Pension Liability</b>	<u>(337,585)</u>
<b>Total Pension Liability - Beginning</b>	<u>11,695,063</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 11,357,478</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 306,406
Contributions - State	127,573
Contributions - Employee	134,169
Net Investment Income	905,556
Benefit Payments	(846,290)
Administrative Expense	<u>(43,756)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	<u>583,658</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>8,632,126</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 9,215,784</u>
<b>Net Pension Liability (Asset) (a) - (b)</b>	<u>\$ 2,141,694</u>



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

**NOTE 11 – POLICE AND FIREMEN’S SUPPLEMENTAL PENSION PLAN (Concluded)**

*Sensitivity of the Net Pension liability to Changes in the Discount Rate*

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Sponsor’s Net Pension Liability	\$3,403,817	\$2,141,694	\$1,994,727

*Pension Plan Fiduciary Net Position*

Detailed information about the Pension Plan’s Fiduciary Net Position is available in a separately issued Plan financial report.

For the year ended September 30, 2023, the sponsor has recognized a Pension expense of \$505,025.

On September 30, 2023, the sponsor reported Deferred Outflows or Resources and Deferred Inflows of Resources related to pensions from the following sources:

**Schedule of Deferred Outflows and Deferred Inflows**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experiences	\$ -	\$ 230,346
Change of Assumptions	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investment	504,233	-
Total	\$ 504,233	\$ 230,346

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2024	\$ (125,718)
2025	\$ 124,411
2026	\$ 342,7918
2027	\$ (67,597)
2028	\$ -
Thereafter	\$ -

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

**NOTE 12 – RISK MANAGEMENT**

It is the policy of the City to purchase insurance for the risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City obtained general liability insurance at a cost it considered to be economically justifiable. The government pays an annual premium for its general insurance coverage to Florida League of Cities, Inc.

**NOTE 13 – INTERFUND TRANSFERS**

	Transfer In			Total
	General Fund	Debt Service Fund	Internal Service Fund	
<u>Transfers Out</u>				
General Fund	\$ -	\$ 360,000	\$ 5,000	\$ 365,000
Electric Fund	4,401,069	-	-	4,401,069
Water Fund	463,685	-	-	463,685
Wastewater Fund	311,517	-	-	311,517
Refuse Fund	59,670	-	-	59,670
Gas Fund	292,550	-	-	292,550
<b>Total</b>	<b>\$ 5,528,491</b>	<b>\$ 360,000</b>	<b>\$ 5,000</b>	<b>\$ 5,893,491</b>

**NOTE 14 – FUND BALANCES**

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

Non-spendable Fund Balances – includes fund balance amounts that cannot be spent either because they are a) not in a spendable form, such as inventory, or b) because they are legally or contractually required to be maintained intact.

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

**NOTE 14 – FUND BALANCES (Concluded)**

Spendable fund balances:

- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- Assigned – includes spendable fund balance amounts established by management of the City that are intended to be used for specific purposes that are neither considered restricted or committed.
- Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

The City’s fund balances for the year ended September 30, 2023, are shown below:

	<u>General Fund</u>	<u>CRA</u>	<u>Confiscated Property</u>	<u>2012 Bond</u>	<u>Total Governmental Funds</u>
Restricted for:					
Law Enforcement	\$ -	\$ -	\$ 22,608	\$ -	\$ 22,608
Debt Service	-	-	-	144,408	144,408
Economic Environment	-	840,067	-	-	840,067
Grants	1,768,894	-	-	-	1,768,894
Unassigned	<u>(524,601)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(524,601)</u>
Total Fund Balance	<u>\$ 1,244,293</u>	<u>\$ 840,067</u>	<u>\$ 22,608</u>	<u>\$ 144,408</u>	<u>\$ 2,251,376</u>

**NOTE 15 – RESTATEMENT OF NET POSITION**

The City determined that the beginning net position for the Police and Firemen’s Supplemental Pension Plan was understated by \$294,322 as a result of reporting cash not accrual basis financial statements.

**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 10, 2024, the date the financial statements were available to be issued and concluded that there are no other subsequent events warranting presentation or disclosure in the financial statements.

