

**CITY OF MACCLENNY
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2024**

**LYONS AND LYONS
CERTIFIED PUBLIC ACCOUNTANTS**

CITY OF MACCLENNY, FLORIDA
AUDIT REPORT
SEPTEMBER 30, 2024
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CITY OF MACCLENNY, FLORIDA
CITY OFFICIALS
SERVING AS OF SEPTEMBER 30, 2024

CITY COMMISSIONERS

Mark Bryant (Mayor)

Cecil Horne, Jr.

Danny Norton

Lynward Bones

Sam Kitching

CITY MANAGER

Mike Griffis

CITY ATTORNEY

Frank E. Maloney, Jr.

LYONS AND LYONS

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Commission
City of Macclenny, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Macclenny, 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, the 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 Opinions

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 Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information Included in Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with Florida Statute 218.39(3)(c) but does not include the financial statements and our auditor's report thereon. Our opinions on financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



June 20, 2025
Macclenny, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Macclenny, Florida's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2023-2024.

- The City's overall net position increased by \$3,623,134 from \$26,595,130 to \$30,218,264.
- Total ending unrestricted net position increased by \$1,493,605 from \$8,542,644 to \$10,036,248.
- The City's notes and capital lease payable increased by \$191,079 from \$1,060,760 to \$1,251,839. Bonds payable decreased by \$279,000, from \$2,976,628 to \$2,697,628.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report contains government-wide financial statements that report on the City's activities as a whole and fund financial statements that report on the City's individual funds.

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The first financial statement is the Statement of Net Position. This statement includes all of the City's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenditures are recorded, regardless of when cash is received or paid. Net position – the difference between assets and liabilities – can be used to measure the City's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the City's financial health is improving or deteriorating. However, other non-financial factors, such as road conditions or changes in the tax base, must also be considered when assessing the overall health of the City.

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, sanitation services, street and storm water maintenance, and culture and recreation. The business-type activities of the City include water and sewer operations and rental of five residential properties. These activities are financed in whole or in part by fees charged to external parties for goods and services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that are 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. The City currently maintains three fund types: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Florida Recreation Development Assistance Program (FRDAP) - Heritage Park Fund which are considered to be major funds. Data from the Special Revenue Funds are combined into a single, aggregated presentation as non-major governmental funds. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in the report.

Proprietary funds – The City maintains one type of proprietary fund, the Enterprise Fund. The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the Enterprise Fund to account for its water and sewer operations and five residential rental homes. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the City's own programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general fund and the special revenue fund, and other postemployment benefits information. Supplementary information and additional elements as required by the auditor general, as listed in the table of contents, are also presented.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$30,218,264 at the close of the fiscal year ended September 30, 2024.

City of Macclenny's Net Position

	Governmental Activities		Business-type Activities		Total	
	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23
Current and other assets	\$ 11,148,813	\$ 10,344,962	\$ 7,197,401	\$ 7,130,996	\$ 18,346,214	\$ 17,475,958
Capital assets	6,877,514	6,907,280	16,522,947	14,478,012	23,400,461	21,385,292
Total assets	<u>18,026,327</u>	<u>17,252,242</u>	<u>23,720,348</u>	<u>21,609,008</u>	<u>41,746,675</u>	<u>38,861,250</u>
Deferred outflows	820,143	749,981	526,942	493,498	1,347,085	1,243,479
Total assets and deferred outflows	<u>18,846,470</u>	<u>18,002,223</u>	<u>24,247,290</u>	<u>22,102,506</u>	<u>43,093,760</u>	<u>40,104,729</u>
Current and other liabilities	736,171	1,161,078	1,227,994	523,219	1,964,165	1,684,297
Long-term liabilities	4,274,019	4,391,430	4,674,203	4,725,507	8,948,222	9,116,937
Total liabilities	<u>5,010,190</u>	<u>5,552,508</u>	<u>5,902,197</u>	<u>5,248,726</u>	<u>10,912,387</u>	<u>10,801,234</u>
Deferred inflows	205,543	36,022	1,757,566	2,672,343	1,963,109	2,708,365
Total liabilities and deferred inflows	<u>5,215,733</u>	<u>5,588,530</u>	<u>7,659,763</u>	<u>7,921,069</u>	<u>12,875,496</u>	<u>13,509,599</u>
Net position:						
Net investment in capital assets	5,509,747	5,475,873	13,900,313	11,867,825	19,410,060	17,343,698
Restricted	-	-	771,955	708,788	771,955	708,788
Unrestricted	8,120,990	6,937,820	1,915,259	1,604,824	10,036,249	8,542,644
Total net position	<u>\$ 13,630,737</u>	<u>\$ 12,413,693</u>	<u>\$ 16,587,527</u>	<u>\$ 14,181,437</u>	<u>\$ 30,218,264</u>	<u>\$ 26,595,130</u>

Changes in Net Position

The following schedule provides a summary of the changes in net position:

	Governmental Activities		Business-type Activities		Total	
	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23
Revenues:						
Program revenues						
Charges for services	\$ 2,129,393	\$ 1,877,925	\$ 3,456,231	\$ 3,288,525	\$ 5,585,624	\$ 5,166,450
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	108,454	1,133,076	2,313,849	169,666	2,422,303	1,302,742
General revenues						
Property taxes	1,433,365	1,254,309	-	-	1,433,365	1,254,309
Other taxes	2,698,417	2,611,028	100,638	94,617	2,799,055	2,705,645
State shared revenues	788,346	775,737	-	-	788,346	775,737
Interest and other	272,473	206,312	206,599	164,213	479,072	370,525
Total revenues	<u>7,430,448</u>	<u>7,858,387</u>	<u>6,077,317</u>	<u>3,717,021</u>	<u>13,507,765</u>	<u>11,575,408</u>
Expenses:						
General government	1,347,860	1,495,152	-	-	1,347,860	1,495,152
Public safety	2,528,805	2,422,360	-	-	2,528,805	2,422,360
Physical environment	1,468,606	1,313,975	3,609,040	3,391,463	5,077,646	4,705,438
Transportation	512,852	563,269	-	-	512,852	563,269
Culture and recreation	311,372	216,750	-	-	311,372	216,750
Interest on long-term debt	43,909	45,541	62,187	78,508	106,096	124,049
Total expenses	<u>6,213,404</u>	<u>6,057,047</u>	<u>3,671,227</u>	<u>3,469,971</u>	<u>9,884,631</u>	<u>9,527,018</u>
Change in net position	1,217,044	1,801,340	2,406,090	247,050	3,623,134	2,048,390
Beginning net position - as previously reported	12,413,693	10,612,353	14,181,437	13,934,387	26,595,130	24,546,740
Ending net position	<u>\$13,630,737</u>	<u>\$12,413,693</u>	<u>\$16,587,527</u>	<u>\$14,181,437</u>	<u>\$30,218,264</u>	<u>\$26,595,130</u>

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental and Business-Type Activities

The governmental activities generated \$2,129,393 in program revenues and \$5,192,601 of general revenues and capital grants of \$108,454 and incurred \$6,213,404 of program expenses. This resulted in a \$1,217,044 increase in net assets from current operations. The business-type activities generated operating revenue of \$3,456,231 while expending \$3,609,040 resulting in a net decrease from operations of \$152,809. Non-operating revenues and expenses of \$245,050 together with capital grant revenue of \$2,313,849 less the net decrease from operations of \$152,809 resulted in a total increase of \$2,406,090 in net position.

