

CITY OF EVERGLADES  
CITY, FLORIDA

SEPTEMBER 30, 2024

FINANCIAL STATEMENTS  
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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## **Independent Auditor's Report**

Honorable Mayor and City Council  
City of Everglades City, Florida

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Everglades City, Florida, (the "City") as of and for the year ended September 30, 2024, 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, business-type activities, each major fund and the aggregate remaining fund information of the City as of September 30, 2024, 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 Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **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, budgetary comparison information, and other required supplementary 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.

**Required Supplementary Information, continued**

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**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statement of revenue, expenses and changes in net position - proprietary fund - utility is presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and state projects are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and Chapter 10.550, *Rules of the Auditor General of the State of Florida* , and is also not a required part of the basic financial statements.

The combining statement of revenue, expenses and changes in net position - proprietary fund - utility and the schedule of expenditures of federal awards and state projects are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining statement and the schedule of expenditures of federal awards and state projects is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with Government Auditing Standards, we have also issued our report dated June 2, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in consideration the City's internal control over financial reporting and compliance.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida  
June 2, 2025

**City of Everglades City, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

The discussion and analysis of the City of Everglades City's financial statements is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the City's financial activities for the fiscal year ended September 30, 2024.

**FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities and deferred inflows of resources at September 30, 2024 by \$19,263,335 (net position).
- The City's total net position increased by \$4,002,868 from the previous year.
- As of September 30, 2024, the City's governmental fund reported ending fund balance of \$1,602,384. This is an increase of \$394,941.
- The City's total long-term liabilities increased \$572,706 during the current fiscal year.
- Total revenues increased \$212,308 in comparison to prior year
- Total expense increased \$693,442 in comparison to prior year

**USING THIS ANNUAL REPORT**

This discussion and analysis is intended to serve as an introduction to the City's financial statements. This report also includes other supplementary information in addition to the financial statements themselves.

The Statement of Net Position (page 9) and The Statement of Activities (page 10) provide information about the activities of the City as a whole and present a longer term view of the City's finances. The statements separate governmental from business-type activities, but both are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The governmental fund financial statements begin on page 11. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore, you will find the reconciliation on pages 12 and 14 that convert this data to an economic resources measurement focus and the accrual basis of accounting for use in the financial (GASB) statements. The Governmental Accounting Standards Board Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

**THE FINANCIAL STATEMENTS**

**The Statement of Net Position and the Statement of Activities**

Government-wide financial statements are intended to allow the reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. For purposes of these statements, government type activities are measured and reported using the economic resource measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the City's assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

**City of Everglades City, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

**THE FINANCIAL STATEMENTS, CONTINUED**

**The Statement of Net Position and the Statement of Activities, Continued**

The statement of activities presents information showing how the City's net position changed during fiscal year 2023-2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of these financial statements distinguish the primary types of functions of the City defined as:

Governmental activities - Most of the City's basic services are reported here, including public works, community development, parks, and general administration. Major revenues supporting these activities are property taxes, utility and gas taxes, charges for services, franchise fees, with lesser revenues from building permits, fees, grants, and rentals and leases.

Business Type activities- The City operates a Sewer and Water Treatment Plant. Revenues are derived from user fees (charges for services).

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain financial control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 18.

**Required Supplementary Information**

Generally accepted accounting principles (GAAP) call for certain unaudited information to accompany the audited basic financial statements and accompanying footnotes. This information is called required supplementary information (RSI) and includes this analysis, the MD&A; budgetary comparisons; and post employment benefits (OPEB) other than pension schedules.

**City of Everglades City, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

**THE CITY AS A WHOLE**

The City's combined net position as of September 30, 2024 was \$19,263,335. The City's combined revenues, including contributions, grants, charges for services and taxes were \$8,642,181. Total expenses, citywide were \$4,639,313.

**NET POSITION**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<b><i>Assets:</i></b>						
Current and other assets	\$ 1,802,206	\$ 1,447,708	\$ 3,471,418	\$ 1,625,102	\$ 5,273,624	\$ 3,072,810
Capital assets	1,059,869	1,120,159	16,778,771	14,522,815	17,838,640	15,642,974
Total assets	2,862,075	2,567,867	20,250,189	16,147,917	23,112,264	18,715,784
<b><i>Liabilities</i></b>						
Other liabilities	54,242	60,970	595,489	748,195	649,731	809,165
Non-current liabilities	321,897	146,721	2,731,721	2,320,136	3,053,618	2,466,857
Total liabilities	376,139	207,691	3,327,210	3,068,331	3,703,349	3,276,022
Deferred inflows of resources	145,580	179,295	-	-	145,580	179,295
Total liabilities and deferred inflows of resources	521,719	386,986	3,327,210	3,068,331	3,848,929	3,455,317
<b><i>Net Position:</i></b>						
Investment in capital assets, net of related debt	1,059,869	1,120,159	15,387,880	13,079,302	16,447,749	14,199,461
Reserved for:						
Infrastructure	181,018	210,859	946,261	437,095	1,127,279	647,954
Debt service	-	-	623,056	477,970	623,056	477,970
Unrestricted	1,099,469	849,863	(34,218)	(914,781)	1,065,251	(64,918)
Net position	\$ 2,340,356	\$ 2,180,881	\$ 16,922,979	\$ 13,079,586	\$ 19,263,335	\$ 15,260,467

The largest portion of the City's assets (93%) reflect its investment in capital assets (land, buildings, plant and equipment) less outstanding debt used to acquire those assets. The City uses those assets to provide services to citizens, consequently these assets are not available for future spending. It is also important to recognize that other resources will be required to repay the outstanding debt on capital assets. Restricted net position is subject to external restrictions on how it may be used. The remaining balance, unrestricted net position, may be used to meet the City's ongoing obligations to citizens and creditors.

**City of Everglades City, Florida  
Management's Discussion and Analysis  
September 30, 2024**

**THE CITY AS A WHOLE, CONTNUED**

**CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 25,597	\$ 35,114	\$ 2,147,753	\$ 1,999,946	\$ 2,173,350	\$ 2,035,060
Grants and contributions	136,606	155,034	4,801,672	4,759,239	4,938,278	4,914,273
<b>General Revenues:</b>						
Property taxes	746,028	651,079	-	-	746,028	651,079
Franchise fees	103,561	90,087	-	-	103,561	90,087
Utility and gas tax	136,124	136,682	-	-	136,124	136,682
Rental income	90,106	69,209	-	-	90,106	69,209
Other income	261,778	263,301	192,956	270,182	454,734	533,483
Total revenues	1,499,800	1,400,506	7,142,381	7,029,367	8,642,181	8,429,873
<b>Expenses:</b>						
General government	841,896	661,764	-	-	841,896	661,764
Public safety	158,917	330,499	-	-	158,917	330,499
Human services	20,880	24,546	-	-	20,880	24,546
Transportation	145,562	183,002	-	-	145,562	183,002
Culture & sewer	173,070	176,187	-	-	173,070	176,187
Water & sewer	-	-	3,298,988	2,569,873	3,298,988	2,569,873
Total expenses	1,340,325	1,375,998	3,298,988	2,569,873	4,639,313	3,945,871
Increase in net position	159,475	24,508	3,843,393	4,459,494	4,002,868	4,484,002
Net position - beginning	2,180,881	2,156,373	13,079,586	8,620,092	15,260,467	10,776,465
Net position - ending	\$2,340,356	\$2,180,881	\$16,922,979	\$13,079,586	\$19,263,335	\$15,260,467

Total Primary Government revenues increased by \$212,308 or 2.5% from the prior year. Total Governmental Activities increased \$99,294 or 7.1%. The Business-type Activities increased \$113,014 or 1.6%.