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

**CITY OF QUINCY, FLORIDA**  
**OTHER POSTEMPLOYMENT BENEFITS**  
**SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS**  
**YEAR ENDED SEPTEMBER 30, 2023**  
(Last 10 Fiscal Years)

Reporting Period Ending Measurement Date	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 10/1/2019	9/30/2018 10/2/2019
<b>Total OPEB Liability</b>						
Service Cost	\$ 744,210	\$ 879,629	\$ 576,456	\$ 400,395	\$ 445,352	\$ 502,595
Interest	245,121	248,285	303,432	339,029	304,021	265,592
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(91,318)	-	(293,150)	-	-
Changes of Assumptions	(3,021,374)	(2,119,761)	2,251,336	6,434	(723,993)	(833,873)
Benefit Payments	(273,700)	(318,728)	(296,491)	(231,207)	(213,094)	(195,949)
Net Change in Total OPEB Liability	(2,305,743)	(1,401,893)	2,834,733	221,501	(187,714)	(261,635)
Total OPEB Liability - Beginning	9,479,109	10,881,002	8,046,269	7,824,768	8,012,482	8,274,117
Total OPEB Liability - Ending	\$ 7,173,366	\$ 9,479,109	\$ 10,881,002	\$ 8,046,269	\$ 7,824,768	\$ 8,012,482
Covered Payroll	\$ 4,819,214	4,633,860	4,571,882	4,396,040	3,602,887	3,602,887
City's total OPEB Liability as a Percentage of Covered Payroll	148.85%	204.56%	238.00%	183.03%	217.18%	222.39%

**Notes to Schedule:**

Covered Employee Payroll was projected one year forward from the valuation date for the reporting period ending September 30, 2023.

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

Fiscal Year Ending September 30, 2023:	4.77%
Fiscal Year Ending September 30, 2022:	2.43%
Fiscal Year Ending September 30, 2021:	2.14%
Fiscal Year Ending September 30, 2020:	3.58%
Fiscal Year Ending September 30, 2019:	4.18%
Fiscal Year Ending September 30, 2018:	3.64%
Fiscal Year Ending September 30, 2017:	3.06%

*Benefit Payment:* The Plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending September 30, 2023. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

**CITY OF QUINCY, FLORIDA**  
**POLICE AND FIREMEN'S SUPPLEMENTAL PENSION PLAN**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**YEAR ENDED SEPTEMBER 30, 2023**  
(Last 10 Fiscal Years)