THE CITY'S INDIVIDUAL FUNDS

The General Fund's fund balance increased by \$1,222,727 from \$9,241,406 to \$10,464,133. The Special Revenue Funds' fund balance remained unchanged at \$0. The Proprietary Fund's net position increased by \$2,406,090 from \$14,181,437 to \$16,587,527; net position from operations decreased \$152,809; net cash increased \$11,703. The City's utility system was operated principally from charges to customers.

BUDGETARY HIGHLIGHTS

General Fund revenues were greater than budgeted amounts by \$788,459 and expenditures were less than budgeted amounts by \$1,027,654.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had significant capital asset activity during the year. Please refer to the note to the accompanying financial statements entitled *Capital Assets* for more detailed information about the City's capital asset activity. Several construction projects were in progress at September 30, 2024, totaling \$4,090,185. These projects include continuation of sewer rehabilitation, water extension, fire station training facility, bathroom rehabilitation, and playground additions.

Debt Administration

The City incurred \$246,830 in new debt during the year. The City's notes and revenue bonds payable decreased by \$320,316. Please refer to the note to the accompanying financial statements entitled *Changes in Long-Term Liabilities* for more detailed information about the City's changes in long-term liabilities.

ECONOMIC FACTORS

We are not currently aware of any conditions that are expected to have a significant effect on the City's financial position or results of operations.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City of Macclenny at 118 East Macclenny Ave., Macclenny, Florida 32063.

STATEMENT OF NET POSITION
SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Current assets:			
Cash and equivalents	\$ 10,487,522	\$ 2,947,456	\$ 13,434,978
Accounts receivable (net)	240,390	452,752	693,142
Due from other funds	266,943	(266,943)	-
Due from other agencies	121,240	41,260	162,500
Accrued interest receivable	-	352	352
Inventories	18,668	106,358	125,026
Prepaid expenses	2,250	-	2,250
Total current assets	<u>11,137,013</u>	<u>3,281,235</u>	<u>14,418,248</u>
Noncurrent assets:			
Restricted assets:			
Cash	11,800	3,916,166	3,927,966
Capital assets:			
Non-depreciable	958,778	4,399,487	5,358,265
Depreciable, net	5,918,736	12,123,460	18,042,196
Total noncurrent assets	<u>6,889,314</u>	<u>20,439,113</u>	<u>27,328,427</u>
Deferred outflows of resources	<u>820,143</u>	<u>526,942</u>	<u>1,347,085</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>18,846,470</u>	<u>24,247,290</u>	<u>43,093,760</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
Current liabilities:			
Accounts payable	424,427	802,975	1,227,402
Accrued interest payable	33,394	40,932	74,326
Accrued payroll payable	44,400	15,489	59,889
Notes and financing lease payable	15,138	41,482	56,620
Bonds payable	46,000	241,000	287,000
Net pension liabilities	2,153	1,075	3,228
Due to other governments	129	-	129
Accrued compensated absences	170,530	85,041	255,571
Total current liabilities	<u>736,171</u>	<u>1,227,994</u>	<u>1,964,165</u>
Noncurrent liabilities:			
Customer deposits	11,800	746,518	758,318
Notes and financing lease payable	-	1,195,220	1,195,220
Bonds payable	1,306,628	1,104,000	2,410,628
Net pension liabilities	2,858,041	1,562,461	4,420,502
Accrued compensated absences	60,856	46,843	107,699
Accrued insurance supplement	-	900	900
Accrued other post employment obligation	36,694	18,261	54,955
Total noncurrent liabilities	<u>4,274,019</u>	<u>4,674,203</u>	<u>8,948,222</u>
Deferred inflows of resources	<u>205,543</u>	<u>1,757,566</u>	<u>1,963,109</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>5,215,733</u>	<u>7,659,763</u>	<u>12,875,496</u>
<u>NET POSITION</u>			
Net investment in capital assets	5,509,748	13,900,313	19,410,061
Restricted	-	771,955	771,955
Unrestricted	8,120,989	1,915,259	10,036,248
TOTAL NET POSITION	<u>\$ 13,630,737</u>	<u>\$ 16,587,527</u>	<u>\$ 30,218,264</u>

The accompanying "Notes to financial statements" form an integral part of this statement.

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 1,347,860	\$ 24,175	\$ -	\$ -	\$ (1,323,685)	\$ -	\$ (1,323,685)
Public safety	2,528,805	-	-	39,890	(2,488,915)	-	(2,488,915)
Physical environment	1,468,606	1,963,419	-	-	494,813	-	494,813
Transportation	512,852	141,799	-	-	(371,053)	-	(371,053)
Culture and recreation	311,372	-	-	68,564	(242,808)	-	(242,808)
Interest on long-term debt	43,909	-	-	-	(43,909)	-	(43,909)
Total Governmental activities	6,213,404	2,129,393	-	108,454	(3,975,557)	-	(3,975,557)
Business-type activities:							
Water and sewer	3,594,562	3,432,231	-	2,313,849	-	2,151,518	2,151,518
Rental	14,478	24,000	-	-	-	9,522	9,522
Interest on long-term debt	62,187	-	-	-	-	(62,187)	(62,187)
Total Business-type activities	3,671,227	3,456,231	-	2,313,849	-	2,098,853	2,098,853
Total	\$ 9,884,631	\$ 5,585,624	\$ -	\$ 2,422,303	(3,975,557)	2,098,853	(1,876,704)
General Revenues:							
Property taxes					1,433,365	-	1,433,365
Sales and use taxes					932,274	-	932,274
Local option taxes					155,074	-	155,074
Franchise fees					588,043	-	588,043
Utility service tax					717,975	100,638	818,613
Communication service tax					305,051	-	305,051
State shared revenue					788,346	-	788,346
Fines and forfeitures					8,325	-	8,325
Interest income					-	184,581	184,581
Miscellaneous					264,148	22,018	286,166
Total General Revenues					5,192,601	307,237	5,499,838
Change in net position					1,217,044	2,406,090	3,623,134
Net position, October 1, 2023					12,413,693	14,181,437	26,595,130
Net position, September 30, 2024					\$ 13,630,737	\$ 16,587,527	\$ 30,218,264

The accompanying "Notes to financial statements" form an integral part of this statement.

BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

		Florida Recreation Development Assistance Program - Heritage Park	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	<u>GENERAL</u>			
<u>ASSETS</u>				
Cash	\$ 10,398,057	\$ 57,175	\$ 32,290	\$ 10,487,522
Cash - restricted	11,800	-	-	11,800
Accounts receivable (net)	240,389	-	-	240,389
Due from other agencies	-	29,600	91,640	121,240
Due from other funds	388,183	-	-	388,183
Inventory	18,668	-	-	18,668
Prepaid expenses	2,250	-	-	2,250
TOTAL ASSETS	<u>\$ 11,059,347</u>	<u>\$ 86,775</u>	<u>\$ 123,930</u>	<u>\$ 11,270,052</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts payable	\$ 334,961	\$ 57,175	\$ 32,290	\$ 424,426
Accrued payroll	44,400	-	-	44,400
Accrued compensated absences	170,530	-	-	170,530
Accrued interest	33,395	-	-	33,395
Due to other governments	128	-	-	128
Due to other funds	-	29,600	91,640	121,240
Customer deposits	11,800	-	-	11,800
TOTAL LIABILITIES	<u>595,214</u>	<u>86,775</u>	<u>123,930</u>	<u>805,919</u>
 <u>FUND EQUITY</u>				
Fund balances:				
Nonspendable				
Inventory	18,668	-	-	18,668
Prepaid expenses	2,250	-	-	2,250
Due from W&S Utility Fund	266,943	-	-	266,943
Unassigned	10,176,272	-	-	10,176,272
TOTAL FUND EQUITY	<u>10,464,133</u>	<u>-</u>	<u>-</u>	<u>10,464,133</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 11,059,347</u>	<u>\$ 86,775</u>	<u>\$ 123,930</u>	<u>\$ 11,270,052</u>

The accompanying "Notes to financial statements" form an integral part of this statement.

RECONCILIATION OF BALANCE SHEET TO STATEMENT OF NET POSITION -
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

FUND BALANCES--TOTAL GOVERNMENTAL FUNDS	\$ 10,464,133
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the governmental funds:	
Capital assets--net	6,877,515
Deferred outflows of resources related to pension earnings are not recognized in the governmental funds and are recorded in the statement of net position.	
Change in pension assumptions	820,143
Deferred inflows of resources related to pension earnings are not recognized in the governmental funds and are recorded in the statement of net position.	
Change in pension assumptions	(205,543)
Liabilities are not reported in the governmental funds:	
Notes payable	(15,139)
Compensated absences (noncurrent)	(60,856)
Bonds payable	(1,352,628)
Other post employment benefits payable	(36,694)
Net pension liabilities	<u>(2,860,194)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 13,630,737</u>

The accompanying "Notes to financial statements" form an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA**

	Florida Recreation			TOTALS (Memorandum Only)
	Development	NON-MAJOR	GOVERNMENTAL	
	Assistance Program - Heritage Park	FUNDS		
<u>GENERAL</u>				
REVENUES				
Taxes	\$ 3,543,736	\$ -	\$ -	\$ 3,543,736
Licenses and permits	91,284	-	-	91,284
Franchise fees	588,043	-	-	588,043
Intergovernmental	788,346	-	-	788,346
Charges for services	2,129,393	-	-	2,129,393
Fines and forfeitures	8,325	-	-	8,325
Grant revenues	-	29,600	78,854	108,454
Miscellaneous revenues	172,864	-	-	172,864
TOTAL REVENUES	<u>7,321,991</u>	<u>29,600</u>	<u>78,854</u>	<u>7,430,445</u>
EXPENDITURES				
Current:				
General government	1,312,986	-	-	1,312,986
Public safety	2,157,753	-	-	2,157,753
Physical environment	1,375,457	-	-	1,375,457
Transportation	404,604	-	-	404,604
Culture and recreation	172,636	-	-	172,636
Capital outlay:	504,800	66,775	123,868	695,443
Debt service:				
Principal	45,000	-	-	45,000
Interest and fiscal charges	43,839	-	-	43,839
TOTAL EXPENDITURES	<u>6,017,075</u>	<u>66,775</u>	<u>123,868</u>	<u>6,207,718</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,304,916</u>	<u>(37,175)</u>	<u>(45,014)</u>	<u>1,222,727</u>
OTHER FINANCING SOURCES (USES)				
Transfers in/(out)	(82,189)	37,175	45,014	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(82,189)</u>	<u>37,175</u>	<u>45,014</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,222,727	-	-	1,222,727
FUND BALANCES, October 1, 2023	<u>9,241,406</u>	<u>-</u>	<u>-</u>	<u>9,241,406</u>
FUND BALANCES, September 30, 2024	<u>\$10,464,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,464,133</u>

The accompanying "Notes to financial statements" form an integral part of this statement.

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,222,727

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 depreciated over their estimated useful lives.

Acquisition of capital assets	662,976
Current year depreciation expense	(692,741)

The issuance of long-term debt provides current financial resources to governmental funds, however this does not affect net position

Decrease in net pension liability	53,258
Right of use asset lease payment	4,206
Financing lease payment	14,435
Bond principal repayment	45,000

Change in deferred outflows related to pension	(64,525)
--	----------

Change in deferred inflows related to pension	(169,521)
---	-----------

Deferred outflows for contributions subsequent to the measurement date	134,688
--	---------

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 governmental funds.

Increase in compensated absences	(7,136)
Decrease in other post employment benefits expense and miscellaneous	13,677

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,217,044

STATEMENT OF NET POSITION-
PROPRIETARY FUND TYPE (ENTERPRISE FUND)
SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

	TOTALS
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	
Current assets:	
Cash and equivalents	\$ 2,947,456
Accounts receivable (net)	452,752
Due from other agencies	41,260
Accrued interest receivable	352
Inventories	106,358
Total current assets	3,548,178
Noncurrent assets:	
Restricted assets:	
Cash	3,916,166
Total cash, restricted	3,916,166
Capital assets:	
Land	511,669
Construction in progress	3,887,818
Buildings, improvements and infrastructure	26,448,624
Machinery and equipment	3,705,545
Right of use assets	150,000
Less: accumulated depreciation	(18,180,709)
Total capital assets net	16,522,947
Total noncurrent assets	20,439,113
Deferred outflows of resources	
Net underwriter's discount	12,390
Deferred gain on early retirement	860
Change in pension assumptions	513,692
Total deferred outflow of resources	526,942
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	24,514,233
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>	
Current liabilities:	
Accounts payable	802,975
Accrued interest payable	40,932
Accrued payroll payable	15,489
Due to other funds	266,943
Notes payable	41,482
Bonds payable	241,000
Net pension liabilities	1,075
Accrued compensated absences	85,041
Total current liabilities	1,494,937
Noncurrent liabilities:	
Customer deposits	746,518
Notes payable	1,195,220
Bonds payable	1,104,000
Net pension liabilities	1,562,461
Accrued compensated absences	46,843
Accrued insurance supplement	900
Accrued OPEB obligation	18,261
Total noncurrent liabilities	4,674,203
Deferred inflows of resources	
Change in pension assumptions	185,991
Unearned revenue	1,571,575
Total deferred inflows of resources	1,757,566
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	7,926,706
<u>NET POSITION</u>	
Net investment in capital assets	13,900,313
Restricted for water and sewer development	771,955
Unrestricted	1,915,259
TOTAL NET POSITION	\$ 16,587,527

The accompanying "Notes to financial statements" form an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUND TYPE (ENTERPRISE FUND)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

<u>OPERATING REVENUES</u>	
Charges for services	\$ <u>3,456,231</u>
TOTAL OPERATING REVENUES	<u>3,456,231</u>
<u>OPERATING EXPENSES</u>	
Personal services	1,463,948
Materials, supplies and other expenses	1,132,510
Depreciation expense	1,010,999
Amortization expense	<u>1,583</u>
TOTAL OPERATING EXPENSES	<u>3,609,040</u>
OPERATING INCOME (LOSS)	<u>(152,809)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Utility tax	100,638
Grant revenues	2,313,849
Miscellaneous income	22,018
Interest income	184,581
Interest expense	<u>(62,187)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>2,558,899</u>
Changes in net position	2,406,090
NET POSITION - October 1, 2023	<u>14,181,437</u>
NET POSITION - September 30, 2024	<u><u>\$ 16,587,527</u></u>

The accompanying "Notes to financial statements" form an integral part of this statement.