Total Primary Government expenses increased by \$693,442 or 17.6% from the prior year. Total Governmental Activities decreased \$35,673 or 2.6%. The Business-type Activities increased \$729,115 or 28.4%.

**City of Everglades City, Florida  
Management's Discussion and Analysis  
September 30, 2024**

**THE CITY AS A WHOLE, CONTNUED**

**Capital Assets**

The City's capital assets as of September 30, 2024 reflect an investment of \$17,838,640 net of accumulated depreciation.

**CAPITAL ASSETS AT YEAR END**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 231,383	\$ 231,383	\$ 405,378	\$ 405,378	\$ 636,761	\$ 636,761
Construction in progress	-	-	872,642	7,191,052	872,642	7,191,052
Buildings	340,363	383,013	9,782,113	169,678	10,122,476	552,691
Improvements other than buildings	832,560	832,560	5,550	-	838,110	832,560
Infrastructure	1,091,928	1,091,928	9,862,011	13,619,529	10,953,939	14,711,457
Equipment & furniture	185,823	144,094	1,367,434	1,335,278	1,553,257	1,479,372
Vehicles	75,115	72,633	48,835	25,819	123,950	98,452
Accumulated depreciation	(1,697,303)	(1,635,452)	(5,565,192)	(8,223,919)	(7,262,495)	(9,859,371)
Total capital assets	\$ 1,059,869	\$ 1,120,159	\$ 16,778,771	\$ 14,522,815	\$ 17,838,640	\$ 15,642,974

For additional information regarding capital assets refer to note 4.

**Debt**

As of September 30, 2024, the City had \$777,230 in bonds payable and \$1,937,522 in notes payable in the governmental activities. This is an increase of \$311,250 compared to the prior year.

For additional information regarding debt refer to footnote 6.

**Economic Outlook**

The following factors were considered when next year's budget (2024-2025) was prepared:

- Property values increased by \$9,368,762 or 7.68% to \$131,269,720 in 2024-25 compared to 2023-24.
- The City assessed a millage rate of 6.9333. This is expected to generate \$910,093 in Ad valorem tax revenue. The City's total budget is \$32,064,599. The General Fund budget is \$16,238,485 and the Proprietary Fund budget is \$15,826,074.

BASIC  
FINANCIAL STATEMENTS

**City of Everglades City, Florida**  
**Statement of Net Position**  
**September 30, 2024**

<b>ASSETS</b>	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Current assets:</b>			
Cash & cash equivalents	\$ 1,389,559	\$ 2,751,480	\$ 4,141,039
Cash restricted for infrastructure	181,018	-	181,018
Accounts receivable	30,174	691,689	721,863
Lease receivable	167,123	-	167,123
Prepaid expenses	34,332	28,249	62,581
Other current assets	-	-	-
Total current assets	1,802,206	3,471,418	5,273,624
<b>Noncurrent assets:</b>			
Capital assets:			
Land	231,383	405,378	636,761
Construction in process	-	872,642	872,642
Capital assets being depreciated	2,525,789	21,065,943	23,591,732
Less: accumulated depreciation	(1,697,303)	(5,565,192)	(7,262,495)
Total noncurrent asset	1,059,869	16,778,771	17,838,640
Total assets	2,862,075	20,250,189	23,112,264
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	45,899	392,506	438,405
Accrued expenses	5,343	3,501	8,844
Customer security deposits	3,000	52,734	55,734
Interest payable	-	5,171	5,171
Notes payable due in more than one year	-	112,577	112,577
Bonds payable due in more than one year	-	29,000	29,000
<b>Noncurrent liabilities:</b>			
Notes payable due in more than one year	-	1,824,945	1,824,945
Bonds payable due in more than one year	-	748,230	748,230
Total OPEB liability	321,897	158,546	480,443
Total liabilities	376,139	3,327,210	3,703,349
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of lease agreements	145,580	-	145,580
Total liabilities & deferred inflows of resources	521,719	3,327,210	3,848,929
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	1,059,869	15,387,880	16,447,749
Restricted for:			
Infrastructure	181,018	946,261	1,127,279
Debt service	-	623,056	623,056
Unrestricted	1,099,469	(34,218)	1,065,251
Total net position	\$ 2,340,356	\$ 16,922,979	\$ 19,263,335

*The accompanying notes are an integral and essential part of these financial statements.*

**City of Everglades City, Florida**  
**Statement of Activities**  
**For the Fiscal year ended September 30, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>						
General government	\$ 841,896	\$ 617	\$ 136,606	\$ (704,673)	\$ -	\$ (704,673)
Public Safety	158,917	-	-	(158,917)	-	(158,917)
Human services	20,880	-	-	(20,880)	-	(20,880)
Transportation	145,562	14,730	-	(130,832)	-	(130,832)
Culture & recreation	173,070	10,250	-	(162,820)	-	(162,820)
Total governmental activities	1,340,325	25,597	136,606	(1,178,122)	-	(1,178,122)
<b>Business-type activities</b>						
Water & sewer	3,298,988	2,147,753	4,801,672	-	3,650,437	3,650,437
Total primary government	<u>\$4,639,313</u>	<u>\$2,173,350</u>	<u>\$ 4,938,278</u>	<u>\$ (1,178,122)</u>	<u>\$ 3,650,437</u>	<u>\$ 2,472,315</u>

General revenues:

Property taxes	\$ 746,028	\$ -	\$ 746,028
Franchise fees, licenses & permits	103,561	-	103,561
Unrestricted state shared revenues	86,565	-	86,565
Gas taxes	36,031	-	36,031
Other taxes	100,093	169,885	269,978
Lease & interest revenue	44,103	-	44,103
Rental revenue	90,106	-	90,106
Donations	73,943	23,016	96,959
Settlements	28,457	-	28,457
Miscellaneous revenue	28,710	55	28,765
	<u>1,337,597</u>	<u>192,956</u>	<u>1,530,553</u>

Changes in net position	159,475	3,843,393	4,002,868
Net position - beginning October 1, 2023	<u>2,180,881</u>	<u>13,079,586</u>	<u>15,260,467</u>
Net position - ending September 30, 2024	<u>\$ 2,340,356</u>	<u>\$ 16,922,979</u>	<u>\$ 19,263,335</u>

*The accompanying notes are an integral and essential part of these financial statements.*

**City of Everglades City, Florida**  
**Balance Sheet - Governmental Funds**  
**September 30, 2024**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,389,559
Cash restricted for infrastructure	181,018
Lease receivable	167,123
Accounts receivable	30,174
Prepaid expenses	34,332
Total assets	<u><u>\$ 1,802,206</u></u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 45,899
Accrued expenses	5,343
Deposits	3,000
Total liabilities	<u><u>54,242</u></u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows for lease agreements	145,580
Total deferred inflows of resources	<u><u>145,580</u></u>
 <b>FUND BALANCE</b>	
Nonspendable	34,332
Restricted	181,018
Unassigned	1,387,034
Total fund balances	<u><u>1,602,384</u></u>
 Total liabilities, deferred inflows of resources & fund balances	 <u><u>\$ 1,802,206</u></u>