Measurement Date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
<b>Total Pension Liability</b>										
Service Cost	\$ 191,370	\$ 154,163	\$ 101,416	\$ 83,529	\$ 81,950	\$ 91,547	\$ 97,154	\$ 81,748	\$ 79,756	\$ 75,629
Interest	768,040	788,018	795,933	776,192	776,543	776,987	743,912	706,961	707,360	702,446
Share Plan Allocation	9,986	3,873	10,052	10,102	-	-	-	-	-	(104,969)
Changes of Benefit Terms	-	-	-	-	(544)	-	-	-	-	-
Differences Between Expected and Actual Experience	(460,691)	(45,438)	(215,824)	506,141	(73,448)	(58,733)	307,201	28,822	(139,070)	(139,070)
Changes of Assumptions	-	591,694	-	(170,735)	102,628	251,771	-	344,566	-	-
Benefit Payments, including Refunds of Employee Contributions	(846,290)	(875,711)	(829,769)	(788,259)	(719,893)	(726,417)	(705,357)	(696,094)	(614,276)	(613,357)
<b>Net Change in Total Pension Liability</b>	<b>(337,585)</b>	<b>616,599</b>	<b>(138,192)</b>	<b>416,970</b>	<b>167,236</b>	<b>335,155</b>	<b>442,910</b>	<b>466,003</b>	<b>33,770</b>	<b>59,749</b>
<b>Total Pension Liability - Beginning</b>	<b>11,695,063</b>	<b>11,078,464</b>	<b>11,216,656</b>	<b>10,799,686</b>	<b>10,632,450</b>	<b>10,297,295</b>	<b>9,854,385</b>	<b>9,388,382</b>	<b>9,354,612</b>	<b>9,294,863</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 11,357,478</b>	<b>\$ 11,695,063</b>	<b>\$ 11,078,464</b>	<b>\$ 11,216,656</b>	<b>\$ 10,799,686</b>	<b>\$ 10,632,450</b>	<b>\$ 10,297,295</b>	<b>\$ 9,854,385</b>	<b>\$ 9,388,382</b>	<b>\$ 9,354,612</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	306,406	651,970	442,864	355,241	518,900	320,186	332,291	324,161	173,276	203,047
Contributions - State	127,573	115,347	127,705	228,920	-	104,390	101,068	100,511	196,371	102,057
Contributions - Employee	134,169	115,509	83,537	64,841	62,268	64,854	69,532	74,620	64,890	60,662
Net Investment Income	905,556	(1,323,553)	1,705,172	684,394	349,524	703,177	957,394	286,861	(96,294)	713,364
Benefit Payments, including Refunds of Employee Contributions	(846,290)	(875,711)	(829,769)	(788,259)	(719,893)	(726,417)	(705,357)	(696,094)	(614,276)	(613,357)
Administrative Expense	(43,756)	(51,527)	(36,521)	(40,698)	(37,542)	(32,323)	(31,832)	(38,392)	(31,320)	(27,834)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>583,658</b>	<b>(1,367,965)</b>	<b>1,492,988</b>	<b>504,439</b>	<b>173,257</b>	<b>433,867</b>	<b>723,096</b>	<b>51,667</b>	<b>(307,353)</b>	<b>437,939</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>8,632,126</b>	<b>10,000,091</b>	<b>8,507,103</b>	<b>8,001,834</b>	<b>7,828,577</b>	<b>7,394,710</b>	<b>6,671,614</b>	<b>6,619,947</b>	<b>6,927,300</b>	<b>6,489,361</b>
<b>Adjustment to Beginning of the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 9,215,784</b>	<b>\$ 8,632,126</b>	<b>\$ 10,000,091</b>	<b>\$ 8,507,103</b>	<b>\$ 8,001,834</b>	<b>\$ 7,828,577</b>	<b>\$ 7,394,710</b>	<b>\$ 6,671,614</b>	<b>\$ 6,619,947</b>	<b>\$ 6,927,300</b>
<b>Net Pension Liability (Asset) (a) - (b)</b>	<b>\$ 2,141,694</b>	<b>\$ 3,062,937</b>	<b>\$ 1,078,373</b>	<b>\$ 2,709,553</b>	<b>\$ 2,797,852</b>	<b>\$ 2,803,873</b>	<b>\$ 2,902,585</b>	<b>\$ 3,182,771</b>	<b>\$ 2,768,435</b>	<b>\$ 2,427,312</b>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	81.14%	73.81%	90.27%	75.84%	74.09%	73.63%	71.81%	67.70%	70.51%	74.05%
Covered Employee Payroll	\$ 1,788,807	\$ 1,540,128	\$ 1,113,828	\$ 864,548	\$ 830,241	\$ 864,717	\$ 931,955	\$ 1,023,306	\$ 867,717	\$ 808,824
Net Pension Liability as a percentage of Covered Employee Payroll	119.73%	198.88%	96.82%	313.41%	336.99%	324.25%	311.45%	311.03%	319.05%	300.10%

**CITY OF QUINCY, FLORIDA**  
**POLICE AND FIREMEN'S SUPPLEMENTAL PENSION PLAN**  
**SCHEDULE OF CONTRIBUTIONS**  
**YEAR ENDED SEPTEMBER 30, 2023**  
(Last 10 Fiscal Years)

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/30/2023	\$ 340,075	\$ 423,993	\$ (83,918)	\$1,788,807	23.70%
9/30/2022	\$ 411,796	\$ 763,444	\$ (351,648)	\$ 1,540,128	49.57%
9/30/2021	\$ 440,560	\$ 560,517	\$ (119,957)	\$ 1,113,828	50.32%
9/30/2020	\$ 574,060	\$ 574,060	\$ -	\$ 864,548	66.40%
9/30/2019	\$ 518,900	\$ 518,900	\$ -	\$ 830,241	62.50%
9/30/2018	\$ 424,576	\$ 424,576	\$ -	\$ 864,717	49.10%
9/30/2017	\$ 433,359	\$ 433,359	\$ -	\$ 931,955	46.50%
9/30/2016	\$ 424,672	\$ 424,672	\$ -	\$ 1,023,306	41.50%
9/30/2015	\$ 369,647	\$ 369,647	\$ -	\$ 867,717	42.60%
9/30/2014	\$ 410,073	\$ 410,073	\$ -	\$ 808,824	50.70%

**Notes to Schedule:**

The Actuarially Determined Contribution is calculated using a October 1, 2022 valuation date.