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE (ENTERPRISE FUND)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 3,468,831
Cash payments to suppliers for goods and services	(334,755)
Cash payments to employees for services	<u>(1,431,023)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,703,053</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	(3,055,939)
Proceeds from capital grants	1,314,440
Proceeds from loans	246,830
Amount due from other governmental agencies	(36,014)
Interest paid on long term debt	(69,932)
Principle paid on notes payable	(41,316)
Principle paid on bonds payable	<u>(234,000)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,875,931)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>184,581</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>184,581</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 11,703

CASH AND CASH EQUIVALENTS - October 1, 2023 6,851,919

CASH AND CASH EQUIVALENTS - September 30, 2024 \$ 6,863,622

CASH AND CASH EQUIVALENTS CLASSIFIED AS:

Cash and cash equivalents - unrestricted	\$ 2,947,456
Cash and cash equivalents - restricted	<u>3,916,166</u>
TOTAL CASH AND CASH EQUIVALENTS CLASSIFIED	<u><u>\$ 6,863,622</u></u>

RECONCILIATION OF OPERATING INCOME TO

NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income (loss)	\$ (152,809)
Utility tax and miscellaneous nonoperating revenue	122,656
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	1,010,999
Amortization	1,583
Change in assets and liabilities:	
Accounts receivable	(120,510)
Accounts payable	695,931
Accrued compensated absences	9,734
Due to other funds	104,576
Net pension liability	23,015
Net other post employment benefit obligation	(7,237)
Accrued payroll	7,412
Customer deposits	10,454
Inventory	<u>(2,751)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 1,703,053</u></u>

The accompanying "Notes to financial statements" form an integral part of this statement.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

	<u>HRA Fund</u>	<u>Baker Co School Board Impact Fees</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 132,867	\$ -	\$ 132,867
TOTAL ASSETS	<u>132,867</u>	<u>-</u>	<u>132,867</u>
<u>NET POSITION</u>			
Held in trust and due other agencies	<u>\$ 132,867</u>	<u>\$ -</u>	<u>\$ 132,867</u>

The accompanying "Notes to financial statements" form an integral part of this statement.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

	<u>HRA Fund</u>	Baker Co School Board <u>Impact Fees</u>	<u>Total</u>
ADDITIONS			
Contributions	\$ 5	\$ 7,620	\$ 7,625
Total additions	<u>5</u>	<u>7,620</u>	<u>7,625</u>
DEDUCTIONS			
Health reimbursements paid and remittances	<u>-</u>	<u>7,620</u>	<u>7,620</u>
Total deductions	<u>-</u>	<u>7,620</u>	<u>7,620</u>
Changes in net position	5	-	5
Net position, October 1, 2023	<u>132,862</u>	<u>-</u>	<u>132,862</u>
Net position, September 30, 2024	<u>\$ 132,867</u>	<u>\$ -</u>	<u>\$ 132,867</u>

The accompanying "Notes to financial statements" form an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. The more significant of the City's accounting policies are hereafter described.

Reporting Entity

The City is a unit of local government, established under Section 166, Florida Statutes and Chapter 24670, Laws of the State of Florida, and operates under a Commissioners-Manager form of government. As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the City as a primary government.

The City uses the criteria established in GASB Statement 14 to define the reporting entity and identify component units. Component units are entities for which a primary government is considered to be financially accountable. Component units, if any, are included in the reporting entity because of the significance of their operational or financial relationships with the primary government.

A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

Blended component units, although legally separate entities are, in substance, part of the primary government's operations and, accordingly, data from these units would be combined with data of the City. There are no blended component units included in the City's financial reporting entity.

Discretely presented component units, on the other hand, would be reported in separate columns to emphasize that they are legally separate from the City. There are no discretely presented component units included in the City's financial reporting entity.

The Macclenny Housing Authority is a legally separate fiscally independent organization in which the City Commissioners appoint the Authority Board. The City is not able to impose its will on the Authority and no financial responsibility of the Authority rests with the City. The Authority is not included as a component unit of the City's financial statements since the City does not exercise sufficient oversight responsibility.

There were no additional entities for which there were positive responses to specific criteria used for establishing oversight responsibility that were excluded from the City's financial statements.

The City did not participate in any joint ventures during the 2023–2024 fiscal year.

Basis of Presentation

Government-wide 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 non-fiduciary activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Government-wide Financial Statements (concluded)

normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

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

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate financial statements are presented for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements, but all non-major funds are aggregated and presented in a single column. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The City reports the General Fund and the Florida Recreation Development Assistance Program (FRDAP) - Heritage Park Fund as major governmental funds. The General Fund is the primary operating fund. It is used to account for all activities except those required to be accounted for in another fund. The FRDAP – Heritage Park Fund is a Special Revenue Fund used to account for funding received from the State of Florida Department of Environmental Protection for playground equipment, picnic facilities, and the renovation of bathroom facilities at Heritage Park. All other Special Revenue Funds are combined and reported as non-major governmental funds and are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

The City reports the Proprietary Fund (enterprise fund) as a major fund. The Proprietary Fund consists of two separate funds identified as the Water and Sewer Utility and Rental Funds. The City provides services for water and sewer to its residents, which are financed by user charges. The City also maintains several homes located adjacent to the City's sewer treatment plant which are rented to tenants. Activities of the Water and Sewer Utility Fund include administration, operation and maintenance of the water and sewer system, and billing and collection activities. The Water and Sewer Utility Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds. The proprietary fund distinguishes 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 a proprietary fund's principal ongoing operation. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets.

The City's fiduciary funds include the Health Reimbursement Account and impacts fees collected for the Baker County School Board. These funds are held in a purely custodial capacity and are reported using the accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance – Governmental Funds

The City follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the City’s highest level of decision-making authority, which is the City Commission. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the City Manager; or (b) a body or official to whom the City Manager has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The City’s policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Governmental fund balances with restrictions as of September 30, 2024, are as follows:

	<u>Classification</u>					<u>Total</u>
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	
General Fund	\$ 287,861	\$ -	\$ -	\$ -	\$ 10,176,272	\$ 10,464,133
	<u>\$ 287,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,176,272</u>	<u>\$ 10,464,133</u>

Measurement Focus and Basis of Accounting

The government-wide financial statements and the fund financial statements for the proprietary fund 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (concluded)

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year. Expenditures are generally recognized when the related liability is incurred. However, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budgets and Budgetary Accounting

The City adopts annual budgets for the General, Special Revenue and Enterprise Funds. The following procedures are used in establishing the budgetary data reflected in the financial statements:

- Prior to July 1, the City Manager submits to the City Commissioners a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of an ordinance.
- Any revision that alters total expenditures of any fund or to transfer budgeted amounts between departments within any fund must be approved by the City Commissioners. Budgetary control is maintained at the department level. The fund is the legal level of control. Budgetary data presented in the accompanying financial statements represent the “final” budget data; i.e., the effects of budget amendments have been applied to “original” budgetary data. Budgeted appropriations lapse at year-end.
- The budget amounts presented in the accompanying financial statements were prepared on the modified accrual basis of accounting.
- All budget changes during the fiscal year are approved by the City Commissioners.
- Appropriations lapse at the end of the fiscal year.

