

CITY OF WALDO, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2023

CITY OF WALDO, FLORIDA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2023
TABLE OF CONTENTS

	PAGE NO.
INTRODUCTORY SECTION	
List of Principal Officials	5
FINANCIAL SECTION	
Independent Auditor's Report	7 - 9
Management Discussion and Analysis	10 - 14
BASIC FINANCIAL STATEMENTS	15
<i>Government Wide Financial Statements:</i>	
Statement of Net Position	16 - 17
Statement of Activities	18
<i>Governmental Fund:</i>	
Balance Sheet	19
Statement of Revenues, Expenditures and Changes in Fund Balances	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
<i>Proprietary Fund:</i>	
Statement of Net Position	22 - 23
Statement of Revenues, Expenses and Changes in Net Position	24
Statement of Cash Flows	25 - 26
Notes to Financial Statements	27 - 42

CITY OF WALDO, FLORIDA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2023
TABLE OF CONTENTS

	PAGE NO.
 REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	44 - 47
Notes to Statements of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund	48
 OTHER INFORMATION	
Proprietary Fund	
Schedule of Net Position by Function	50
Schedule of Revenues, Expenses and Changes in Net Position by Function	51
Schedule of Expenditures of Federal Awards and State Financial Assistance	52
Notes to Schedule of Expenditures of Federal Awards, and State Financial Assistance	53
 COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	55 - 56
Management Letter	57 - 58
Independent Accountant's Report on Compliance with Florida Statutes Relating to Local Government Investments	59
Communication with Those Charged with Governance	60 - 61

INTRODUCTORY SECTION

**CITY OF WALDO, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2023**

MAYOR

Louie Davis

CITY COUNCIL

Carolyn Wade,
Council Chairman

Monique Taylor

Shannon Boal

Glen Johnson

Rick Pisano

CITY CLERK/MANAGER

Kim Worley

CITY ATTORNEY

John McPherson

FINANCIAL SECTION



Powell and Jones CPA

1359 S.W. Main Blvd.
Lake City, FL 32025
Phone 386.755.4200

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
And Members of the City Council
City of Waldo, Florida

Opinions

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

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

Basis for Opinions

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical

context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

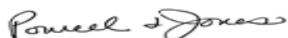
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the proprietary fund schedule of net position by function, the proprietary fund schedule of revenues, expenses, and changes in net position by function, and the schedule of expenditures of federal awards and state financial assistance, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2023 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 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.



POWELL AND JONES, CPA
Lake City, Florida
September 30, 2024

CITY OF WALDO, FLORIDA
Management's Discussion and Analysis

This discussion and analysis is intended to be an easily readable analysis of the City of Waldo's (the City) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Report Layout

The City implemented Government Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement requires governmental entities to report finances in accordance with specific guidelines. Among these guidelines are the components of this section dealing with management's discussion and analysis. Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements, and supplementary information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as public works, parks and recreation, human services, community development, public safety, and general governmental administration. The City's water, sewer, and solid waste management services are reported as business-type activities. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the City.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the City owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities reflect capital assets including infrastructure and long-term liabilities. Business-type activities have long reported capital assets and long-term liabilities. Also, governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses gross and net costs of the City's programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on governmental and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City has one major governmental fund which is the general fund. Statements for the City's proprietary fund follow the governmental fund statements and include net position, revenue, expenses and changes in net position, and cash flows.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in

understanding the City's financial condition.

The MD&A is intended to serve as an introduction to the City's basic financial statements and to explain the significant changes in the financial position and differences in operations between the current and prior years.

City as a Whole

Government-wide Financial Statements

A condensed version of the Statement of Net Position follows:

Net Position at September 30, 2023 and 2022

	Governmental Activities	Business-type Activities	Total Government	
			2023	2022
Assets				
Cash and investments	\$ 2,401,672	\$ 905,141	\$ 3,306,813	\$ 3,154,036
Other assets	196,236	79,294	275,530	137,314
Capital assets, net	2,117,656	6,026,873	8,144,529	7,920,812
Total assets	4,715,564	7,011,308	11,726,872	11,212,162
Liabilities				
Current liabilities	443,797	282,300	726,097	532,256
Long-term liabilities	24,276	1,990,672	2,014,948	2,058,100
Total liabilities	468,073	2,272,972	2,741,045	2,590,356
Net position				
Net investment in capital assets	2,117,656	4,003,873	6,121,529	5,842,812
Restricted	-	107,397	107,397	107,397
Unrestricted	2,129,835	627,066	2,756,901	2,671,597
Total net position	\$ 4,247,491	\$ 4,738,336	\$ 8,985,827	\$ 8,621,806

68% of the City's net position reflect its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted assets of \$107,397 consist of earmarked funds as reserves for debt service and police training. The remaining balance of unrestricted net position \$2,756,901 may be used to meet the City's ongoing obligations to citizens and creditors.

The following schedule provides a summary of the changes in net position. The increase during the year through Governmental net position is due primarily to budgetary management; the decrease in Business-type Activities net position is due primarily to the depreciation of sewer and water infrastructure.

A condensed version of the Statement of Activities follows:

**Change in Net Position
For the Fiscal Years ended September 30, 2023 and 2022**

	Governmental	Business-type	Total Government	
	Activities	Activities	2023	2022
Revenues				
Program revenues				
Charges for services	\$ 51,729	\$ 688,797	\$ 740,526	\$ 664,407
Grants and contributions	239,669	-	239,669	168,146
General revenues				
Taxes	528,999	-	528,999	508,283
Franchise fees	77,673	-	77,673	67,164
Fines and forfeitures	11,012	-	11,012	12,905
Licenses	19,509	-	19,509	23,375
State shared revenues	114,190	-	114,190	128,206
Interest and other	(100,302)	153,920	53,618	46,368
Total revenues	942,479	842,717	1,785,196	1,618,854
Expenses				
General government	401,635	-	401,635	566,664
Public safety	-	-	-	5,382
Transportation	187,378	-	187,378	178,141
Culture/recreation	82,876	-	82,876	56,032
Interest on long-term debt	-	44,136	44,136	45,284
Water, sewer, and garbage services	-	705,150	705,150	667,764
Total expenses	671,889	749,286	1,421,175	1,519,267
Change in net position	270,590	93,431	364,021	99,587
Beginning net position	3,976,901	4,644,905	8,621,806	8,522,219
Ending net position	\$ 4,247,491	\$ 4,738,336	\$ 8,985,827	\$ 8,621,806

Governmental activities:

Taxes provided 52% of the revenues for Governmental Activities, state shared revenues provided 11%, while Grants and Contributions provided 19%. Most of the Governmental Activities resources are spent for, General Government (60%), Transportation (28%), and Culture/recreation (12%).