The interest rate is 6.70%.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2022 Actuarial Valuation for the City of Quincy Police Officers' and Firefighters' Retirement Plan prepared by Foster & Foster Actuaries and Consultants.

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Taxes	\$ 3,256,180	\$ 3,256,180	\$ 2,992,753	\$ (263,427)
Licenses and Permits	198,955	198,955	163,801	(35,154)
Intergovernmental Revenues	1,459,243	1,459,243	2,153,421	694,178
Charges for Services	169,163	169,163	544,694	375,531
Fines and Forfeitures	75,000	75,000	51,507	(23,493)
Interest Income	-	-	5,071	5,071
Miscellaneous Revenues	311,373	311,373	169,264	(142,109)
<b>Total Revenues</b>	<u>5,469,914</u>	<u>5,469,914</u>	<u>6,080,511</u>	<u>610,597</u>
<b>Expenditures</b>				
Current:				
General Government	2,937,211	2,937,211	3,012,197	74,986
Public Safety	5,648,077	5,648,077	4,724,435	(923,642)
Physical Environment	1,743,093	1,743,093	207,956	(1,535,137)
Transportation	-	-	1,039,780	1,039,780
Economic Environment	-	-	328,544	328,544
Culture and Recreation	733,945	733,945	787,772	53,827
Debt Service:				
Principal	379,378	379,378	101,197	(278,181)
Interest	-	-	13,082	13,082
Capital Outlay	-	-	1,314,799	1,314,799
<b>(Total Expenditures)</b>	<u>(11,441,704)</u>	<u>(11,441,704)</u>	<u>(11,529,762)</u>	<u>88,058</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(5,971,790)</u>	<u>(5,971,790)</u>	<u>(5,449,251)</u>	<u>522,539</u>
<b>Other Financing Sources (Uses)</b>				
Debt Proceeds	-	-	307,359	307,359
Sale of Asset	-	-	10,155	10,155
Operating Transfers in	5,528,491	5,528,491	5,528,491	-
Operating Transfers out	-	-	(365,000)	(365,000)
<b>Total Other Financing Sources (Uses)</b>	<u>5,528,491</u>	<u>5,528,491</u>	<u>5,481,005</u>	<u>(365,000)</u>
<b>Net Change in Fund Balance</b>	(443,299)	(443,299)	31,754	475,053
<b>Fund Balance, Beginning of Year</b>	<u>443,299</u>	<u>443,299</u>	<u>1,212,539</u>	<u>769,240</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,244,293</u>	<u>\$ 1,244,293</u>



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

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Tax Increment	\$ 733,560	\$ 733,560	\$ 783,005	\$ 49,445
Miscellaneous Revenues	-	-	277	277
<b>Total Revenues</b>	<u>733,560</u>	<u>733,560</u>	<u>783,282</u>	<u>49,722</u>
<b>Expenditures</b>				
Current:				
Economic Environment	878,505	878,505	272,366	(606,139)
Debt Service:				
Principal	-	-	2,229	2,229
<b>(Total Expenditures)</b>	<u>878,505</u>	<u>878,505</u>	<u>274,595</u>	<u>(603,910)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(144,945)</u>	<u>(144,945)</u>	<u>508,687</u>	<u>653,632</u>
<b>Net Change in Fund Balance</b>	(144,945)	(144,945)	508,687	653,632
<b>Fund Balance, Beginning of Year</b>	<u>144,945</u>	<u>144,945</u>	<u>331,380</u>	<u>186,435</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840,067</u>	<u>\$ 840,067</u>

**CITY OF QUINCY, FLORIDA**  
**NOTES TO BUDGET AND ACTUAL SCHEDULES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 1 -REPORTING REQUIREMENTS**

Chapter 166, Florida Statutes, requires that all municipalities prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budgets control the levy and the expenditures of money for City purposes for the ensuing fiscal year. The budgeting process is based on estimates of revenues and expenditures. The City budgets are prepared on a modified-accrual basis or accrual basis of accounting in accordance with generally accepted accounting principles.