Budgets are adopted for the General, Special Revenue and Enterprise Funds on a basis that does not differ materially from accounting principles generally accepted in the United States of America. In accordance with Section 166.241(3), Florida Statutes, total expenditures did not exceed budget appropriations for the fiscal year ended September 30, 2024.

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.

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Application of FASB Pronouncements

For its enterprise fund, the City applies all applicable GASB pronouncements. Additionally, the City applies pronouncements of the FASB and its predecessor bodies issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the enterprise funds consider all highly liquid investments, including restricted assets to be cash equivalents. Restricted cash for customer deposits, bond reserves, impact fees, unspent funds from the Clean Water State Revolving Fund Planning Loan Agreements, and funds received from the American Rescue Act totaled \$3,916,166. The governmental funds had restricted cash in the amount of \$11,800 for customer deposits. Unrestricted resources are used first when expense is incurred for both restricted and unrestricted purposes.

Deposits with Financial Institutions

All cash resources and certificates of deposit of the City are placed in banks that qualify as public depositories, as required by law (Florida Security for Public Deposits Act). Accordingly, all deposits are insured by Federal depository insurance and/or collateralized pursuant to Chapter 280, Florida Statutes.

Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market.

Prepaid Expenses

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses.

Assets capitalized generally have an original cost of \$1,000 or more and a useful life of more than one year. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-30 years
Water and Sewer System	30-50 years
Infrastructure	20-35 years
Machinery and Equipment	5-15 years
Improvements other than Buildings	20-50 years

Compensated Absences

The City's policy on sick leave allows accumulation from one year to the next. Vesting occurs after an employee has five years of service with the City. An employee may be paid, depending on length of service, for 35% to 60% of a maximum of 960 hours of accumulated sick time.

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (concluded)

City policies allow employees to accumulate vacation time and carryover unused vacation to the next calendar year. The maximum amount that can be carried over is one year’s accumulated leave. The City follows accounting principles generally accepted in the United States of America in accounting for accrued compensated absences. A liability for accrued compensated absences of employees has been accrued in the Proprietary Fund and in the Government-wide financial statements. Compensated absences are recorded as expenditures in Governmental Funds to the extent of the amount of the liability that would normally be liquidated with expendable available financial resources (the current portion).

Deferred Outflows/Inflows of Resources

A *deferred outflow of resources* is a consumption of net assets that is applicable to a future reporting period.

A *deferred inflow of resources* is an acquisition of net assets that is applicable to a future reporting period.

Net Position

Net position represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net position reports \$771,955 of restricted net position, which is restricted by enabling legislation. Proprietary restricted net position in the amount of \$771,955 consists of water and sewer development funds.

Property Taxes

The Baker County Tax Collector bills and collects property taxes for the City. City property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the City’s property tax calendar are presented below:

Lien Date	January 1
Levy Date	October 1
<u>Installment Payments</u>	
1st Installment	No later than June 30
2nd Installment	No later than September 30
3rd Installment	No later than December 31
4th Installment	No later than March 31
<u>Regular Payments</u>	
Discount Periods	November-February
No Discount Period	March
Delinquent Date	April 1

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Debt Premiums, Discounts, Issuance Costs and Debt Refunding Gains and Losses

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against the debt payable. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (the old debt).

Bond issue costs are recognized as an outflow of resources in the reporting period in which they are incurred. At the government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as debt service expenditures.

Capitalization of Interest Costs

When applicable, the City follows the guidelines of Statement of Financial Accounting Codification No. 835-20 to determine if interest costs related to construction of fixed assets should be capitalized. Total interest cost for the fiscal year ended September 30, 2024 was \$106,096 of which none was capitalized.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make various estimates and assumptions. Actual results could vary from estimates used.

NOTE 2 – INVESTMENTS

The City invests excess public funds pursuant to the guidelines established in Section 218.415, Florida Statutes. Accordingly, the City is authorized to invest excess public funds in the following instruments: the Local Government Investment Pool; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; and direct obligations of the U.S. Treasury.

Investment Risks

The City is exposed to the following risks associated with its investment portfolio:

Credit Risk – the risk that an issuer, or other counterparty, to an investment will not fulfill its obligations.

Interest Rate Risk – the risk that changes in interest rate will adversely affect the fair value of an investment.

The City maintains a certificate of deposit in a qualified public depository totaling \$627,427. The rate of return is 4.40% and matures on March 20, 2025. The City does not have a formal investment policy relating to the aforementioned risks, other than Section 218.415, Florida Statutes, for investing public funds. That statute limits the City's exposure to credit risk and interest rate risk by limiting authorized investment options as previously described. Certificate of deposits are reported as a cash equivalent.

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 3 – CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance October 1	Additions	Deletions	Balance September 30
<u>Governmental activities:</u>				
Capital assets not being depreciated				
Land	\$ 756,411	\$ -	\$ -	\$ 756,411
Construction in progress	60,626	141,741	-	202,367
Total capital assets not being depreciated	817,037	141,741	-	958,778
Capital assets being depreciated				
Buildings, improvements and infrastructure	7,471,884	207,379	-	7,679,263
Right-of-use leases being amortized	13,758	-	(13,758)	-
Machinery and equipment	4,621,289	313,854	(7,500)	4,927,643
Total capital assets being depreciated	12,106,931	521,233	(21,258)	12,606,906
Total capital assets, before depreciation	12,923,968	662,974	(21,258)	13,565,684
Less accumulated depreciation and amortization for:				
Buildings, improvements and infrastructure	(2,952,099)	(305,701)	-	(3,257,800)
Right-of-use lease amortization	(9,672)	(4,086)	13,758	-
Machinery and equipment	(3,054,917)	(382,954)	7,500	(3,430,371)
Total accumulated depreciation and amortization	(6,016,688)	(692,741)	21,258	(6,688,171)
Total capital assets being depreciated, net	6,090,243	(171,508)	-	5,918,735
Governmental activities capital assets, net	\$ 6,907,280	\$ (29,767)	\$ -	\$ 6,877,513
<u>Business-type activities:</u>				
Capital assets not being depreciated				
Land	\$ 511,669	\$ -	\$ -	\$ 511,669
Construction in progress	1,096,194	2,791,624	-	3,887,818
Total capital assets not being depreciated	1,607,863	2,791,624	-	4,399,487
Capital assets being depreciated				
Buildings, improvements and infrastructure	26,358,794	89,830	-	26,448,624
Right-of-use leases being amortized	150,000	-	-	150,000
Machinery and equipment	3,547,063	174,482	(16,000)	3,705,545
Total capital assets being depreciated	30,055,857	264,312	(16,000)	30,304,169
Total capital assets, before depreciation	31,663,720	3,055,936	(16,000)	34,703,656
Less accumulated depreciation and amortization for:				
Buildings, improvements and infrastructure	(14,658,569)	(844,516)	-	(15,503,085)
Right-of-use lease amortization	(5,500)	(3,000)	-	(8,500)
Machinery and equipment	(2,521,639)	(163,484)	16,000	(2,669,123)
Total accumulated depreciation and amortization	(17,185,708)	(1,011,000)	16,000	(18,180,708)
Total capital assets being depreciated, net	12,870,149	(746,688)	-	12,123,461
Business-type activities capital assets, net	\$ 14,478,012	\$ 2,044,936	\$ -	\$ 16,522,948