Business-type activities:

Business-type activities increased the City's net position by \$93,431.

Budgetary Highlights

In the General Fund actual revenue amounts were less than budgeted amounts by \$21,872, and budgeted expenditures amounts were less than actual expenditures by \$75,147.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2023, the City had \$8.1 million invested in capital assets, including park and recreation facilities, buildings, roads, bridges and water and sewer facilities.

Capital Assets at September 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Not being depreciated:						
Land	\$ 54,724	\$ 54,724	\$ 36,453	\$ 36,453	\$ 91,177	\$ 91,177
CIP	-	-	-	252,449	-	252,449
Being depreciated:						
Buildings and improvements	2,566,704	2,374,394	9,173,145	8,798,196	11,739,849	11,172,590
Equipment	543,735	272,345	234,021	211,579	777,756	483,924
Vehicles	35,600	35,600	-	-	35,600	35,600
Subtotal	3,200,763	2,737,063	9,443,619	9,298,677	12,644,382	12,035,740
Accumulated depreciation	(1,083,107)	(913,210)	(3,416,745)	(3,201,719)	(4,499,852)	(4,114,929)
Capital assets, net	<u>\$ 2,117,656</u>	<u>\$ 1,823,853</u>	<u>\$ 6,026,874</u>	<u>\$ 6,096,958</u>	<u>\$ 8,144,530</u>	<u>\$ 7,920,811</u>

There was a increase in capital assets due to equipment purchases and renovations of the town hall in the general fund in the current fiscal year.

Debt Outstanding

At year-end, the City had \$2,082,040 in debt outstanding versus \$2,124,396 last year, a decrease of \$42,356.

Debt Outstanding at September 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Bonds payable	\$ -	\$ -	\$ 2,023,000	\$ 2,078,000	\$ 2,023,000	\$ 2,078,000
Compensated absences	32,368	34,446	26,672	11,950	59,040	46,396
Total	<u>\$ 32,368</u>	<u>\$ 34,446</u>	<u>\$ 2,049,672</u>	<u>\$ 2,089,950</u>	<u>\$ 2,082,040</u>	<u>\$ 2,124,396</u>

More detailed information on the City long-term liabilities is presented in the notes to the financial statements.

OTHER FINANCIAL INFORMATION

Economic Factors and Rates

- The current unemployment rate for the City was 3.30%, which is the approximate Alachua County rate.
- The population of the City in 2023 is estimated to be 970 by demographic services.
- The City's ad valorem tax rate for 2023 was 6.7129 mills, which was an decrease compared to the 2022 rate of 6.7876 mills.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City Manager at P.O. Drawer B, Waldo, Florida 32694.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	\$ 2,401,672	\$ 651,229	\$ 3,052,901
Accounts receivable	46,175	79,294	125,469
Prepaid expenses	37,569	-	37,569
Internal balances	112,493	(112,493)	-
Total current assets	<u>2,597,909</u>	<u>618,030</u>	<u>3,215,939</u>
Noncurrent assets			
Restricted assets			
Cash	-	133,282	133,282
Investments	-	120,630	120,630
Total restricted assets	<u>-</u>	<u>253,912</u>	<u>253,912</u>
Capital assets			
Land	54,724	36,453	91,177
Construction in progress	-	252,449	252,449
Depreciable capital assets, net	2,181,859	5,617,254	7,799,113
Capital assets - net	<u>2,236,583</u>	<u>5,906,156</u>	<u>8,142,739</u>
Total assets	<u>\$ 4,834,492</u>	<u>\$ 6,778,098</u>	<u>\$ 11,612,590</u>
LIABILITIES			
Current liabilities (payable from current assets)			
Payroll liabilities	\$ 1,525	\$ -	\$ 1,525
Accounts payable	77,608	41,585	119,193
Unearned revenue	354,679	-	354,679
Rental deposits	1,856	-	1,856
Compensated absences, current portion	8,092	4,000	12,092
Total current liabilities (payable from current assets)	<u>443,760</u>	<u>45,585</u>	<u>489,345</u>
Current liabilities (payable from restricted assets)			
Accrued interest payable	-	3,773	3,773
Bonds payable, current portion	-	55,000	55,000
Deposits	-	65,449	65,449
Total current liabilities (payable from restricted assets)	<u>-</u>	<u>124,222</u>	<u>124,222</u>

(continued)

See notes to the financial statements

**CITY OF WALDO, FLORIDA
STATEMENT OF NET POSITION
September 30, 2023**

Long-term liabilities			
Bonds payable, net of current portion	-	1,968,000	1,968,000
Compensated absences, net of current portion	<u>24,276</u>	<u>22,672</u>	<u>46,948</u>
Total long-term liabilities	<u>24,276</u>	<u>1,990,672</u>	<u>2,014,948</u>
Total liabilities	<u>468,036</u>	<u>2,160,479</u>	<u>2,628,515</u>
 NET POSITION			
Net investment in capital assets	2,236,583	3,883,156	6,119,739
Restricted, debt service	-	107,397	107,397
Unrestricted	<u>2,129,872</u>	<u>627,066</u>	<u>2,756,938</u>
Total net position	<u>\$ 4,366,455</u>	<u>\$ 4,617,619</u>	<u>\$ 8,984,074</u>

See notes to the financial statements

**CITY OF WALDO, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023**

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position		
					Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental Activities							
General government	\$ 401,635	\$ 28,666	\$ -	\$ 91,875	\$ (281,094)	\$ -	\$ (281,094)
Transportation	190,951	23,063	-	147,794	(20,094)	-	(20,094)
Culture/recreation	82,876	-	-	-	(82,876)	-	(82,876)
Total governmental activities	675,462	51,729	-	239,669	(384,064)	-	(384,064)
Business-type activities							
Water services	174,523	241,404	-	-	-	66,881	66,881
Sewer services	440,704	341,120	-	-	-	(99,584)	(99,584)
Solid waste	88,140	106,273	-	-	-	18,133	18,133
Interest on long-term debt	44,136	-	-	-	-	(44,136)	(44,136)
Total business-type activities	747,503	688,797	-	-	-	(58,706)	(58,706)
Total government	\$ 1,422,965	\$ 740,526	\$ -	\$ 239,669	(384,064)	(58,706)	(442,770)
General revenues							
Property taxes					220,654	-	220,654
Sales and use taxes					171,725	-	171,725
Franchise fees and utility taxes					189,228	-	189,228
Communications service tax					25,065	-	25,065
Licenses and permits					19,509	-	19,509
Fines and forfeitures					11,012	-	11,012
State shared revenues					114,190	-	114,190
Rents and royalties					22,188	-	22,188
Interest					-	16,831	16,831
Other fees and miscellaneous					10	14,589	14,599
Total general revenues					773,581	31,420	805,001
Change in net position					389,517	(27,286)	362,231
Net position at beginning of year					3,976,938	4,644,905	8,621,843
Net position at ending of year					\$ 4,366,455	\$ 4,617,619	\$ 8,984,074