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

1. Prior to August 15, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are held to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. Budgetary control is maintained at the department and fund level, with Finance Department providing support to departments in the administration of their budget. In accordance with the City's budget transfer policy, the City Manager is authorized to transfer budgeted amounts within any fund or function; however, the City Commission must approve any supplemental appropriations or revisions that amend the total expenditures of any fund. All budgets are on a basis consistent with accounting principles generally accepted in the United States of America.
5. Budget amounts are as originally adopted, or as amended in accordance with City ordinances. The accompanying financial statements incorporate the original budget ordinance and all amendments thereto.
6. All annual appropriations lapse at fiscal year-end.

**NOTE 2 – OVERSPENT BUDGET**

The City overspent their approved budget for the General Fund in the fiscal year due to unanticipated revenue from granting agencies.

**CITY OF QUINCY, FLORIDA**  
**COMBINING FUND FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

	<u>Special Revenue Confiscated Property Fund</u>	<u>Debt Service 2012 Refunding Bond</u>	<u>Total Non-Major Governmental Funds</u>
<b>Assets</b>			
Cash and Cash Equivalent	\$ -	\$ -	\$ -
Investments	-	-	-
Reveivables (Net)	-	-	-
Assessment Receivables (Net)	-	-	-
Due from Other Governments	-	-	-
Restricted Assets:			
Cash and Cash Equivalent	22,608	144,408	167,016
<b>Total Assets</b>	<u>22,608</u>	<u>144,408</u>	<u>167,016</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	-	-	-
Accrued Expenses	-	-	-
Due to Other Governments	-	-	-
Advances to Other Funds	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund Balances</b>			
Nonspendable:			
Advances to Other Funds	-	-	-
Restricted for:			
Law Enforcement	22,608	-	22,608
Physical Environment	-	-	-
Debt Service	-	144,408	144,408
Unassigned	-	-	-
<b>Total Fund Balances</b>	<u>22,608</u>	<u>144,408</u>	<u>167,016</u>
 <b>Total Liabilities and Fund Balances</b>	 <u>\$ 22,608</u>	 <u>\$ 144,408</u>	 <u>\$ 167,016</u>

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

	<u>Special Revenue Confiscated Property Fund</u>	<u>Debt Service 2012 Refunding Bond</u>	<u>Total Combined Non-Major Funds</u>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Tax Increment	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Fines and Forfeitures	-	-	-
Interest Income	262	62	324
<b>Total Revenues</b>	<u>262</u>	<u>62</u>	<u>324</u>
<b>Expenditures</b>			
General Government	31,876	36	31,912
Public Safety	7	-	7
Physical Environment	-	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal	-	323,000	323,000
Interest	-	38,744	38,744
Capital Outlay	-	-	-
<b>(Total Expenditures)</b>	<u>31,883</u>	<u>361,780</u>	<u>393,663</u>
<b>(Deficiency) Excess of Revenues (Under)</b>			
<b>Over Expenditures</b>	<u>(31,621)</u>	<u>(361,718)</u>	<u>(393,339)</u>
<b>Other Financing Sources (Uses)</b>			
Debt Proceeds	-	-	-
Transfers In	-	360,000	360,000
Transfers Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>360,000</u>	<u>360,000</u>
<b>Net Change in Fund Balances</b>	(31,621)	(1,718)	(33,339)
<b>Fund Balances, Beginning of Year</b>	<u>54,229</u>	<u>146,126</u>	<u>200,355</u>
<b>Fund Balances, End of Year</b>	<u>\$ 22,608</u>	<u>\$ 144,408</u>	<u>\$ 167,016</u>