Depreciation expense was charged as direct expense to programs of the government as follows:

Governmental Activities:	
General Government	\$ 32,800
Public Safety	346,747
Physical Environment	91,291
Transportation	101,575
Culture and Recreation	120,328
Total Depreciation Expense-Governmental Activities	\$ 692,741
Business-Type Activities:	
Water and Sewer	\$ 1,011,000
Total Depreciation Expense-Business-Type Activities	\$ 1,011,000

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 4 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance			Balance	Amounts
	October 1,			September 30,	Due within
	2023	Additions	Reductions	2024	One Year
<u>Governmental activities:</u>					
Revenue bonds payable	\$ 1,397,628	\$ -	\$ 45,000	\$ 1,352,628	\$ 46,000
Financing lease obligations	29,573	-	14,435	15,138	15,138
Right of use lease liability	4,205	-	4,205	-	-
Compensated absences	209,085	22,302	-	231,387	170,530
OPEB obligation	50,371	-	13,677	36,694	-
Net pension liability - FRS	2,913,452	-	53,258	2,860,194	2,153
Total Governmental activities	\$ 4,604,314	\$ 22,302	\$ 130,575	\$ 4,496,041	\$ 233,821
<u>Business-type activities:</u>					
Notes payable	\$ 1,031,187	\$ 246,830	\$ 41,316	\$ 1,236,701	\$ 41,482
Revenue bonds payable	1,579,000	-	234,000	1,345,000	241,000
Compensated absences	122,150	9,733	-	131,883	85,041
OPEB obligation	25,498	-	7,237	18,261	-
Net pension liability -FRS	1,590,124	-	26,589	1,563,535	1,075
Total Business-type activities	\$ 4,347,959	\$ 256,563	\$ 309,142	\$ 4,295,380	\$ 368,598

NOTE 5 – NOTES AND REVENUE BONDS PAYABLE

The City's notes and revenue bonds payable are segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental activities:

As of September 30, 2024, the governmental bonds payable of the City consisted of the following:

Bonds Payable:

Public Improvement Revenue Bonds were issued on December 11, 2015 in the amount of \$1,685,800 bearing interest at a rate of 3.25% with varying annual installments with a final installment payment on December 11, 2045. The purpose of the bonds was to provide permanent financing of the fire station. The bonds are secured by the pledge of the City's discretionary one cent sales tax revenue. \$1,352,628

Financing Lease Obligation

On January 25, 2021, two computer servers were purchased through a capital lease arrangement costing \$72,326. An initial financing lease obligation payment of \$15,913 was made with remaining annual lease payments of \$15,913 due January 25th each year through 2025. The annual lease payments include interest of five percent. 15,139

Total Governmental Activities Bonds and Lease Obligations Payable \$1,367,767

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 5 – NOTES AND REVENUE BONDS PAYABLE (continued)

Business-type activities:

The business-type activities notes and revenue bonds payable for the City at September 30, 2024, consist of the following:

Notes Payable:

Clean Water State Revolving Fund Planning Loan Agreements were entered into with the Florida Department of Environmental Protection for the purpose of providing funding for the evaluation and rehabilitation of the sanitary/sewer system infrastructure. The City has entered into four agreements which call for loan principal forgiveness of eighty percent. The first agreement was dated January 16, 2016, for \$169,662 with an interest rate of 1.62% and semi-annual payments of \$4,641 beginning June 15, 2020. The second agreement dated October 8, 2019, was for \$88,455 with an interest rate of 1% and semi-annual payments of \$2,687 beginning September 15, 2021. The third agreement was dated February 12, 2020, in the amount of \$882,521 with no interest and semi-annual payments of \$14,709 beginning February 15, 2022. The fourth agreement was dated December 21, 2021, in the amount of \$977,600 with no interest and semi-annual payments of \$17,923 beginning April 15, 2026. During the year ending September 30, 2024, the City received \$1,243,753 of grant funds for the fourth loan of which \$248,751 is reflected as the loan portion. As of September 30, 2024, outstanding notes payable totaled \$1,236,701.

\$1,236,701

Total Notes Payable

\$1,236,701

Bonds Payable:

\$1,800,000 Water and Sewer Revenue Bonds, Series 1997, dated January 28, 1997, issued to finance a part of the cost of certain additions, extensions, and improvements to the sewer facilities of the City. The Bonds are due in annual installments of \$18,000 to \$94,000 through January 1, 2037. Interest is at 4.5%. Net revenues from the related system and certain franchise and public service tax are pledged as collateral.

\$965,000

\$2,475,000 Water and Sewer Revenue Refunding Bonds, Series 2008, dated September 30, 2008, issued to refund certain bond issues. The bonds were purchased by Regions Bank and are to be repaid in semi-annual payments beginning April 1, 2009 ranging from \$97,435 to \$102,292 through April 1, 2026. Interest is at 4.14%. Net revenues from the related system and certain municipal excise taxes are pledged as collateral.

380,000

Total Bonds Payable

\$1,345,000

Total Business-Type Activity Notes and Revenue Bonds Payable

\$2,581,701

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 5 – NOTES AND REVENUE BONDS PAYABLE (concluded)

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

Year ending September 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 61,138	\$ 44,717	\$ 282,482	\$ 59,884
2026	48,000	42,465	313,572	49,434
2027	49,000	40,905	139,665	40,503
2028	51,000	39,313	141,838	37,540
2029	53,000	37,655	145,013	34,485
2030-2034	287,000	161,497	721,843	121,511
2035-2039	322,000	112,519	476,298	26,935
2040-2044	355,000	58,082	155,067	80
2045-2049	141,628	6,768	147,087	-
2050-2051	-	-	58,836	-
Total	<u>\$ 1,367,766</u>	<u>\$ 543,922</u>	<u>\$ 2,581,701</u>	<u>\$ 370,371</u>

NOTE 6 – LEASES

Business Type Activities

On December 2, 2021, the city entered into a lease agreement with the State of Florida Department of Children and Families (the State) for the purposes of establishment and operation of the water treatment storage and distribution facilities located at Northeast Florida State Hospital (NEFSH). The term of this lease is for a period of 50 years, commencing on December 2, 2021, and ending December 1, 2071. Upon termination or expiration of the lease, the premises are to be surrendered to the State. The City is required to provide NEFSH up to 7,500,000 gallons of potable water per month at no charge. In addition, a one-time lump sum payment of \$150,000 was required to be paid to the State. This payment is being reported as a right of use asset and is being amortized over the 50 years.