*The accompanying notes are an integral and essential part of these financial statements.*

**City of Everglades City, Florida**  
**Reconciliation of the Governmental Balance Sheet To the Statement of Net Position**  
**September 30, 2024**

Total governmental fund balance		\$ 1,602,384
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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 are therefore not reported on the balance sheet:

Capital assets not being depreciated:		
Land		231,383
Capital assets being depreciated:		
Building, Equipment, and Vehicles	\$ 2,525,789	
Less: Accumulated Depreciation	<u>(1,697,303)</u>	828,486

Long-term liabilities are not due and payable in the current period and are therefore not reported on the balance sheet:

Other post-employment benefits	<u>(321,897)</u>	<u>(321,897)</u>
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Net Position		<u><u>\$ 2,340,356</u></u>
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*The accompanying notes are an integral and essential part of these financial statements.*

**City of Everglades City, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds**  
**For the fiscal year ended September 30, 2024**

<b>REVENUES</b>	<b>General Fund</b>
Taxes	\$ 968,717
Intergovernmental	136,606
Franchise fees, licenses, & permits	103,561
Donations	73,943
Rental	90,106
Lease & interest	44,103
Other revenues	82,764
Total revenues	1,499,800
<b>EXPENDITURES</b>	
Current	
Personal services	491,455
Operating expenditures	569,193
Capital outlay	44,211
Total expenditures	1,104,859
Net change in fund balance	394,941
Fund balance - October 1, 2023	1,207,443
Fund balance - September 30, 2024	\$ 1,602,384

*The accompanying notes are an integral and essential part of these financial statements.*

**City of Everglades City, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balance of the Governmental Funds to the Statement of Activities**  
**For the fiscal year ended September 30, 2024**

Net change in fund balance for governmental funds	\$	394,941
---------------------------------------------------	----	---------

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, gains and losses on the disposition of capital assets are recorded on the statement of activities but not in the statement of revenues expenditures and changes in net position.

Capital outlay expenditure	\$	44,211	
Depreciation expense		<u>(104,501)</u>	(60,290)

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 fund.

Increase in OPEB expense		<u>(175,176)</u>
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Change in net position of governmental funds	\$	<u><u>159,475</u></u>
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*The accompanying notes are an integral and essential part of these financial statements.*

**City of Everglades City, Florida**  
**Statement of Net Position - Proprietary Fund - Utility**  
**September 30, 2024**

<b>ASSETS</b>	<u>Business-Type Activities</u>
<b>Current Assets</b>	
Cash and cash equivalents	\$ 2,751,480
Accounts receivable	691,689
Prepaid expenses	28,249
Total current Assets	<u>3,471,418</u>
<b>Noncurrent/capital assets</b>	
Land	405,378
Construction in progress	872,642
Buildings	9,782,113
Improvements other than buildings	5,550
Infrastructure/utility system	9,862,011
Machinery & equipment	1,367,434
Vehicles	48,835
Less: accumulated depreciation	<u>(5,565,192)</u>
Total noncurrent assets	<u>16,778,771</u>
Total assets	<u>20,250,189</u>
 <b>LIABILITIES &amp; NET POSITION</b>	
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	392,506
Accrued expenses	3,501
Interest & loan fees payable	5,171
Customer security deposits	52,734
Current portion of notes payable	112,577
Current portion of bonds payable	29,000
Total current liabilities	<u>595,489</u>
<b>Noncurrent liabilities</b>	
Long term portion of notes payable	1,824,945
Long term portion of bonds payable	748,230
Total OPEB liability	158,546
Total noncurrent liabilities	<u>2,731,721</u>
Total liabilities	<u>3,327,210</u>
 <b>NET POSITION</b>	
Invested in capital assets, net of related debt	15,387,880
Restricted for:	
Infrastructure	946,261
Debt service	623,056
Unrestricted	<u>(34,218)</u>
Total net position	<u>\$ 16,922,979</u>

*The accompanying notes are an integral and essential part of these financial statements.*

**City of Everglades City, Florida**  
**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund - Utility**  
**September 30, 2024**

	Business-Type Activities
<b>OPERATING REVENUES</b>	
Charges for services	\$ 2,147,753
Total operating revenue	2,147,753
<b>OPERATING EXPENSES</b>	
Personal services	391,023
Insurance	99,344
Contractual services	806,701
Materials & supplies	238,571
Depreciation	413,352
Utilities	70,931
Bad debt	10,680
Repairs & maintenance	310,149
Total operating expenses	2,340,751
Operating income	(192,998)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest revenue	55
Donations	23,016
Intergovernmental grants	4,801,672
Impact fee revenue	48,260
Taxes	121,625
Loss on disposal of fixed assets	(907,903)
Interest expense	(50,334)
Total non-operating revenues	4,036,391
<b>CHANGE IN NET POSITION</b>	3,843,393
<b>NET POSITION - BEGINNING OF THE YEAR</b>	13,079,586
<b>NET POSITION - END OF THE YEAR</b>	\$ 16,922,979

*The accompanying notes are an integral and essential part of these financial statements.*

**City of Everglades City, Florida**  
**Statement of Cash Flows -Proprietary Fund - Utility**  
**For the fiscal year ended September 30, 2024**

	<u>Business-Type Activities</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers & agencies	\$ 2,201,624
Cash payments to supplies for goods & services	(1,666,884)
Cash payments to employees for services	(304,743)
Customer deposits received	785
Net cash provided by operating activities	<u>230,782</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash received from intergovernmental agencies	4,801,672
Cash received from other sources	192,901
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(3,577,211)
Principal paid on debt	(116,680)
Interest & fiscal charges paid	(50,334)
Proceeds from loan	427,930
Net cash provided by capital & related financing activities	<u>1,678,278</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	55
Net cash provided by investing activities	<u>55</u>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	1,909,115
<b>CASH &amp; CASH EQUIVALENTS, OCTOBER 1, 2023</b>	<u>842,365</u>
<b>CASH &amp; CASH EQUIVALENTS, SEPTEMBER 30, 2024</b>	<u>\$ 2,751,480</u>

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ (192,998)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	413,352
Decrease in accounts receivable	52,952
Decrease in prepaid expenses	8,928
Decrease in other current assets	919
Decrease in accounts payable	(128,730)
Increase in accrued expenses	1,544
Decrease in interest and loan fees payable	(12,250)
Increase in customer deposits	785
Change in OPEB liability	86,280
Net cash provided by operating activities:	<u>\$ 230,782</u>

*The accompanying notes are an integral and essential part of these financial statements.*

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The City of Everglades City, Florida (the "City"), was incorporated as the Town of Everglades in 1923 pursuant to Chapter 9751 Laws of Florida. The Charter of the Town of Everglades was abolished in 1953 and replaced by Chapter 29068 Laws of Florida, Acts of 1953 creating the City of Everglades City. The City is governed by an elected Mayor and an elected five-member City Council, and provides the following services: recreation, public safety, street and roads, planning and zoning, water and sewer services and general and administrative services.