**CITY OF QUINCY, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total Non-Major Funds</b>
	<b>Non-Major Funds</b>			
	<b>Gas Fund</b>	<b>Refuse Fund</b>	<b>Landfill Fund</b>	
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 55,423	\$ 14,354	\$ 184,157	\$ 253,934
Investments	-	-	-	-
Receivables, net	145,664	263,219	-	408,883
Due from Other Governments	17,974	-	-	17,974
Interfund Receivables (Payables)	479,943	-	-	479,943
Inventories	77,410	-	-	77,410
<b>Total Current Assets</b>	<u>776,414</u>	<u>277,573</u>	<u>184,157</u>	<u>1,238,144</u>
<b>Noncurrent Assets</b>				
<b>Restricted Assets:</b>				
Restricted Cash and Cash Equivalents	376,875	-	54,008	430,883
<b>Total Restricted Assets</b>	<u>376,875</u>	<u>-</u>	<u>54,008</u>	<u>430,883</u>
<b>Capital Assets:</b>				
Land and Land Improvements	403,717	-	54,878	458,595
Property, Plant and Equipment	1,579,730	137,121	485,529	2,202,380
(Accumulated Depreciation)	(1,356,224)	(68,569)	(485,529)	(1,910,322)
<b>Total Net Capital Assets</b>	<u>627,223</u>	<u>68,552</u>	<u>54,878</u>	<u>750,653</u>
<b>Total Assets</b>	<u>\$ 1,780,512</u>	<u>\$ 346,125</u>	<u>\$ 293,043</u>	<u>\$ 2,419,680</u>

**CITY OF QUINCY, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total Non-Major Funds</b>
	<b>Non-Major Funds</b>			
	<b>Gas Fund</b>	<b>Refuse Fund</b>	<b>Landfill Fund</b>	
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 84,806	\$ 243,296	\$ 63	\$ 328,165
Accrued Expenses	21,081	-	916	21,997
Accrued Interest	4,172	-	-	4,172
Unearned Revenue	-	-	-	-
Current Portion:				
Bonds Payable	30,622	-	-	30,622
Notes Payable	-	-	-	-
Capitalized Lease Payable	993	-	-	993
Compensated Absences	7,100	-	1,303	8,403
<b>Total Current Liabilities</b>	<b>148,774</b>	<b>243,296</b>	<b>2,282</b>	<b>394,352</b>
<b>Noncurrent Liabilities:</b>				
Customer Deposits	7,863	-	-	7,863
Long Term Portion:				
Bonds Payable	475,134	-	-	475,134
Notes Payable	-	-	-	-
Capitalized Lease Payable	993	-	-	993
Compensated Absences	21,299	-	3,909	25,208
Land Fill Closure Liability	-	-	108,016	108,016
<b>Total Noncurrent Liabilities</b>	<b>505,289</b>	<b>-</b>	<b>111,925</b>	<b>617,214</b>
<b>Total Liabilities</b>	<b>654,063</b>	<b>243,296</b>	<b>114,207</b>	<b>1,011,566</b>
<b>Net Position</b>				
Net Investment in Capital Assets	119,481	68,552	54,878	242,911
Restricted for:				
Debt Service	376,875	-	54,008	430,883
Unrestricted	630,093	34,277	69,950	734,320
<b>Total Net Position</b>	<b>1,126,449</b>	<b>102,829</b>	<b>178,836</b>	<b>1,408,114</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 1,780,512</b>	<b>\$ 346,125</b>	<b>\$ 293,043</b>	<b>\$ 2,419,680</b>