See notes to financial statements

**CITY OF WALDO, FLORIDA
GOVERNMENTAL FUND
BALANCE SHEET
September 30, 2023**

	<u>General Fund</u>
ASSETS	
Cash	\$ 2,401,672
Accounts receivable	46,175
Due from other funds	112,493
Prepaid expenses	37,569
Total assets	<u>2,597,909</u>
 LIABILITIES	
Accrued liabilities	1,525
Accounts payable	77,608
Unearned revenue	354,679
Rental deposits	1,856
Total liabilities	<u>435,668</u>
 FUND BALANCES	
Non-spendable - prepaids	37,569
Unassigned	2,124,671
Total fund balances	<u>2,162,240</u>
 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 the funds	2,236,583
Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.	(32,368)
Net position of governmental activities	<u>\$ 4,366,455</u>

See notes to the financial statements

**CITY OF WALDO, FLORIDA
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2023**

	<u>General Fund</u>
REVENUES	
Taxes	\$ 528,999
Franchise fees	77,673
Licenses and permits	19,509
Intergovernmental	353,859
Charges for services	51,729
Fines and forfeitures	11,012
Miscellaneous	22,198
Total revenues	1,064,979
 EXPENDITURES	
Current expenditures	
General government	285,840
Transportation	168,100
Culture/recreation	50,130
Capital outlay	
General government	197,264
Transportation	134,876
Culture/recreation	254,060
Total expenditures	1,090,270
 Excess of revenues over expenditures	 (25,291)
 Net change in fund balance	 (25,291)
Fund balance at beginning of year	2,187,531
Fund balance at end of year	\$ 2,162,240

See notes to the financial statements

CITY OF WALDO, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

Net change in fund balance - total governmental funds		\$ (25,291)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	586,200	
Less current year depreciation	<u>(173,470)</u>	
		412,730
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.		
Net decrease in compensated absences		<u>2,078</u>
Change in net position of governmental activities		<u><u>\$ 389,517</u></u>

See notes to the financial statements

**CITY OF WALDO, FLORIDA
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 September 30, 2023**

	<u>Enterprise Fund</u>
ASSETS	
Current assets	
Cash	\$ 651,229
Accounts receivable	79,294
Due from other funds	(112,493)
Total current assets	618,030
Restricted assets	
Cash	133,282
Investments	120,630
Total restricted assets	253,912
Noncurrent assets	
Capital assets	
Not being depreciated:	
Land	36,453
Construction in progress	252,449
Being depreciated:	
Property and equipment	9,032,217
Accumulated depreciation	(3,414,963)
Total capital assets	5,906,156
Total assets	\$ 6,778,098

LIABILITIES AND NET POSITION

LIABILITIES

Current liabilities (payable from current assets)	
Accounts payable	\$ 41,585
Compensated absences	4,000
Total current liabilities (payable from current assets)	45,585
Current liabilities (payable from restricted assets)	
Accrued interest payable	3,773
Bonds payable, current portion	55,000
Deposits	65,449
Total current liabilities (payable from restricted assets)	124,222
Long-term liabilities	
Compensated absences, net of current portion	22,672
Bonds payable, long-term portion, net of current portion	1,968,000
Total long-term liabilities	1,990,672
Total liabilities	2,160,479

(continued)

See notes to financial statements

**CITY OF WALDO
PROPRIETARY FUND
STATEMENT OF NET POSITION
(CONTINUED)
SEPTEMBER 30, 2023**

NET POSITION

Net investment in capital assets	3,883,156
Restricted, debt service	107,397
Unrestricted	627,066
Total net position	<u>4,617,619</u>
Total liabilities and net position	<u>\$ 6,778,098</u>

See notes to financial statements

CITY OF WALDO, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2023

OPERATING REVENUES	<u>Enterprise Fund</u>
Physical environment	
Turn on fees water	\$ 7,840
Water utility revenue	233,564
Garbage/solid waste revenue	106,273
Sewer revenue	341,120
Late charges	10,488
Other revenue	4,101
Total operating revenues	<u>703,386</u>
 OPERATING EXPENSES	
Water services	
Personnel services	74,756
Operating expenses	86,037
Depreciation	13,730
Total water services	<u>174,523</u>
 Sewer services	
Personnel services	112,134
Operating expenses	129,056
Depreciation	199,514
Total sewer services	<u>440,704</u>
 Solid waste services	
Contractual services	88,140
Total solid waste services	<u>88,140</u>
Total operating expenses	<u>703,367</u>
 Operating gain	<u>19</u>
 NONOPERATING REVENUES (EXPENSES)	
Interest earnings	16,831
Interest expense	(44,136)
Total nonoperating revenues (expenses)	<u>(27,305)</u>
 Net loss	(27,286)
Net position at beginning of year	4,644,905
Net position at end of year	<u>\$ 4,617,619</u>

See notes to financial statements

CITY OF WALDO, FLORIDA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2023

	Enterprise Fund
Cash flows from operating activities	
Cash received from customers	\$ 695,639
Cash paid to employees and benefits	(264,334)
Cash paid to suppliers	(172,472)
Net cash provided by operating activities	258,833
 Cash flow from non-capital financing activities	
Transfers to other funds	112,493
Net cash (used in) non-capital financing activities	112,493
 Cash flows from capital related financing activities:	
Acquisition of fixed assets	(22,442)
Proceeds from capital grants	5,039
Net cash (used in) capital and related financing activities	(17,403)
 Cash flows from investing activities	
Investment expense	(93,887)
Net cash provided by investing activities	(93,887)
 Net increase in cash	260,036
 Cash and cash equivalents at beginning of year	391,193
Cash and cash equivalents at end of year	\$ 651,229
 Cash as shown in financial statements	
Cash	\$ 651,229
Restricted cash	133,282
Restricted investments	120,630
	\$ 905,141

See notes to the financial statements

**CITY OF WALDO, FLORIDA
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 RECONCILIATION OF OPERATING LOSS TO NET CASH
 USED IN OPERATING ACTIVITIES
 For the Fiscal Year Ended September 30, 2023**

	<u>Enterprise Fund</u>
Operating gain	\$ 19
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	213,244
Changes in assets decrease (increase) and liabilities (decrease) increase:	
Accounts receivable, net	(10,683)
Prepaid expenses	9,603
Accounts payable	29,295
Customer deposits	2,936
Accrued compensated absences	14,419
Total adjustments	258,814
Net cash provided by operating activities	\$ 258,833

See notes to the financial statements

CITY OF WALDO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Waldo (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. 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 type in accordance with GASB Statement 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. Reporting Entity - The City of Waldo, Florida is a municipality created pursuant to provisions of Chapter 165, *Florida Statutes*, and was specifically organized under and derives its power from Chapter 14451-No. 887 of the *Laws of Florida*. It is governed by a Mayor and a five member City Council, all of whom are individually elected.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, management determined that there were no component units which should be included within the reporting entity.