Governmental Accounting Standards Board (GASB) Statement No. 14, Financial Reporting Entity, requires the financial statements of the City (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB 14, there are no component units required to be included in the City's financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. Governmental activities, which are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees, charges for services, and grant funds. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and proprietary funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. However, debt service expenditures and claims and judgments, are recorded only when payment is due.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

Property taxes, franchise fees, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Major Funds

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenue of the City's proprietary utility fund are charges to customers for services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Series 2002 \$1,148,230 Revenue Bond debt service is included in the proprietary fund and used to account for the accumulation of resources for, and the payment of, the principal and interest on bond.

Net Position

Net position of the government-wide financial statements are categorized as follows:

Invested in capital assets, net of related debt	Capital assets net of accumulated depreciation and reduced by the outstanding balance of the loan payable that is attributable to the acquisition, construction or improvement of capital assets.
Restricted	Restricted net position has constraints placed on the uses of resources by state statute, City land development code, debt covenants and contributors.
Unrestricted	Net position that has not been reported in any other category.

Accounts Receivable

No allowance for losses on uncollectible accounts has been recorded since the City considers all amounts to be fully collectible.

Capital Assets

Capital assets, which include land, construction in progress, property, plant, equipment and infrastructure assets (i.e., roads, bridges, sidewalks and similar items), are reported in the applicable column in the government-wide financial statements.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 1 - ORGANZIATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Capital Assets, Continued

Capital assets are defined by the City as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects after constructed. Property, plant and equipment is depreciated using the straight- line method over the following useful lives:

Asset	Years
Building	15 - 40
Improvements other than buildings	15 - 30
Infrastructure	25 - 50
Machinery, equipment & vehicles	5 - 40

Long-term Obligations

Long-term debt is recognized as a liability in the applicable governmental activity of the statement of net position when due, or when resources have been accumulated in the in the following year.

Fund Balances

The governmental fund financial statements fund balance is reported in five classifications.

Nonspendable	Advances for long term loans and receivables represented as fund balance amounts that are not in spendable form.
Restricted	Restricted fund balances have constraints placed on the uses of resources by state stature, City land development code, debt covenants and contributors.
Committed	Committed fund balances are classified as such as a result of City Council taking formal action and adopting an ordinance which can only be modified or rescinded by subsequent formal action. An ordinance is the City's highest level of decision-making authority. The City does not have any committed fund balance.
Assigned	Assigned fund balances are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City approves the disaster and operating reserves during the adoption of the City's budget.
Unassigned	Fund balance that has not been reported in any other classification.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED**

Fund Balances, Continued

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. When components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the City to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Information

The following procedures are used by the City in establishing the budgetary data reflected in the non-GAAP City-wide budget vs. actual schedule. The City prepares its budget at the entity wide level which combines both the general and business-type funds.

1. During the summer, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing on 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 October 1, the budget is legally enacted through passage of an ordinance required by City Charter and a resolution required by the State of Florida.
4. Budget amounts, as shown in the budget vs. actual schedule are as originally adopted, and/or as amended, if applicable, by the City Council.
5. Governmental Funds that do not have a legally adopted budget are not included in schedule. Therefore, the Debt Service Funds are not presented.
6. The level of control for appropriations is exercised at the functional level.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is, at present, not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At September 30, 2024, the carrying amount of the City's deposits was \$4,322,057 and the bank balance was \$4,349,139. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Security For Public Deposits Act (Florida Statutes Chapter 280).

Florida Statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and governmental agencies unconditionally guaranteed by the U.S. Government. The City's investment policy permits the investment in investment savings accounts and certificates of deposit with state-certified, qualified public depositories. The City held no investments at year-end or any other time during the fiscal year.

The restricted assets of the general fund was comprised of cash restricted for infrastructure. The cash balance at September 30, 2024 was \$181,018.

**NOTE 3 - PROPERTY TAXES**

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Collier County, Florida, Tax Collector's Office bills and collects property taxes on behalf of the City. The tax rate to finance general governmental services and general obligation debt service for the fiscal year ended September 30, 2024 was \$6.3380 per \$1,000 of assessed property value. Property tax revenue is recognized currently in the fiscal year for which the taxes are levied. Unpaid taxes become delinquent and a lien is placed on the property. The past due tax certificates are sold at public auction and the proceeds thus collected are remitted to the City.

July 1	Assessment roll validated
September 30	Millage ordinance approved and taxes levied following certification of assessment roll
October 1	Beginning of fiscal year for which tax is to be levied
November 1	Tax bills rendered and due
November 1 - March 1	Property taxes due with various discounts
April 1	Taxes delinquent
May 31	Tax certificates sold by Collier County

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 4 - CHANGES IN FIXED ASSETS**

A summary of changes in general fixed assets follows:

<b>Governmental Activities:</b>	Balance Oct. 1, 2023	Additions	Deletions	Balance Sept. 30, 2024
Capital assets not being depreciated:				
Land	\$ 231,383	\$ -	\$ -	\$ 231,383
Total capital assets not being depreciated:	<u>231,383</u>	<u>-</u>	<u>-</u>	<u>231,383</u>
Capital assets being depreciated:				
Buildings	383,013	-	(42,650)	340,363
Improvements other than buildings	832,560	-	-	832,560
Infrastructure	1,091,928	-	-	1,091,928
Equipment & furniture	144,094	41,729	-	185,823
Vehicles	72,633	2,482	-	75,115
Total capital assets being depreciated:	<u>2,524,228</u>	<u>44,211</u>	<u>(42,650)</u>	<u>2,525,789</u>
Less: Accumulated depreciation				
Buildings	(383,010)	-	42,650	(340,360)
Improvements other than buildings	(293,701)	(52,692)	-	(346,393)
Infrastructure	(818,944)	(27,299)	-	(846,243)
Equipment & furniture	(90,407)	(16,510)	-	(106,917)
Vehicles	(49,390)	(8,000)	-	(57,390)
Total accumulated depreciation	<u>(1,635,452)</u>	<u>(104,501)</u>	<u>42,650</u>	<u>(1,697,303)</u>
Total capital assets being depreciated, net	<u>888,776</u>	<u>(60,290)</u>	<u>-</u>	<u>828,486</u>
Capital Assets, Net	<u>\$ 1,120,159</u>	<u>\$ (60,290)</u>	<u>\$ -</u>	<u>\$ 1,059,869</u>

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 4 - CHANGES IN FIXED ASSETS, CONTINUED**

<b>Business-Type Activities</b>	Balance			Balance
	Oct. 1, 2023	Additions	Deletions	Sept. 30, 2024
Capital assets not being depreciated:				
Land	\$ 405,378	\$ -	\$ -	\$ 405,378
Construction in progress	7,191,052	3,469,073	(9,787,483)	872,642
Total capital assets not being depreciated:	<u>7,596,430</u>	<u>3,469,073</u>	<u>(9,787,483)</u>	<u>1,278,020</u>
Capital assets being depreciated:				
Buildings	169,678	9,764,854	(152,419)	9,782,113
Improvements other than buildings	-	5,550	-	5,550
Infrastructure	13,619,529	-	(3,757,518)	9,862,011
Equipment & furniture	1,335,278	102,201	(70,045)	1,367,434
Vehicles	25,819	23,016	-	48,835
Total capital assets being depreciated:	<u>15,150,304</u>	<u>9,895,621</u>	<u>(3,979,982)</u>	<u>21,065,943</u>
Less: Accumulated depreciation				
Buildings	(64,118)	(5,614)	-	(69,732)
Infrastructure	(7,267,800)	(267,214)	3,072,080	(4,462,934)
Equipment & furniture	(886,395)	(135,467)	-	(1,021,862)
Vehicles	(5,606)	(5,058)	-	(10,664)
Total accumulated depreciation	<u>(8,223,919)</u>	<u>(413,353)</u>	<u>3,072,080</u>	<u>(5,565,192)</u>
Total capital assets being depreciated, net	<u>6,926,385</u>	<u>9,482,268</u>	<u>(907,902)</u>	<u>15,500,751</u>
Capital Assets, Net	<u>\$14,522,815</u>	<u>\$12,951,341</u>	<u>\$(10,695,385)</u>	<u>\$ 16,778,771</u>