**CITY OF QUINCY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NON-MAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total Non-Major Funds</b>
	<b>Non-Major Funds</b>			
	<b>Gas Fund</b>	<b>Refuse Fund</b>	<b>Landfill Fund</b>	
<b>Operating Revenues</b>				
Charges for Services	\$ 1,253,128	\$ 1,522,252	\$ 80,785	\$ 2,856,165
Interfund Charges	7,240	-	-	7,240
Miscellaneous Revenue	168,648	-	-	168,648
<b>Total Operating Revenue</b>	<u>1,429,016</u>	<u>1,522,252</u>	<u>80,785</u>	<u>3,032,053</u>
<b>Operating Expenses</b>				
Purchase Power	735,612	-	-	735,612
Personal Service	222,339	-	56,201	278,540
Contractual Service	19,199	1,518,514	(7,889)	1,529,824
Supplies	4,758	-	-	4,758
Repairs and Maintenance	2,789	-	1,730	4,519
Utility/Telephone	3,751	-	1,012	4,763
Shared Service	65,079	65,104	6,221	136,404
Depreciation	12,856	13,712	-	26,568
Other Expenses	48,061	16	1,265	49,342
Bad Debt	-	6,908	-	6,908
IT-Support	9,500	9,500	9,500	28,500
<b>(Total Operating Expenses)</b>	<u>(1,123,944)</u>	<u>(1,613,754)</u>	<u>(68,040)</u>	<u>(2,805,738)</u>
<b>Operating Income</b>	<u>305,072</u>	<u>(91,502)</u>	<u>12,745</u>	<u>226,315</u>
<b>Non-Operating Revenues (Expenses)</b>				
Capital Grants	17,974	-	-	17,974
Interest Income	3,059	2,683	2,683	8,425
Interest Expense	(8,470)	-	-	(8,470)
Investment Gains and Losses	-	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>12,563</u>	<u>2,683</u>	<u>2,683</u>	<u>17,929</u>
<b>Income Before Capital Contributions and Transfers</b>	<u>317,635</u>	<u>(88,819)</u>	<u>15,428</u>	<u>244,244</u>
<b>Operating Transfers</b>				
Transfers In	-	-	-	-
Transfers Out	(292,550)	(59,670)	-	(352,220)
<b>Total Operating Transfers</b>	<u>(292,550)</u>	<u>(59,670)</u>	<u>-</u>	<u>(352,220)</u>
<b>Change in Net Position</b>	<u>25,085</u>	<u>(148,489)</u>	<u>15,428</u>	<u>(107,976)</u>
<b>Net Position, Beginning of Year</b>	1,101,364	251,318	163,408	1,516,090
<b>Net Position, End of Year</b>	<u>\$ 1,126,449</u>	<u>\$ 102,829</u>	<u>\$ 178,836</u>	<u>\$ 1,408,114</u>



**CITY OF QUINCY, FLORIDA**

**COMPLIANCE SECTION**

**SEPTEMBER 30, 2023**

**CITY OF QUINCY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE PROJECTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

STATE GRANTOR Program Title	CSFA Number	Grant I.D. Number	Program Award Amount	State Expenditures
<b>STATE FINANCIAL ASSISTANCE</b>				
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION				
Wastewater Treatment Facility Grant	37.077	WW200114	\$ 2,637,553	\$ 620,165
TOTAL FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			<u>2,637,553</u>	<u>620,165</u>
FLORIDA DEPARTMENT OF TRANSPORTATION				
Small County Outreach Program (SCOP) - Stewart Street Phase I	55.009	G1P08	642,077	419,279
Small County Outreach Program (SCOP) - Stewart Street Phase II	55.009	G1Z62	145,228	1,298
TOTAL FLORIDA DEPARTMENT OF TRANSPORTATION			<u>787,305</u>	<u>420,577</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 3,424,858</u>	<u>\$ 1,040,742</u>

**CITY OF QUINCY, FLORIDA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**PROJECTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 1 – GENERAL**

The accounting policies and presentation of the accompanying schedule of expenditures of state financial assistance projects of the City of Quincy, Florida (the “City”) have been designed to conform with generally accepted accounting principles applicable to governmental units. The information in these schedules is presented in accordance with the requirement of Chapter 10.550, *Rules of the Auditor General* of the State of Florida.

**NOTE 2 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance projects includes the state award activity of the City of Quincy, Florida, and is presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis of accounting, as described in Note 1 to the City’s financial statements.

**NOTE 3 - CONTINGENCIES**

Grant monies received and disbursed by the City are for specific purposes and are subject to review by grantor agencies. Such audits may result in requests for reimbursements due to disallowances of expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City.

**NOTE 4 – INDIRECT COST RATE**

The City of Quincy, Florida has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## **OTHER REPORTS**

### **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE FINANCIAL ASSISTANCE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

#### **Report on Compliance for Each Major State Financial Assistance Projects**

We have audited the City of Quincy, Florida's (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB Compliance Supplement*) and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major state financial assistance for the year ended September 30, 2023. The City's major state financial assistance projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state projects.