B. Measurement Focus and Basis of Accounting - The basic financial statements of the City are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from any legally separate component unit for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 - Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. As applicable, the City also chooses to eliminate the indirect costs between governmental activities to avoid the "doubling up" effect.

2. Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the City's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually, and nonmajor funds in the aggregate for governmental and enterprise funds, as applicable.

Governmental Funds - 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 collected 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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, 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. All other revenue items are considered to be measurable only when cash is received by the City.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources." Governmental funds operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Any non-current portions of long-term receivables (special assessments) due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Non-current portions of other long-term receivables are offset by deferred inflows of resources. Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary Funds - The City's Water, Sewer, and Solid Waste Enterprise Fund is a proprietary fund. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

C. Basis of Accounting - GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures, expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The City has used GASB 34 minimum criteria for major fund determination. The City has two major funds as follows:

1. Governmental Fund:

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

2. Proprietary Fund:

Enterprise Fund - The Enterprise Fund accounts for the revenues, expenses, assets, and liabilities associated with the City operated water, sewer, and solid waste disposal services.

Non-current Governmental Assets/Liabilities:

GASB Statement 34 requires non-current governmental assets, such as land and building, and noncurrent governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide statement of net position.

D. Assets, Liabilities and Net Position or Equity

1. Cash and Investments - Cash includes amounts in demand deposits as well as short-term money market investment accounts. Investments, consisting of certificates of deposit, are stated at cost which approximates market value. All such deposits and investments are insured and collateralized as required by state law.

2. Allowance for Doubtful Accounts - As applicable year-to-year, the City provides an allowance for Enterprise Fund accounts receivable that may become uncollectible. At September 30, 2023, there were no amounts exceeding 180 days, therefore no allowance for doubtful accounts was reported. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2023.

3. Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for doubtful accounts. Any receivables in excess of 180 days would comprise the trade accounts receivable allowance for doubtful accounts.

4. Inventories - The costs of governmental and enterprise fund inventories are recorded as expenditures when purchased rather than when consumed. The actual amounts of any inventory type goods on hand at year end would not be material.

5. Restricted Assets - Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond

current debt service” account is used to segregate resources accumulated for debt service payments over the next twelve months. The “revenue bond reserve” account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account, and to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. The cash proceeds of enterprise fund customer deposits are also shown as restricted assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are applied first.

- 6. **Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized by the City.
- 7. **Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are generally not reported. Donated capital assets are recorded at estimated fair market value at the date of donations.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Building and improvements	10 - 50
Machinery and equipment	5 - 14
Street and related infrastructure	20 - 40

- 8. **Capitalization of Interest** - Interest related to borrowings are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the City did not have any capitalized interest.
- 9. **Unearned Revenues** - Unearned revenues reported in government-wide financial statements represent revenues received but not yet earned. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent revenues received but not earned, which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues.

10. Accrued Compensated Absences - The City accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentation.

11. Fund Balances/Net Position

A. Governmental Funds

As of September 30, 2023, fund balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purpose because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the City Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s general policy, only the City Council may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

As of September 30, 2023, fund balances are composed of the following:

	<u>Amount</u>
Non-spendable prepaids	\$ 37,569
Unassigned	<u>2,124,671</u>
	<u>\$ 2,162,240</u>

When an expenditure is incurred for purposes to which both restricted and unrestricted fund balance is available, the City considered restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

B. Proprietary Funds

Restrictions of equity show amounts that are not appropriated for expenditures or are legally restricted for specific uses.

As of September 30, 2023, net position is composed of the following:

	<u>Amount</u>
Net investment in capital assets	\$ 3,883,156
Restricted for debt service	107,397
Unrestricted	627,066
	<u>\$ 4,617,619</u>

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position.

“Total fund balances” of the City’s governmental funds \$2,162,240 differs from “net position” of governmental activities 4,366,455 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 3,323,263
Accumulated depreciation	(1,086,680)
Total	<u>\$ 2,236,583</u>

Long-term debt transactions

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2023, were:

Accrued compensated absences	<u>(32,368)</u>
Total	<u>\$ (32,368)</u>

CITY OF WALDO, FLORIDA

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Statement of Net Position
ASSETS				
Cash and investments	2,401,672	\$ -	\$ -	\$ 2,401,672
Accounts receivable	46,175	-	-	46,175
Due from other funds	112,492	-	-	112,492
Prepaid expenses	37,569	-	-	37,569
Capital assets - net	-	2,236,583	-	2,236,583
Total assets	<u>\$ 2,597,908</u>	<u>\$ 2,236,583</u>	<u>\$ -</u>	<u>\$ 4,834,491</u>
LIABILITIES AND FUND BALANES				
Liabilities				
Accrued liabilities	1,525	\$ -	\$ -	\$ 1,525
Accounts payable	77,608	-	-	77,608
Unearned revenue	354,679	-	-	354,679
Rental deposits	1,856	-	-	1,856
Compensated absences	-	-	32,368	32,368
Total liabilities	<u>435,668</u>	<u>-</u>	<u>32,368</u>	<u>468,036</u>
Fund balance/net position	<u>2,162,240</u>	<u>2,236,583</u>	<u>(32,368)</u>	<u>4,366,455</u>
Total liabilities and fund balances/net position	<u>\$ 2,597,908</u>	<u>\$ 2,236,583</u>	<u>\$ -</u>	<u>\$ 4,834,491</u>

B. Explanation of Differences Between Governmental Fund Statements of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities

The net change in fund balances for governmental funds of \$(25,291) differs from the change in net position for governmental activities of \$389,517 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas the net position decreases by the amount of depreciation expense charged for the year.

Capital outlay	\$ 586,200
Depreciation expense	<u>(173,470)</u>
	<u>\$ 412,730</u>

Long-term debt transactions

Governmental funds do not report increases or decreases in long-term accrued compensated absences. However, in the statement of activities, the increase is expensed.