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

	Amount
Governmental activities	
General government	\$ 10,737
Culture & recreation	30,700
Transportation	63,064
Total depreciation expense	<u>\$ 104,501</u>
Business-type activities:	
Water	\$ 203,402
Sewer	209,951
Total depreciation expense	<u>\$ 413,353</u>

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 5 - RENTAL AGREEMENTS**

The City is the lessor of approximately 80 marina boat dock slips and excess office and recreation space under short term lease agreements. The lease agreements expire every six months. Total revenue generated from property rentals for the year ended September 30, 2024 was \$84,106.

**NOTE 6 - LONG TERM DEBT**

Changes in bond indebtedness and notes payable of the City for the year ended September 30, 2024 are summarized below:

	Governmental		Business-Type Activities		Total
	Activities				
	OPEB Payable	OPEB Payable	Revenue Bonds	Notes Payable	
Debt payable at					
October 1, 2023	\$ 146,721	\$ 72,266	\$ 805,230	\$ 1,598,272	\$ 2,622,489
Debt issued	-	-	-	427,930	427,930
Debt retired	-	-	(28,000)	(88,680)	(116,680)
Additions	175,176	86,280	-	-	261,456
Deductions	-	-	-	-	-
September 30, 2024	<u>\$ 321,897</u>	<u>\$ 158,546</u>	<u>\$ 777,230</u>	<u>\$ 1,937,522</u>	<u>\$ 3,195,195</u>
Short term portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,000</u>	<u>\$ 112,577</u>	

**Revenue Bonds**

\$1,148,230 Water and Sewer Revenue Bonds, Series 2002, interest payable at 4.625%, due annually on January 1, principal amounts varying through 2042, collateralized by a lien on gross revenues derived from the municipal water and sewer system and a portion of the City's share of State revenue sharing trust funds.

**Total Business-Type Revenue Bonds**

\$ 777,230  
\$ 777,230

The related bond resolutions established certain accounts and determined the order in which revenue is to be deposited into those accounts. The purpose of the accounts, in order of priority of revenue transfers, is as follows:

Sinking Fund Account - Deposit monthly amounts necessary to fund the principal and interest coming due each year in January.

Reserve Account - Deposit monthly and maintain sufficient amounts in the Reserve Fund such that at all times the balance will be no less than an amount equal to the maximum stated reserve requirement.

Remaining Monies - Any monies remaining, after the transfers to the previously mentioned accounts, may be used by the City in any manner provided by law.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 6 - LONG TERM DEBT, CONTINUED**

**Notes Payable**

\$614,293, decreased to \$589,116 in September 2015, loan from the Florida Department of Environmental Protection in conjunction with a grant in the amount of \$2,617,079 of which \$2,027,963 is structured as debt forgiveness, excluding capitalized interest and loan service fees. These funds are to be utilized for the final design of the well field and water plant improvements, permitting and conversion of two exploratory drinking water wells into production wells, including instrumentation and controls, the construction of well pumps and pipeline to connect the new wells with the existing water treatment plant. An amendment to the original loan agreement was effective in fiscal years 2012, 2014 and 2015.

\$ 412,838

\$161,706 loan form the Florida Department of Environmental Protection in April 2016 in conjunction with a grant in the amount of \$338,294. These funds are to be utilized for the construction of the wastewater plant.

157,599

\$120,233, loan from the Florida Department of Environmental Protection reduced from \$601,166 in March 2016 in conjunction with a grant in the amount of \$142,326, reduced to \$44,957 in September 2015. These funds are to be utilized for the construction of the wastewater collection, transmission and treatment facility. An amendment to the original loan agreement was effective in fiscal year 2016.

43,224

The City entered into a Clean Water State Revolving Fund loan agreement in which the Florida Department of Environmental Protection has authorized a loan up to \$2,237,992, in conjunction with a grant in the amount of up to \$6,960,960. As of September 30, 2024, the project is ongoing. The principal amount of the loan is \$1,113,821, with an interest rate of 2% per annum. There will be semi-annual payments made at the completion of the project.

1,113,821

\$507,300, settlement payable, to Veolia Water North America-South, LLC on November 5, 2019, for services rendered in 2017. Monthly payments of \$5,950.41 for eight years at 3.00% interest.

210,040

**Total Business-Type Notes Payable**

\$ 1,937,522

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 6 - LONG TERM DEBT, CONTINUED**

The annual requirements to amortize all debts outstanding as of September 30, 2024 are as follows:

Year Ending September 30,	Business-Type Activities			
	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2025	\$ 29,000	\$ 35,947	\$ 112,577	\$ 19,764
2026	30,000	34,606	133,540	17,734
2027	32,000	33,218	136,341	14,976
2028	33,000	31,738	72,942	12,965
2029	35,000	30,212	67,772	12,230
2030-2034	198,000	125,437	350,973	49,766
2035-2039	248,000	75,302	359,768	29,370
2040-2044	172,230	16,127	309,395	8,532
2045-2049	-	-	187,128	1,783
2050-2054	-	-	188,207	704
2055	-	-	18,879	11
Total	<u>\$ 777,230</u>	<u>\$ 382,587</u>	<u>\$ 1,937,522</u>	<u>\$ 167,835</u>

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS**

The City's Other Post Employment Benefit Plan (Plan) is a single-employer defined benefit plan that covers eligible retired employees of the City. The Plan, which is administered by the City, and required by Florida Statute 112.0801, Group insurance; participation by retired employees, allows employees who retire and meet retirement eligibility requirements, spouses, and dependents to continue medical insurance coverage as a participant in the City's plan. The City allows retirees who retire and meet retirement eligibility requirements, spouses, and dependents to continue pharmacy, dental and/or vision insurance as well. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust, as no assets are accumulated. The contributions, if any, made to the program are assumed to be the benefits paid to retirees and administrative expenses.

In accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 specifies that governments must recognize their net OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in financial statement's prepared using the economic resources measurement focus and accrual basis of accounting. For the City, this information, including OPEB expense of \$261,456 is included in the government-wide financial statements. There were no OPEB expenditures recognized in the fund financial statements under the modified accrual method for the year ended September 30, 2024.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS, CONTINUED**

**Employees Covered by Benefit Terms:**

At October 1, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	-
Inactive Plan Members Covered Spouses	-
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Plan Active Members	6
Total	6

**Benefits Provided:**

All retirees may elect coverage in the health, pharmacy, dental and/or vision plans offered by the City. They must contribute 100% of the active premium rates. Spouse and dependent coverage is available as well at the active premium rates.

The City’s net OPEB liability was calculated using the Alternative Measurement Method (AMM) permitted by GASB Statement 75 for employers in plans with fewer than one hundred total plan members.

The Alternative Measurement Method involves estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that the determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

**Benefits Provided:**

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

**Total OPEB Liability**

The measurement date is September 30, 2024.