NOTE 7 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Department of Management Services, Division of Retirement, Research and Education Section, PO Box 9000, Tallahassee, Florida, 32315-9000, by calling (877) 377-1888, or website: http://www.dms.myflorida.com/workforce_operations/retirement/publications.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities,

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 7 – STATE OF FLORIDA PENSION PLANS (continued)

special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a non-qualified cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2024, retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$7.50. The payments are at least \$45 but not more than \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The City's contribution rates as of September 30, 2024, were as follows:

	FRS	HIS
Regular Class	11.63%	2.00%
Special Risk Class	30.79%	2.00%
Senior Management Service Class	32.52%	2.00%
Elected Officials	56.68%	2.00%
DROP from FRS	19.13%	2.00%

The City's contributions for the year ended September 30, 2024, were \$538,785 to the FRS and \$53,483 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2024, and the total pension liabilities used to calculate the net pension liability were determined by the plan's actuarial valuation dated July 1, 2024. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 7 – STATE OF FLORIDA PENSION PLANS (continued)

	FRS	HIS
Net pension liability	\$ 3,513,564	\$ 910,168
Proportion at:		
Current measurement date	0.009082568%	0.006067390%
Prior measurement date	0.008823001%	0.006220451%
Pension expense (benefit)	\$ 616,403	\$ 44,983

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 354,964	\$ -	\$ 8,788	\$ 1,748
Changes of assumptions	481,566	-	16,108	107,752
Net difference between projected and actual earnings on pension plan investments	-	233,530	-	329
Changes in proportion and differences between employer contributions and proportionate share of contributions	292,024	16,059	32,251	32,117
Employer contributions subsequent to measurement date	134,687	-	13,445	-
Total	\$ 1,263,241	\$ 249,589	\$ 70,592	\$ 141,946

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2024. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2025	\$ 24,771	\$ (9,354)
2026	669,339	(15,860)
2027	116,177	(23,190)
2028	32,147	(19,208)
2029	36,532	(13,341)
Thereafter	-	(3,847)
Total	\$ 878,966	\$ (84,800)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 7 – STATE OF FLORIDA PENSION PLANS (continued)

Actuarial Assumptions

The total pension liability for each cost-sharing defined benefit plan was measured as of June 30, 2024. The actuarial assumptions that determined the total pension liability for the FRS Pension Plan was determined by a valuation dated July 1, 2024. For the HIS Program, the actuarial assumptions that determined the total pension liability was determined by a valuation dated July 1, 2024. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.93%

Mortality assumptions for both plans were based on the PUB2010 with Scale MP-2021.

The FRS actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS plan.

The following changes in key actuarial assumptions occurred in 2024:

HIS: All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.

HIS: The coverage election assumptions were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its October 2024 meeting.

HIS: The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 7 – STATE OF FLORIDA PENSION PLANS (continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate (property)	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	<u>2.0%</u>	6.6%	6.2%	8.7%
	<u>100%</u>			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. A municipal bond rate of 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
Employer's proportionate share of the net pension liability	5.70%	6.70%	7.70%	2.93%	3.93%	4.93%
	\$ 6,180,237	\$ 3,513,564	\$ 1,279,661	\$ 1,036,109	\$ 910,168	\$ 805,616

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 7 – STATE OF FLORIDA PENSION PLANS (concluded)

401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2024, totaled \$76,005.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The City follows Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits provided by the City. The philosophy driving this accounting standard is that non-pension post employment benefits are part of the compensation paid to employees in return for their services, and the cost of these benefits should be recognized while the employees are providing those resources, rather than after they have retired.

Plan Description

The City offers postemployment medical and pharmacy insurance benefits to any employee who satisfies the normal retirement provisions of the applicable retirement plan (FRS). Former employees who retire from the City are eligible to participate in the City’s healthcare insurance benefits, a single-employer defined benefit plan.

According to the City’s Personnel Policy & Procedures, a regular/permanent full-time employee hired before July 1, 2011; after full retirement with at least ten years of full-time service who has obtained the required time of service for full retirement benefits (age of 62 or 30 years of service under regular class retirement or 25 years of service under special risk class retirement) can continue to participate in the City’s healthcare insurance benefits. Retirees are required to enroll in the Federal Medicare program for their primary health coverage as soon as they are eligible. The City does not issue a stand-alone annual report for the plan and it is not included in the annual report of a public employment retirement system or another entity. As of September 30, 2024, the latest actuarial valuation date, there were 42 active participants and 0 retirees participating in the plan.

Funding Policy

The City’s OPEB benefits are currently unfunded; there is no separate trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation, as it does for its pension plans. Therefore, the ultimate subsidies which are provided over time are financed directly by the general assets of the City. Although an actuarial valuation for OPEB was completed to measure current year’s subsidies and project future year subsidies, the City has not determined if a separate trust fund or equivalent arrangement will be established.

Annual OPEB Cost and Net OPEB Liability

The City’s net OPEB liability (NOL) is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the OPEB plan’s fiduciary net position as actuarially determined in accordance with the parameters of Governmental Accounting Standards Board Statement No. 75. The following table shows the City’s annual OPEB cost for the year, the amount actually contributed to the plans, and changes in the City’s net OPEB obligation:

	<u>Amount</u>
Prior measurement balance at 9/30/2023	\$ 75,869
Decrease in Net OPEB Liability	(20,914)
Net OPEB Liability at 9/30/2024	\$ 54,955

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (concluded)

Actuarial Methods and Assumptions

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial methods are:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Amortization Period	20 Years

Actuarial Methods and Assumptions (concluded)

Asset Valuation Method	Unfunded
Healthcare Cost Trend	Rates are expected to be 4.7% in year one decreasing to 4.2% in year 10 and forward for medical; 5.2% in year one decreasing to 4.2% in year 10 and forward for pharmacy; 3.5% in year one decreasing to 3.0% in year 10 and forward for dental; and 3.0% for all years for vision.
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 System.
Coverage Election	Assumed that 25% of eligible employees participate.
Bond yield & discount rate	3.00%
Projected salary increase	3.00%
MortalityPub-2010	Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

Funded Status and Funding Progress

No OPEB payments for the 2024 fiscal year were made. As of September 30, 2024, the most recent actuarial valuation report date, the actuarial value of assets was \$0, the covered payroll (annual payroll of active participating employees) was \$2,706,587 and the unfunded actuarial accrued liability as a percentage of covered payroll was 2.03%.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 9 – CONTINGENT LIABILITIES

The City is sometimes involved in litigation arising from the normal operations of a local government. It is the opinion of management that such litigation will not have a material financial impact on the financial statements of the City.