Increase in accrued compensated absences	\$ 2,078
	<u>\$ 2,078</u>

CITY OF WALDO, FLORIDA

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of Differences Between Government Fund Statements of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Statement of Activities
REVENUES				
Taxes	\$ 528,999	\$ -	\$ -	\$ 528,999
Franchise fees	77,673	-	-	77,673
Licenses and permits	19,509	-	-	19,509
Intergovernmental	353,859	-	-	353,859
Charges for Services	51,729	-	-	51,729
Fines and forfeitures	11,012	-	-	11,012
Miscellaneous	22,198	-	-	22,198
Total revenues	<u>1,064,979</u>	<u>-</u>	<u>-</u>	<u>1,064,979</u>
EXPENDITURES				
Current expenditures				
General government	285,840	117,873	(2,078)	401,635
Transportation	168,100	22,851	-	190,951
Culture/recreation	50,130	32,746	-	82,876
Capital outlay				
General government	197,264	(197,264)	-	-
Transportation	134,876	(134,876)	-	-
Culture/recreation	254,060	(254,060)	-	-
Total expenditures	<u>1,090,270</u>	<u>(412,730)</u>	<u>(2,078)</u>	<u>675,462</u>
Excess of revenues over expenditures	(25,291)	412,730	2,078	389,517
Net change in fund balance	(25,291)	412,730	2,078	389,517
Fund balance at beginning of year	2,187,531	1,823,853	(34,446)	3,976,938
Fund balance at end of year	<u>\$ 2,162,240</u>	<u>\$ 2,236,583</u>	<u>\$ (32,368)</u>	<u>\$ 4,366,455</u>

NOTE 3. LEGAL COMPLIANCE–BUDGETS

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

1. Prior to September 1, the City Manager develops 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 conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted by the City Council through passage of an ordinance.
4. Any revision that alters the total expenditures of any fund or transfers budgeted amounts between departments within any fund must be approved by the City Council.
5. Budgets for all City funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the City Council. Individual amendments were not material in relation to the original appropriations which were amended.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits. The bank balances of the City deposits were fully insured by federal depository insurance or pledged collateral under state law.

Investments. Under state law, the City is allowed to invest surplus funds in guaranteed obligations of the U.S. government, interest bearing accounts of financial institutions which are legally secured, and the Local Government Surplus Funds Trust Fund. The City’s investments in the amount of \$120,630, consist of certificates of deposits in a qualified depository with original maturities in excess of ninety days. The investments were fully insured at September 30, 2023.

Schedule of Investments at September 30, 2023

Certificates of deposit	<u>\$ 120,630</u>
-------------------------	-------------------

NOTE 5. PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2022-2023 fiscal year were levied in October 2022. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE 6. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions / Revaluations	Ending Balance
Governmental activities:				
Non-depreciable capital assets not being depreciated:				
Land	\$ 54,724	\$ -	\$ -	\$ 54,724
Total Non-depreciable capital assets	<u>54,724</u>	<u>-</u>	<u>-</u>	<u>54,724</u>
Depreciable capital assets:				
Buildings and improvements	2,374,394	314,810	-	2,689,204
Equipment	272,345	271,390	-	543,735
Vehicles	35,600	-	-	35,600
Total depreciable capital assets	<u>2,682,339</u>	<u>586,200</u>	<u>-</u>	<u>3,268,539</u>
Buildings and improvements	(657,122)	(117,873)	-	(774,995)
Equipment	(219,285)	(22,851)	-	(242,136)
Vehicles	(36,803)	(32,746)	-	(69,549)
Total accumulated depreciation	<u>(913,210)</u>	<u>(173,470)</u>	<u>-</u>	<u>(1,086,680)</u>
Total depreciable capital assets, net	<u>1,769,129</u>	<u>412,730</u>	<u>-</u>	<u>2,181,859</u>
Governmental activities capital assets, net	<u>\$ 1,823,853</u>	<u>\$ 412,730</u>	<u>\$ -</u>	<u>\$ 2,236,583</u>
Business-type activities:				
Non-depreciable assets:				
Land	\$ 36,453	\$ -	\$ -	\$ 36,453
CIP	252,449	-	-	252,449
Total Non-depreciable assets	<u>288,902</u>	<u>-</u>	<u>-</u>	<u>288,902</u>
Depreciable assets:				
Buildings and improvements	8,798,196	-	-	8,798,196
Equipment	211,579	22,442	-	234,021
Total depreciable capital assets	<u>9,298,677</u>	<u>22,442</u>	<u>-</u>	<u>9,321,119</u>
Less accumulated depreciation	<u>(3,201,719)</u>	<u>(213,240)</u>	<u>-</u>	<u>(3,414,959)</u>
Total depreciable capital assets, net				
Business-type activities capital assets, net	<u>\$ 6,096,958</u>	<u>\$ (190,798)</u>	<u>\$ -</u>	<u>\$ 5,906,160</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 117,873
Transportation	22,851
Recreation	32,746
Total depreciation expense - governmental activities	<u>\$ 173,470</u>
Business-type activities:	
Water	\$ 13,727
Sewer	199,514
Total depreciation expense - business-type activities	<u>\$ 213,240</u>

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

The following is a schedule of interfund receivables and payables at September 30, 2023.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 112,493	\$ -
Enterprise	-	(112,493)
	<u>\$ 112,493</u>	<u>\$(112,493)</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 8. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2023 net of allowances for bad debts, were as follows:

	<u>Accounts</u>	<u>Total Receivables</u>
Governmental activities:		
General	\$ 46,175	\$ 46,175
Business-type activities:		
Enterprise	79,294	79,294
	<u>\$ 125,469</u>	<u>\$ 125,469</u>

Payables

Payables at September 30, 2023, were as follows:

	<u>Vendors</u>
Governmental activities:	
General	<u>\$ 77,608</u>
Business-type activities	
Enterprise	<u>\$ 41,585</u>

NOTE 9. PROPRIETARY LONG-TERM DEBT

USDA Wastewater Revenue Bonds 2013

On June 21, 2013, the City closed on a revenue bond issue from the United States Department of Agriculture in the total amount of \$2,527,000. Proceeds of the revenue bond were used to retire the Capital City Bank anticipation note in the amount of \$1,339,336, with the balance used for the wastewater extension project. The bond is payable over 39 annual payments including interest of 2.125%.

Reserve funds – The following reserves are required to be maintained for these revenue bonds:

1. The bond ordinance requires a sinking fund reserve which accumulates a monthly sum equal to 1/12 of the principal and interest of the bond payment due on the next succeeding September 1.
2. An additional reserve equal to the maximum annual debt service requirement over the period of the bond to be used for; operation and maintenance fund to pay operating expenses pursuant to the annual budget; and payment of any principal and interest if the funds of the Sinking Fund are insufficient. This reserve is maintained by transferring monthly from the revenue account an amount equal to \$10,219 annually until fully funded. This reserve was fully funded at September 30, 2023.