The measurement period for the OPEB expense was October 1, 2023 to September 30, 2024.

The reporting period is October 1, 2023 through September 30, 2024.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS, CONTINUED**

**Actuarial Assumptions**

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2022 using the following actuarial assumptions:

Age Adjustment Factor	0.9578194
Average Retirement Age	65
Employer Future Premium Contribution	Remain a level % of the total cost over time
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Discount Rate	3.81%
Projected Salary Increases	3.16%
Amortization Period	20
Percentage Participation	100%
Total OPEB Liability and Annually Determined Contribution	Calculated using the AMM in accordance with GASB methodolog
Mortality Table	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.
Turnover Assumption	Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement
Payroll Growth Assumption Source	The average annual percentage change in the Consumer Price Index - Urban Wage Earners and Clerical Workers CPI-W from 2016 to 2024.
Healthcare Cost Trend Source	Consistent with the Getzen Model promulgated by the Society of Actuaries for use in long-term trend projection.
ACA Excise Tax	Will ultimately affect all plans, due to the variability of the ACA excise tax by plan, the user needs to estimate the impact and adjust the trend, the excise tax could raise the average annual trend rate by 0.5% or more in each year.
Discount Rate	Given the City's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 3.81%. The high quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.
Eligibility	65 is the minimum age before retirement (termination) with minimum of 8 required years of service. Benefit pays secondary to Medicare for both early (pre-65) and regular retirees (65 and over).

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS, CONTINUED**

**Changes in Total OPEB Liability**

Reporting Period Ending September 30, 2023	\$	218,986
Changes for the year:		
Service cost		13,822
Interest		9,522
Economic/Demographic Gains or (Losses)		220,577
Changes of Assumptions or Inputs		17,536
Net Changes		261,457
Reporting Period Ending September 30, 2024	\$	480,443

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

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

	1% Decrease	Current Discount Rate	1% Increase
	2.81%	3.81%	4.81%
Total OPEB Liability	\$ 552,089	\$ 480,444	\$ 422,078

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 414,281	\$ 480,444	\$ 560,982

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

For the year ended September 30, 2024, the City will recognize OPEB expense of \$261,456. On September 30, 2024, the City did not report Deferred Outflows of Resources or Deferred Inflows of Resources related to OPEB, in accordance with the AMM GASB methodology.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

The City is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency and which are subject to special compliance audits by the grantor agency and which may result in disallowed expenditures/expense amounts. These amounts, if any, constitute a contingent liability of the City. Accordingly, such liabilities are not reflected within the general-purpose financial statements. The City does not believe the effects of grant-related contingent liabilities, if any, will be material to the financial statements.

The Florida Department of Environmental Protection (DEP) filed a civil lawsuit naming the City as the defendant on November 24, 2015 for negligence related to the Wastewater and Drinking Water Condition of the City, State of Florida Department of Environmental Protection v. Everglades City Case Number 11-2015-CA-002134-0001-XX. On January 21, 2016, a clerk's default was entered against the City. The amended complaint, filed February 17, 2017 asserts the following counts and related penalties, fines and costs: Count One- Petition for Enforcement of Consent Order, fines of up to \$1,000 per day since June 3, 2013; Count Two- Operating without a Permit, fines of up to \$10,000 per day since July 5, 2015; Count Three- Drinking Water Violations, fines of up to \$10,000 per day since December 5, 2014; and Count Four- Wastewater Violations, fines of up to \$10,000 per day since April 1, 2016; attorney's fees, department costs, and investigative costs. On April 28, 2017, the DEP moved for a default judgment against the City. The City answered on June 28, 2017; however, the Court entered a clerk's default. The City, along with the DEP filed a joint motion to set aside the default and, on August 17, 2017, the Court granted an Order setting aside judicial default. The City settled with the DEP and entered into a Consent Final Judgment on July 25, 2018.

Since reaching an agreement with the DEP, the City has violated the Consent Final Judgment, as indicated by the DEP; a notice of failure was provided to the City on September 30, 2019; however, no additional action has been taken by the DEP. The potential liability to the City, which include fines, attorney's fees, department costs, and investigative costs can not be reasonably estimated, but is probable. The City does not anticipate a resolution to the case in the near future. Settlement of this matter at some point is highly likely.

**NOTE 9 - RISK MANAGEMENT**

The City participates in the Florida Municipal Insurance Trust Fund, a program sponsored and administered by the Florida League of Cities. It provides the following types of insurance: General Liability, Automobile, Property and Workers' Compensation. The Florida Municipal Insurance Trust (FMIT) represents a large number of cities and government agencies in the formation of a "self-insurance" pool for both general liability and workers' compensation protection.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 10 - LEASE RECEIVABLE**

The City is a lessor for noncancellable leases of land and a commercial dock.

Effective as of October 1, 2021, the City entered into a ten year lease as a Lessor for the use of a dock. An initial lease receivable was recorded in the amount of \$143,508. As of September 30, 2024, the value of the lease receivable is \$117,625. The lessee is required to make semi-annual payments of \$6,000 with an annual increase of \$1,200 in rent payments. The lease has an interest rate of 3.419%. The value of the deferred inflow of resources as of September 30, 2024 was \$100,456, and the City recognized lease revenue of \$10,118 during the fiscal year.

Effective as of October 1, 2021, the City entered into a 59 month lease as a Lessor for the use of a tower. An initial lease receivable was recorded in the amount of \$117,714. As of September 30, 2024, the value of the lease receivable is \$49,498. The lessee is required to make monthly payments of \$2,000 with an annual 3% increase in rent payments. The lease has an interest rate of 0.515%. The value of the deferred inflow of resources as of September 30, 2024 was \$45,124, and the City recognized lease revenue of \$23,599 during the fiscal year.

**NOTE 11 - HURRICANE IRMA**

On September 10, 2017, Hurricane Irma made landfall in the City of Everglades City. As a result of this event, the City suffered damages to various buildings and infrastructure. Total insurance claims for the City were \$2.442 million for Hurricane related damages to real and personal property. The City is responsible for a deductible of \$213,075. The City paid \$73,075 in deductible costs in fiscal year 2018 and the remaining \$140,000 in fiscal year 2019. In addition to the harm to City owned property, many citizens had extensive damages to their home and business properties. The cost of the clean up effort is partially reimbursable by the Federal Emergency Management Administration (FEMA) and the State of Florida Department of Emergency Management (FDEM). The amount of total cost of the clean up and repair effort was \$2,070,008. The process of applying for and receiving reimbursement will continue into 2025. As of September 30, 2024, the City has received \$1,273,783 from FEMA and \$90,951 from FDEM and expects to receive the remaining obligated funds by September 1, 2025. The City is responsible for 2.22% in matching funds in the amount of \$46,046. The City did not incurred any costs related to Hurricane Irma repairs for the year ended September 30, 2024.