#### **Auditors' Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major and major state financial assistance project. However, our audit does not provide a legal determination of the City's compliance with those requirements.

### **Opinion on the Major State Financial Assistance Projects**

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

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or 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 over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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

**Report on Schedule of Expenditures of State Financial Assistance Projects Required by Chapter 10.550, Rules of the Auditor General**

We have audited the financial statements of the City as of and for the year ended September 30, 2023, and have issued our report thereon dated October 10, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditure of state financial assistance projects is presented for the purposes of additional analysis as required by Chapter 10.550, *Rules of the Auditor General* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance projects is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
October 10, 2024

**CITY OF QUINCY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**PART I – SUMMARY OF AUDITOR’S REPORT**

1. The Independent’s Auditor’s Report expresses unmodified opinions on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Quincy, Florida, as of and for the year ended September 30, 2023.
2. There were no instances of material weakness(es) or significant deficiency(ies) identified during the audit of the financial statements reported in the report on internal control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. There were no instances of noncompliance identified during the audit of the financial statements as reported in the 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*.
4. The audit disclosed no significant deficiencies relating to the audit of the state financial assistance programs reported in the Independent Auditor’s Report on Compliance for Each Major State Financial Assistance Project that are required to be reported in the schedule of findings and questioned costs.
5. The Independent Auditor’s Report on Compliance for Each Major State Financial Assistance Project on Internal Control Over Compliance Required by Chapter 10.550, *Rules of the Auditor General*, for the City of Quincy, expresses an unmodified opinion.
6. The audit disclosed no findings required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General* relative to the major state financial assistance projects for the City of Quincy.
7. The program test as a major state financial assistance project included the following:

Wastewater Treatment Facility Grant	37.077
Small County Outreach Program (SCOP)	55.009
8. The threshold for distinguishing between Type A and Type B programs was \$312,223 for major state financial assistance projects.
9. The City of Quincy did not qualify as a low-risk auditee.



**CITY OF QUINCY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**PART II – FINDINGS – FINANCIAL STATEMENTS**

There were none noted for the year ended September 30, 2023.

**PART III – FINDINGS AND QUESTIONED COSTS**

STATE FINANCIAL ASSISTANCE PROJECTS

There were none noted for the year ended September 30, 2023.

FEDERAL AWARD PROGRAMS

Late Submission of Data Collection Form – Finding 2023-001

**CRITERIA:** In accordance with Uniform Guidance 2 CFR 200.512(a), the audit package and data collection form shall be submitted 30 days after receipt of the auditor’s report, or 9 months after the end of the fiscal year, whichever comes first.

**CONDITION:** The data collection form in connection with the prior year audit was not filed within 9 months after the fiscal year end.

**CAUSE:** Management did not have procedures in place to ensure the timely filing of the data collection form to the Federal Audit Clearinghouse.

**EFFECT:** Late filing will result in noncompliance with timely submission of financial information to the grantor agencies.

**RECOMMENDATION:** Management should evaluate the current procedures in place to ensure timely filing of the data collection form to the Federal Audit Clearinghouse.

**PART IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS RELATIVE TO STATE FINANCIAL ASSISTANCE PROJECTS**

There were no prior audit findings.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the City of Quincy, 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 October 10, 2024.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described in the accompanying schedule of findings and questioned costs, we consider the deficiency described as finding 2023-001 to be a significant deficiency.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
October 10, 2024

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

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

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

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

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
October 10, 2024

**INDEPENDENT AUDITORS' MANAGEMENT LETTER**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the City of Quincy, Florida (the "City"), as of and for the year ended September 30, 2023, and have issued our report thereon October 10, 2024.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated October 10, 2024, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no audit findings or recommendations identified in the preceding annual financial 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. These disclosures can be found in Note 1 to the financial statements.

**Financial Condition and Management**

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. 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.

#### **Specific Information**

The Required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the City of Quincy Community Redevelopment Agency (the CRA) have been reported in the separately issued audited financial statements of the CRA.

#### **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 had no such findings.

#### **Purpose of the Letter**

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
October 10, 2024