Revenue bond debt service requirements to maturity, including \$718,469 of interest, are as follows:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2024	\$ 55,000	\$ 42,968	\$ 97,968
2025	57,000	41,778	98,778
2026	58,000	40,556	98,556
2027	59,000	39,334	98,334
2028	60,000	34,374	94,374
2029-2033	305,000	177,438	482,438
2034-2038	330,000	143,438	473,438
2039-2043	355,000	106,782	461,782
2044-2048	378,000	67,533	445,533
2049-2052	366,000	24,268	390,268
Total	<u>\$ 2,023,000</u>	<u>\$ 718,469</u>	<u>\$ 2,741,469</u>

A summary of changes in proprietary long-term debt follows:

	<u>Balance October 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2023</u>	<u>Due Within One Year</u>
USDA Revenue Bonds	\$ 2,078,000	\$ -	\$ 55,000	\$ 2,023,000	\$ 55,000
Compensated absences	11,950	14,722	-	26,672	4,000
	<u>\$ 2,089,950</u>	<u>\$ 14,722</u>	<u>\$ 55,000</u>	<u>\$ 2,049,672</u>	<u>\$ 59,000</u>

NOTE 10. GOVERNMENTAL LONG-TERM DEBT

A summary of changes in governmental long-term debt follows:

	Balance October 1, 2022	Increases	Decreases	Balance September 30, 2023	Due Within One Year
Compensated absences	\$ 34,446	\$ -	\$ 2,078	\$ 32,368	8,092
	<u>\$ 34,446</u>	<u>\$ -</u>	<u>\$ 2,078</u>	<u>\$ 32,368</u>	<u>\$ 8,092</u>

Inasmuch as records kept for compensated absences relate only to hours earned, used, and available, the effect of changes in individual employee compensation rates and gross additions and deletions to the reported value of the liability for compensated absences cannot be reasonably determined. Accordingly, only the net change in the accumulated value of compensated absences is shown for the current fiscal year.

NOTE 11. RETIREMENT SYSTEM

The City maintains a defined contribution retirement plan underwritten by Mutual of America Life Insurance Company. All employees eighteen years of age that have completed six months of service receive monthly contributions of five percent of their salary under the plan. No employee contributions are permitted under the plan. Employees are immediately vested in the plan from the date of their participation. During the year, total contributions to the plan were \$17,618. Contributions for 2022 and 2021 were \$11,504 and \$12,228, respectively.

This plan is not subject to the requirements of ERISA or Internal Revenue Service regulations relating to qualified pension plans.

NOTE 12. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any to be immaterial.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) was characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the City. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

NOTE 13. RISK MANAGEMENT

The City is exposed to various risks of loss related to theft of, damage to and destruction of assets; and injury or death on the job of all employees. These risks are primarily covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial or workers' compensation insurance coverage for the past three years. There has been no reduction in insurance coverage from the previous year.

NOTE 14. FIRE PROTECTION SERVICES

The City has an Interlocal agreement with the Alachua County Board of County Commissioners (the County) whereby the County agrees to provide fire protection services within the City. The City's corporate limits are included as taxable property for the County's fire services municipal services taxing district. The effective date of the agreement is October 1, 2009 with termination by either party permitted with one year's notice.

NOTE 15. LONG-TERM CONTRACTS

Effective March 13, 2011 the City entered into a contract with Gainesville Regional Utilities for the treatment of wastewater. The contract is for a 40-year term. The contract fees are payable monthly and based upon usage. In the current year, \$85,257 was paid under the contract.

NOTE 16. OTHER POST EMPLOYMENT BENEFITS

Pursuant to the provisions of Section 112.8011, *Florida Statutes*, former employees and eligible dependents who retire from the City may continue to participate in the City's fully insured health and hospitalization plan. These retirees are completely responsible for payment of their insurance premiums and the City does not contribute toward this payment. Based upon prior experience, the assumed participation rate is zero percent and current insurance premiums are not affected by the requirements of Section 112.8011, *Florida Statutes*. An actuarial projection with a zero assumed participation rate, which is consistent with actual results, would result in an Other Post Employment Benefit (OPEB) obligation of zero. Accordingly, there is no OPEB obligation recorded in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WALDO, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Ad valorem	\$ 224,626	\$ 224,626	220,654	\$ (3,972)
Sales and use taxes				
Local option gas tax	79,175	79,175	69,639	(9,536)
Discretionary sales tax	56,454	56,454	102,086	45,632
Communication service tax	23,946	23,946	25,065	1,119
Utility franchise fees	60,800	60,800	77,673	16,873
Utility service tax				
Electric	78,000	78,000	89,783	11,783
Propane	1,500	1,500	1,265	(235)
Water	20,317	20,317	20,507	190
Total taxes	<u>544,818</u>	<u>544,818</u>	<u>606,672</u>	<u>61,664</u>
Licenses and permits				
Professional and occupational	2,200	2,200	3,898	1,698
Election fees	165	165	40	(125)
Building permits	4,000	4,000	15,571	11,571
Total licenses and permits	<u>6,365</u>	<u>6,365</u>	<u>19,509</u>	<u>13,144</u>
Intergovernmental				
Federal grants				
General government				
ARPA Program	226,431	226,431	91,875	(134,556)
Total federal grants	<u>226,431</u>	<u>226,431</u>	<u>91,875</u>	<u>(134,556)</u>
State grants				
Culture/recreation				
FRDAP grant	100,000	100,000	147,794	47,794
Total state grants	<u>100,000</u>	<u>100,000</u>	<u>147,794</u>	<u>47,794</u>
State shared revenue				
State revenue sharing	47,154	47,154	52,220	5,066
Mobile home licenses	450	450	310	(140)
Alcoholic beverage licenses	600	600	1,321	721
Local government half-cent sales tax	53,884	53,884	60,339	6,455
Total intergovernmental	<u>102,088</u>	<u>102,088</u>	<u>114,190</u>	<u>12,102</u>

(continued)

See Notes

**CITY OF WALDO, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Charges for services				
General government				
City property rental	\$ 11,077	\$ 11,077	28,666	\$ 17,589
Transportation				
Highway lighting	23,000	23,000	23,063	63
Total charges for services	34,077	34,077	51,729	17,652
Fines and forfeitures				
Court cases				
Court fines	5,000	5,000	11,012	6,012
Total fines and forfeitures	5,000	5,000	11,012	6,012
Miscellaneous				
Interest earnings				
Interest on investments	1,150	1,150	-	(1,150)
Rents and royalties				
Rent cable	1,200	1,200	1,200	-
Rent telephone	20,988	20,988	20,988	-
Rent library/community center	800	800	-	(800)
Other miscellaneous				
Other miscellaneous income	-	-	10	10
Total miscellaneous	24,138	24,138	22,198	(1,940)
Total revenues	1,042,917	1,042,917	1,064,979	21,872