**City of Everglades City, Florida**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 12 - HURRICANE IAN**

On September 28, 2022, Hurricane Ian made landfall along the Southwest Coast of Florida. Everglades City was impacted by this storm with 6-7 feet of storm surge. The City sustained damages to City properties, and infrastructure including the Fire Station, Community Center, City Hall, McLeod Park, Wastewater Treatment Facility and roads. In addition to the harm to City owned property, many citizens had extensive damages to their home and business properties. The cost of the clean up effort is partially reimbursable by the Federal Emergency Management Administration (FEMA) and the State of Florida Department of Emergency Management (FDEM). In December 2022, the City hired Tetra Tech, Inc to provide recovery consulting support for this storm. The City is currently working with FEMA and Tetra Tech Inc. to obligate projects for the identified damage inventory. To date, FEMA has obligated \$400,923 for 9 projects. The current damage assessment is over \$1 million dollars in asset damages. As of September 30, 2024, the City has received \$62,337 from FEMA and \$1,971 from FDEM and expects to receive the remaining obligated funds by September 1, 2026. The City incurred \$29,094 in costs related to Hurricane Ian repairs for the year ended September 30, 2024.

**NOTE 13 - SUBSEQUENT EVENTS**

On October 9, 2024, Hurricane Milton passed off the coast of Southwest Florida. Everglades City was impacted by this storm with 3-4 feet of storm surge. The City sustained damages to City properties, and infrastructure including the Fire Station, McLeod Park, Wastewater Collection System and roads. In addition to the harm to City owned property, many citizens had extensive damages to their home and business properties. The cost of the clean-up effort is partially reimbursable by the Federal Emergency Management Administration (FEMA) and the State of Florida Department of Emergency Management (FDEM). In November 2024, the city hired Tetra Tech, Inc to provide recovery consulting support for this storm. The City is currently working with FEMA and Tetra Tech Inc. to compile a complete damage inventory. The preliminary damage assessment is over \$600,000 dollars in asset damages.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**City of Everglades City, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the fiscal year ended September 30, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ 776,756	\$ 746,028	\$ 746,028	\$ -
Franchise fees	40,100	45,683	45,683	-
Gas tax	36,669	36,031	36,031	-
Local business tax	3,050	3,501	3,501	-
State communications service tax	16,670	17,213	17,213	-
Utility tax	75,000	96,592	96,592	-
Licenses and permits	8,300	33,696	33,696	-
Intergovernmental revenues	13,674,997	230,140	230,140	-
Charges for services	24,880	25,597	25,597	-
Miscellaneous	144,873	243,776	265,319	21,543
Total revenues	<u>14,801,295</u>	<u>1,478,257</u>	<u>1,499,800</u>	<u>21,543</u>
<b>EXPENDITURES</b>				
Current				
General government	858,810	545,810	562,219	(16,409)
Public Safety	160,903	162,903	158,917	3,986
Human services	33,148	26,148	20,880	5,268
Transportation	182,370	152,370	145,562	6,808
Culture & recreation	191,236	181,236	173,070	8,166
Capital	13,374,828	79,828	44,211	35,617
Total expenditures	<u>14,801,295</u>	<u>1,148,295</u>	<u>1,104,859</u>	<u>43,436</u>
Net change in fund balance	-	329,962	394,941	64,979
Fund balance - October 1, 2023	<u>1,207,443</u>	<u>1,207,443</u>	<u>1,207,443</u>	-
Fund balance - September 30, 2024	<u>\$ 1,207,443</u>	<u>\$ 1,537,405</u>	<u>\$ 1,602,384</u>	<u>\$ 64,979</u>

**City of Everglades City, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Proprietary Fund, Non-GAAP**  
**For the fiscal year ended September 30, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER</b>				
<b>FINANCING SOURCES</b>				
Utility service tax	\$ 81,000	\$ 79,588	\$ 79,588	\$ -
Local government infrastructure	32,888	42,037	42,037	-
Licenses and permits	-	48,260	48,260	-
Intergovernmental revenue	13,216,458	4,801,671	4,801,671	-
Charges for services	2,004,850	2,147,753	2,147,753	-
Miscellaneous revenues	25	23,071	23,071	-
Proceeds from loan	-	427,930	-	(427,930)
Total revenues	15,335,221	7,570,310	7,142,380	(427,930)
<b>EXPENDITURES</b>				
Current				
General government	6,500	16,500	10,682	5,818
Physical environment	1,440,679	1,840,679	1,830,435	10,244
Debt service	243,660	65,660	50,334	15,326
Capital expenditures	13,454,000	3,600,000	3,577,211	22,789
Total expenditures	15,144,839	5,522,839	5,468,662	54,177
Net change in fund balance	\$ 190,382	\$ 2,047,471	1,673,718	\$ (482,107)
GAAP Reconciliation:				
Less: Capital expenditures			3,577,211	
Loss on disposal of fixed assets			(907,903)	
Depreciation			(413,353)	
OPEB expense			(86,280)	
Excess of revenues over expenditures			3,843,393	
Beginning net position			13,079,586	
Ending net position			\$ 16,922,979	

**City of Everglades City, Florida**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**

**For the last seven fiscal years ended September 30,**

**Total OPEB Liability Change**

Measurement Date	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Service cost	\$ 13,822	\$ -	\$ 4,826	\$ 3,226	\$ 14,376
Interest	9,522	2,179	2,798	1,481	9,606
Changes of assumptions	17,536	40,490	(42,658)	(196)	3,607
Economic/demographic changes	<u>220,577</u>	<u>40,370</u>	<u>51,995</u>	<u>51,897</u>	<u>(311,771)</u>
Net Change in Total OPEB Liability	261,457	83,039	16,961	56,408	(284,182)
 Total OPEB Liability - Beginning	 <u>218,986</u>	 <u>135,947</u>	 <u>118,986</u>	 <u>62,578</u>	 <u>346,760</u>
Total OPEB Liability - Ending	<u>\$ 480,443</u>	<u>\$ 218,986</u>	<u>\$ 135,947</u>	<u>\$ 118,986</u>	<u>\$ 62,578</u>
 Covered employee payroll	 \$ 532,454	 \$ 529,111	 \$ 478,328	 \$ 412,224	 \$ 359,839
 Total OPEB liability as a percentage of covered employee payroll	 90.23%	 41.39%	 28.42%	 28.86%	 17.39%
  Measurement Date	  <u>9/30/2019</u>	  <u>9/30/2018</u>			
Service cost	\$ 8,061	\$ 6,227			
Interest	8,148	4,740			
Changes of assumptions	79,812	(18,808)			
Economic/demographic changes	<u>63,878</u>	<u>70,360</u>			
Net Change in Total OPEB Liability	159,899	62,519			
 Total OPEB Liability - Beginning	 <u>186,861</u>	 <u>124,342</u>			
Total OPEB Liability - Ending	<u>\$ 346,760</u>	<u>\$ 186,861</u>			
 Covered employee payroll	 \$ 332,531	 \$ 408,273			
 Total OPEB liability as a percentage of covered employee payroll	 104.28%	 45.77%			

**City of Everglades City, Florida**  
**Combining Statement of Revenues, Expenses and Changes in Net Position -**  
**Proprietary Fund - Utility**  
**For the fiscal year ended September 30, 2024**