(continued)
See Notes

**CITY OF WALDO, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES				
General government				
Legislative				
Personnel services	\$ 19,491	\$ 19,491	19,491	\$ -
Financial and administrative				
Personnel services	106,724	106,724	114,338	(7,614)
Operating expenses	160,780	160,780	118,221	42,559
Capital outlay	85,659	85,659	197,264	(111,605)
Total financial and administrative	<u>372,655</u>	<u>372,655</u>	<u>449,314</u>	<u>(76,659)</u>
Legal counsel				
Operating expenses	21,000	21,000	24,790	(3,790)
Comprehensive planning				
Operating expenses	10,000	10,000	9,000	1,000
Total general government	<u>403,655</u>	<u>403,655</u>	<u>483,104</u>	<u>(79,449)</u>
Transportation				
Roads and streets				
Personnel services	115,662	115,662	83,617	32,045
Operating expenses	75,498	75,498	84,483	(8,985)
Capital outlay	266,000	266,000	134,876	131,124
Total transportation	<u>457,160</u>	<u>457,160</u>	<u>302,976</u>	<u>154,184</u>

(continued)
See Notes

**CITY OF WALDO, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Culture/recreation				
Parks and recreation				
Personnel services	\$ 12,141	\$ 12,141	11,764	\$ 377
Operating expenses	113,507	113,507	30,775	82,732
Capital outlay	56,454	56,454	254,060	(197,606)
Special recreation facilities				
Operating expenses	-	-	7,591	(7,591)
Total culture/recreation	<u>182,102</u>	<u>182,102</u>	<u>304,190</u>	<u>(122,088)</u>
Total expenditures	<u>1,042,917</u>	<u>1,042,917</u>	<u>1,090,270</u>	<u>(47,353)</u>
Excess of revenues over expenditures	-	-	(25,291)	(25,481)
Net change in fund balance	-	-	(25,291)	(25,481)
Fund balance at beginning of year	<u>2,187,531</u>	<u>2,187,531</u>	<u>2,187,531</u>	<u>2,187,531</u>
Fund balance at end of year	<u>\$ 2,187,531</u>	<u>\$ 2,187,531</u>	<u>\$ 2,162,240</u>	<u>\$ 2,162,050</u>

See Notes

CITY OF WALDO, FLORIDA
NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED, SEPTEMBER 30, 2023

I. Stewardship, Compliance, and Accountability

- A. Budgetary information.** The City, in establishing its budgetary data reflected in the financial statements follows the procedures set out in Chapters 166 and 200, *Florida Statutes*. The City prepares a tentative budget, which is used by the City at a public workshop to prepare the budgets for the coming year. Public hearings are conducted to obtain taxpayer comments. Subsequently, these budgets are legally adopted through the passage of a resolution at an advertised public session. Such actions are recorded in the City's minutes.

The budget is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America (GAAP). The only exception to the GAAP basis is the Enterprise Fund, where depreciation is not budgeted for capital assets, while capital outlay expenditures are budgeted and are reclassified into fixed assets. These are then eliminated from the results of operations for financial reporting purposes in the Enterprise Fund. Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenues.

The annual budget serves as the legal authorization for expenditures. All budget amendments, which change the legally adopted total appropriation for a fund, are approved by the City Council.

If during the fiscal year, additional revenue becomes available for appropriations in excess of those estimated in the budget, the City Council, by resolution, may make supplemental appropriations for the year up to the amount of such excess.

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

1. Prior to September 1, the City Manager submits to the City Council 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 conducted in August and September to obtain taxpayer comments.
3. Prior to November 1, the budget is legally enacted through passage of an ordinance.
4. The legal level of budgetary control is the department level; however, the City Council may, by formal motion, transfer appropriations between departments and may use surplus revenues not appropriated in the budget for any municipal purpose.
5. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America for governmental fund types.

OTHER INFORMATION

**CITY OF WALDO, FLORIDA
 PROPRIETARY FUND
 SCHEDULE OF NET POSITION BY FUNCTION
 For the Fiscal Year Ended September 30, 2023**

	Solid Waste	Water	Sewer	Total
ASSETS				
Current assets				
Cash	\$ -	\$ 260,492	\$ 390,737	\$ 651,229
Accounts receivable	-	31,718	47,576	79,294
Due from other funds	114,240	331,739	(8,977)	437,002
Total current assets	114,240	623,949	429,336	1,167,525
Restricted assets				
Cash	-	-	133,282	133,282
Investments	-	-	120,630	120,630
Total restricted assets	-	-	253,912	253,912
Noncurrent assets				
Fixed assets				
Land	-	-	36,453	36,453
Construction in progress	-	252,449	-	252,449
Property and equipment	-	904,885	8,127,332	9,032,217
Accumulated depreciation	-	(446,335)	(2,968,628)	(3,414,963)
Total fixed assets	-	710,999	5,195,157	5,906,156
Prepaid expenses	-	-	-	-
Total noncurrent assets	-	710,999	5,195,157	5,906,156
Total assets	\$ 114,240	\$ 1,334,948	\$ 5,878,405	\$ 7,327,593
LIABILITIES AND NET POSITION				
LIABILITIES				
Current liabilities (payable from current assets)				
Accounts payable	\$ -	\$ -	41,585	\$ 41,585
Due to other funds	-	-	549,495	549,495
Compensated absences	-	2,400	1,600	4,000
Total current liabilities (payable from current assets)	-	2,400	592,680	595,080
Current liabilities (payable from restricted assets)				
Deposits	-	39,269	26,180	65,449
Accrued interest payable	-	-	3,773	3,773
Bonds payable, current portion	-	-	55,000	55,000
Total current liabilities (payable from restricted assets)	-	39,269	84,953	124,222
Long-term liabilities				
Compensated absences	-	13,603	9,069	22,672
Bonds payable, long-term portion	-	-	1,968,000	1,968,000
Total long-term liabilities	-	13,603	1,977,069	1,990,672
Total liabilities	-	55,272	2,654,702	2,709,974
NET POSITION				
Net investment in capital assets	-	710,999	3,172,157	3,883,156
Restricted, debt service	-	-	107,397	107,397
Unrestricted	114,240	568,677	(55,851)	627,066
Total net position	114,240	1,279,676	3,223,703	4,617,619
Total liabilities and net position	\$ 114,240	\$ 1,334,948	\$ 5,878,405	\$ 7,327,593

See notes to financial statements

**CITY OF WALDO, FLORIDA
 PROPRIETARY FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY FUNCTION
 For the Fiscal Year Ended September 30, 2023**

OPERATING REVENUES	<u>Solid Waste</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Physical environment				
Turn on fees water	\$ -	7,840	\$ -	\$ 7,840
Water utility revenue	-	233,564	-	233,564
Garbage/solid waste revenue	106,273	-	-	106,273
Sewer revenue	-	-	341,120	341,120
Late charges	-	4,195	6,293	10,488
Other revenue	-	1,640	2,461	4,101
Total operating revenues	<u>106,273</u>	<u>247,239</u>	<u>349,874</u>	<u>703,386</u>
OPERATING EXPENSES				
Water/sewer services				
Personnel services	-	74,756	112,134	186,890
Operating expenses	-	86,037	129,056	215,093
Depreciation	-	13,730	199,514	213,244
Total water/sewer services	<u>-</u>	<u>174,523</u>	<u>440,704</u>	<u>615,227</u>
Solid waste services				
Contractual services	88,140	-	-	88,140
Total solid waste services	<u>88,140</u>	<u>-</u>	<u>-</u>	<u>88,140</u>
Total operating expenses	<u>88,140</u>	<u>174,523</u>	<u>440,704</u>	<u>703,367</u>
Operating income (loss)	<u>18,133</u>	<u>72,716</u>	<u>(90,830)</u>	<u>19</u>
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	-	-	16,831	16,831
Interest expense	-	-	(44,136)	(44,136)
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(27,305)</u>	<u>(27,305)</u>
Net income (loss)	<u>18,133</u>	<u>72,716</u>	<u>(118,135)</u>	<u>(27,286)</u>
Net position at beginning of year	<u>96,107</u>	<u>1,206,960</u>	<u>3,341,838</u>	<u>4,644,905</u>
Net position at end of year	<u>\$ 114,240</u>	<u>\$ 1,279,676</u>	<u>\$ 3,223,703</u>	<u>\$ 4,617,619</u>

See notes to financial statements

CITY OF WALDO, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2023

<u>GRANTOR/PROGRAM TITLE</u>	<u>FEID #</u>	<u>Grant Contract Number</u>	<u>Amount</u>	<u>Reported in Prior Years</u>	<u>Expenditures Recognized in Current Year</u>	<u>Revenues Recognized in Current Year</u>
Federal Financial Assistance						
U.S. Department of the Treasury						
Passed through Division of Emergency Management						
American Rescue Plan Act	21.027	Y5312	\$ 504,861	\$ 127,800	\$ 51,470	\$ 51,470
Federal Emergency Management Agency						
FEMA public assistance - Federal share	97.036	Z0576-3	92,000	-	91,875	91,875
Total federal awards			<u>596,861</u>	<u>127,800</u>	<u>143,345</u>	<u>143,345</u>
State Financial Assistance						
Florida Department of Environmental Protection						
Waldo Cannal Phase 1	59-6014923	A1067	\$ 50,000	-	50,000	50,000
Waldo Veterans Park Phase 1	59-6014923	A1074	50,000	-	46,324	46,324
			<u>100,000</u>	<u>-</u>	<u>96,324</u>	<u>96,324</u>
Total federal awards, state, and other financial assistance			<u>\$ 696,861</u>	<u>\$ 127,800</u>	<u>\$ 239,669</u>	<u>\$ 239,669</u>

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

CITY OF WALDO, FLORIDA
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying policies and presentation of the Schedule of Expenditures of Federal Awards and State Financial Assistance of the City of Waldo have been designed to conform to generally accepted accounting principles as applicable to governments, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit and Office of Management and Budget *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General of Florida*.

A. Reporting Entity

The reporting entity consists of the City of Waldo. The City includes a Schedule of Expenditures of Federal Awards, State Financial Assistance for the purpose of additional analysis.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus.

The accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards, State and other Financial Assistance. Under the accrual basis, revenues are recognized when they become earned. Expenses generally are recorded when a liability is incurred.

C. Subrecipients

The Schedule of Expenditures of Federal Awards and State Financial Assistance is required to identify amounts passed through to subrecipients of grant funding. The City did not have any subrecipients of grant funding in the current year.

D. Indirect Cost Rate

The City did not elect to use the de minimis indirect cost rate for the fiscal year then ended September 30, 2023.

COMPLIANCE SECTION

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

To the Honorable Mayor
And Members of the City Council
City of Waldo, Florida

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

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Waldo, Florida'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 of Waldo, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Waldo, Florida's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Powell & Jones". The signature is written in a cursive, flowing style.

POWELL & JONES
Certified Public Accountants
Lake City, Florida
September 30, 2024

MANAGEMENT LETTER

To the Honorable Mayor
And Members of the City Council
City of Waldo, Florida

We have audited the basic financial statements of the City of Waldo, Florida, as of and for the year ended September 30, 2023, and have issued our report thereon dated September 30, 2024.

We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards dated September 30, 2024. Disclosures in that report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year, applicable to the management letter.

CURRENT YEAR FINDINGS

There were no reportable findings during the current year, applicable to the management letter.

FINANCIAL COMPLIANCE MATTERS

Financial Emergency Status – We have determined that the City of Waldo, Florida did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment – As required by the *Rules of the Auditor General*, (Sections 10.554(1)(l)5.a and 10.556(7)), we applied financial condition assessment procedures. It is management’s responsibility to monitor the entity’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

We noted no deteriorating financial conditions as defined by Rule 10.554(2)(f).

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

CONCLUSION

We very much enjoyed the challenges and experiences associated with our audit of the City. We appreciate the courtesy and helpful assistance afforded to us by City employees and officials in completing our audit and also the generally high quality of the City's financial records and internal controls.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
Lake City, Florida
September 30, 2024

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH *FLORIDA STATUTES*
RELATING TO LOCAL GOVERNMENT INVESTMENTS**

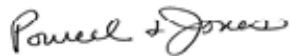
To the Honorable Mayor
And Members of the City Council
City of Waldo, Florida

We have examined the Town of Waldo, Florida's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds 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 and, accordingly, included 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 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 the City of Waldo, Florida and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES
Certified Public Accountants
Lake City, Florida
September 30, 2024

Communication with Those Charged with Governance

To the Honorable Mayor
And Members of the City Council
City of Waldo, Florida

We have audited the financial statements of the City of Waldo, Florida for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Waldo, Florida are described Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the City of Waldo, Florida's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 30, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Mayor and Members of the City Council and management of the City of Waldo, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



POWELL & JONES
Certified Public Accountants
Lake City, Florida
September 30, 2024