	Water	Sewer	Total Proprietary Fund
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,180,031	\$ 967,722	\$ 2,147,753
Total operating revenue	<u>1,180,031</u>	<u>967,722</u>	<u>2,147,753</u>
<b>OPERATING EXPENSES</b>			
Personal services	234,831	156,192	391,023
Insurance	66,133	33,211	99,344
Contractual services	185,043	621,658	806,701
Materials and supplies	148,844	89,727	238,571
Depreciation	203,402	209,950	413,352
Utilities	44,417	26,514	70,931
Bad debt	10,680	-	10,680
Repairs and maintenance	163,558	146,591	310,149
Total operating expenses	<u>1,056,908</u>	<u>1,283,843</u>	<u>2,340,751</u>
Operating income	<u>123,123</u>	<u>(316,121)</u>	<u>(192,998)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest revenue	40	15	55
Donations	15,329	7,687	23,016
Intergovernmental grants	-	4,801,672	4,801,672
Impact fee revenue	41,040	7,220	48,260
Taxes	44,569	77,056	121,625
Loss on disposal of fixed assets	-	(907,903)	(907,903)
Interest expense	(13,811)	(36,523)	(50,334)
Total non-operating revenues (expenses)	<u>87,167</u>	<u>3,949,224</u>	<u>4,036,391</u>
Change in net position	210,290	3,633,103	3,843,393
Net position, beginning October 1, 2023	<u>5,847,060</u>	<u>7,232,526</u>	<u>13,079,586</u>
Net position, ending September 30, 2024	<u>\$ 6,057,350</u>	<u>\$ 10,865,629</u>	<u>\$ 16,922,979</u>

*The accompanying notes are an integral and essential part of these financial statements.*

**SUPPLEMENTARY  
REPORTS**

**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 City Council  
City of Everglades City, 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 of the City of Everglades City, Florida (the "City") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 2, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida

June 2, 2025

**Independent Auditors' Report on Compliance For Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance required by the *Uniform Guidance, Chapter 10.550, Rules of the Auditor General of the State of Florida***

To the Honorable Mayor and City Council  
City of Everglades City, Florida

**Report on Compliance for Each Major Federal Program & State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited the City of Everglades City, Florida (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement; and Florida Department of Financial Service's State Projects Compliance Supplement, that could have a direct and material effect on each of the City's major federal programs and state financial assistance projects for the fiscal year ended September 30, 2024. The City's major federal programs and state financial assistance projects are identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance and the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program and state projects for the fiscal year ended September 30, 2024.

***Basis for Opinion on Each Major Federal Program and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General of the State of Florida*. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, Government Auditing Standards, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, that planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and state projects on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and state projects will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida

June 2, 2025

**City of Everglades City, Florida**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**

**For the fiscal year ended September 30, 2024**

FEDERAL/ STATE AGENCY <i>Pass-through entity</i> Federal/ State Program Title	ALN/ CSFA Number	Award Number	Expenditures
<b>FEDERAL AWARDS:</b>			
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	HUD B-22-CP-FL-0231	\$ 36,000
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	HUD B-22-CP-FL-0232	86,600
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>122,600</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>			
<i>Passed through the Florida Division of Emergency Management</i>			
Coronavirus State Fiscal Recovery Fund	21.027	Y5081/FL0385	15,469
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>			<u>15,469</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Clean Water State Revolving Fund	66.458	4C-02D38022-0	2,131,520
<b>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			<u>2,131,520</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Passed through the Florida Division of Emergency Management</i>			
Disaster Grants - Public Assistance	97.036	FEMA-4673-DR-DL/Z3137	32,064
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>32,064</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 2,301,653</u>
<b>STATE FINANCIAL ASSISTANCE:</b>			
<u>STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0159	\$ 909,338
Resilient Florida Program	37.098	23PLN106	53,050
Hurricane Stormwater and Wastewater Assistance	37.114	HA030	300,500
Hurricane Stormwater and Wastewater Assistance	37.114	HA020	69,625
Hurricane Stormwater and Wastewater Assistance	37.114	HA003	170,840
			<u>540,965</u>
<b>TOTAL STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>			<u>1,503,353</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 1,503,353</u>
<b>Total Expenditures of Federal Awards and State Financial Assistance</b>			<u>\$ 3,805,006</u>

The accompanying notes are an integral part of this schedule.

**City of Everglades City, Florida**  
**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance**

**For the fiscal year ended September 30, 2024**

**NOTE 1 – GENERAL**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) presents the activity of all federal awards and state financial assistance of the City of Everglades, Florida (the “City”) for the year ended September 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the City, the schedule is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The City’s reporting entity is defined in Note 1 to the City’s basic financial statements for the fiscal year ended September 30, 2024. All federal award programs and state financial assistance received directly from federal and state agencies, as well as federal award and state financial assistance programs passed through other government agencies, are included in the schedule.

**NOTE 2 – BASIS OF ACCOUNTING**

The Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the City’s basic financial statements for the fiscal year ended September 30, 2024. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City did not utilize the 10-percent de minimis indirect cost rate for reimbursement of grant expenditures as covered in 2 CFR 200.414 (f) Indirect Costs.

**NOTE 3 – CONTINGENCIES**

Grant monies received by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City. As of September 30, 2024, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment occurs.

**City of Everglades City, Florida**  
 Schedule of Findings and Questioned Costs  
 Federal Programs and State Projects  
 For the fiscal year ended September 30, 2024

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financing reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies)?	None reported
Noncompliance material to financial statements noted?	No

**Federal Award Programs and State Projects**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies)?	None reported
Type of auditor's report issued on compliance for major federal programs and state projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (section 200.516(a)) or Chapter 10.550, Rules of the Auditor General of the State of Florida.	No

Identification of major federal programs and state projects:

<b><u>Major Federal Programs:</u></b>	<b><u>ALN Number</u></b>
Clean Water State Revolving Fund	66.458

<b><u>Major State Projects:</u></b>	<b><u>CSFA Number</u></b>
Statewide Surface Water Restoration and Wastewater Projects	37.039
Hurricane Stormwater and Wastewater Assistance	37.114

Dollar threshold used to determine Type A programs:	
Federal programs	\$ 750,000
State projects	\$ 451,000
Auditee qualified as low-risk auditee?	No

**City of Everglades City, Florida**  
Schedule of Findings and Questioned Costs - (Continued)  
Federal Programs and State Projects  
For the fiscal year ended September 30, 2024

**Section II – Financial Statement Findings**

This section identifies significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

**Section III – Findings and Questioned Costs - Major Federal Programs**

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported by 2 CFR 200.516(a).

**Section IV – Findings and Questioned Costs - Major State Projects**

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*.

There were no findings required to be reported by Chapter 10.550, *Rules of the Auditor General*.

**Section V - Status of Prior Year Audit Findings**

The City had no audit findings reported in the schedule of Findings and Questioned Costs for the year ended September 30, 2023.

**Section VI - Corrective Action Plan**

The City had no audit findings reported in the schedule of Findings and Questioned Costs for the year ended September 30, 2024, therefore, the City is not required to prepare a corrective action plan.

## **Management Letter**

Honorable Mayor and City Council  
City of Everglades City, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the City of Everglades City, Florida (the "City"), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 2, 2025.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 2, 2025, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

## **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City had no component units as of September 30, 2024.

## **Financial Condition and Management**

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

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

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

## **Property Assessed Clean Energy (PACE) Programs**

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City's geographical boundaries during the fiscal year under audit.

## **Special District Component Units**

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

## **Additional Matters**

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

**Purpose of this Letter**

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

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida

June 2, 2025

## Independent Accountant's Examination Report

Honorable Mayor and City Council  
City of Everglades City, Florida

We have examined the City of Everglades City, Florida's (the "City's") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2024.

Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

Our examination does not provide a legal determination on the Authority'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, 2024.

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

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida  
June 2, 2025