NOTE 10 – ALLOWANCE FOR UNCOLLECTIBLES

Accounts receivable have been reported in the funds net of allowance for uncollectibles. The allowance for uncollectibles is as follows:

General Fund	\$ 5,837
Enterprise Fund	<u>7,355</u>
Total	<u>\$ 13,192</u>

The allowance is based upon a moving average of the collection experience relating to these receivables.

NOTE 11 – DEFERRED INFLOWS OF RESOURCES

The City entered into an agreement with a residential property developer on March 28, 2006. This agreement allowed the developer to connect to City’s water and wastewater utility plants and pipes and to reserve sufficient capacity in the utility plant and the wastewater pipe associated with utility plant capacity. Upon execution of the contract, the developer paid \$1,022,175 for impact fees. As homes are constructed and connected to the utility system, revenue will be recognized. At September 30, 2024, twenty-four homes in the development were connected to the City utility system; unearned revenue at September 30, 2024 was \$916,025. In addition, an additional \$700,000 was paid by the developer for cost to increase the water and sewer line capacity to the subdivision. Of this amount, \$376,600 together with 6% interest for the two calendar years following the date of completion, was due back to the developer as additional users connect to the lines; the balance due of \$361,227 at September 30, 2024, is reflected in customer deposits.

NOTE 12 – SEGMENTS OF ENTERPRISE ACTIVITIES

The City provides services for water and sewer to its residents, which are financed by user charges. The City also maintains an Enterprise Fund relating to four homes, which the City rents to four tenants. Financial data for water and sewer services and the rental home fund is combined in these financial statements under the Enterprise Fund of the Proprietary Fund Type. Segment information reported for both funds is presented as supplementary information.

NOTE 13 – INTERFUND BALANCES

At September 30, 2024, interfund balances consisted of:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$266,943	\$ -
Enterprise Fund	<u>-</u>	<u>266,943</u>
Totals	<u>\$ 266,943</u>	<u>\$ 266,943</u>

The interfund balances resulted from the normal course of operations and should be paid within one year.

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 14 – RISK MANAGEMENT

Commercial Insurance

The City carries commercial insurance for general liability, auto liability, collision, property, inland marine and crime. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Public Entity Risk Pool

The City is exposed to a risk of loss related to workers' compensation. To manage this risk, the City joined a public entity risk pool (the "pool"). Premiums paid to the pool are designed to fund the risks assumed by the pool and are based on certain actual exposures of each member.

NOTE 15 – AMERICAN RESCUE PLAN ACT (ARPA) FUNDS

The ARPA was signed into law on March 11, 2021, to provide \$350 billion in additional funding for state and local governments. There are certain restrictions on how the City can utilize the funds. On September 29, 2021, the City received \$1,737,963 and on August 16, 2022, the City received additional funding from the ARPA in the amount of \$1,737,963. A portion of this funding is shown in the Enterprise Fund as unearned revenue in the amount of \$655,550.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 20, 2025, the date which the financial statements were available to be issued. There were no subsequent events determined to have occurred that would have a material effect on the fair presentation of the financial statements taken as a whole through the date of the report, June 20, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

	<u>BUDGETED AMOUNTS</u>		ACTUAL	VARIANCE WITH FINAL
<u>REVENUES</u>	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>BUDGET</u>
Taxes	\$ 3,274,774	\$ 3,274,774	\$ 3,543,736	\$ 268,962
Licenses and permits	102,500	102,500	91,284	(11,216)
Franchise fees	512,800	512,800	588,043	75,243
Intergovernmental	785,859	785,859	788,346	2,487
Charges for services	1,835,099	1,835,099	2,129,393	294,294
Fines and forfeitures	5,000	5,000	8,325	3,325
Miscellaneous revenues	17,500	17,500	172,864	155,364
TOTAL REVENUES	<u>6,533,532</u>	<u>6,533,532</u>	<u>7,321,991</u>	<u>788,459</u>
<u>EXPENDITURES</u>				
Current:				
General government	1,416,866	1,416,866	1,312,986	103,880
Public safety	2,507,915	2,507,915	2,157,753	350,162
Physical environment	1,465,577	1,465,577	1,375,457	90,120
Transportation	580,299	580,299	404,604	175,695
Culture and recreation	181,322	181,322	172,636	8,686
Capital outlay:				
General government	141,615	141,615	26,624	114,991
Public safety	314,712	314,712	205,012	109,700
Physical environment	5,000	5,000	35,015	(30,015)
Transportation	316,000	316,000	220,526	95,474
Culture and recreation	25,000	25,000	17,623	7,377
Debt service:				
Principal, Public safety	45,000	45,000	45,000	-
Interest expense, General government	-	-	-	-
Interest expense, Public safety	45,423	45,423	43,839	1,584
TOTAL EXPENDITURES	<u>7,044,729</u>	<u>7,044,729</u>	<u>6,017,075</u>	<u>1,027,654</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(511,197)	(511,197)	1,304,916	1,816,113
OTHER FINANCING SOURCES (USES)				
Interest revenue	2,000	2,000	-	(2,000)
Transfer in (out)	(1,212,750)	1,212,750	(82,189)	(1,294,939)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,210,750)</u>	<u>1,214,750</u>	<u>(82,189)</u>	<u>(1,296,939)</u>
NET CHANGE IN FUND BALANCE	(1,721,947)	703,553	1,222,727	519,174
FUND BALANCES, October 1, 2023	<u>9,241,406</u>	<u>9,241,406</u>	<u>9,241,406</u>	<u>-</u>
FUND BALANCES, September 30, 2024	<u>\$ 7,519,459</u>	<u>\$ 9,944,959</u>	<u>\$ 10,464,133</u>	<u>\$ 519,174</u>

Notes to Budgetary Comparison Schedules

The preparation, adoption, and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

The accompanying "Notes to financial statements" form an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FLORIDA RECREATION DEVELOPMENT ASSISTANCE PROGRAM -HERITAGE PARK
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Grant revenue	\$ 200,000	\$ 200,000	\$ 29,600	\$ (170,400)
TOTAL REVENUES	<u>200,000</u>	<u>200,000</u>	<u>29,600</u>	<u>(170,400)</u>
EXPENDITURES				
Capital outlay:				
Culture and recreation	<u>200,000</u>	<u>200,000</u>	<u>66,775</u>	<u>133,225</u>
TOTAL EXPENDITURES	<u>200,000</u>	<u>200,000</u>	<u>66,775</u>	<u>133,225</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(37,175)	(37,175)
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	<u>-</u>	<u>-</u>	<u>37,175</u>	<u>37,175</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>37,175</u>	<u>37,175</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCES, October 1, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, September 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Budgetary Comparison Schedules

The preparation, adoption, and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

The accompanying "Notes to financial statements" form an integral part of this statement.

OTHER POSTEMPLOYMENT BENEFITS
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

I. Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018
-Service Cost	\$ 3,358	\$ 3,741	\$ 3,261	\$ 3,402	\$ 3,040	\$ 234	\$ -
-Interest	2,377	2,332	1,668	1,590	1,942	168	1,417
-Effect of economic/demographic gains or losses	(26,649)	(4,208)	16,735	(2,233)	(1,642)	35,380	(35,610)
-Effect of assumptions, changes, or inputs	-	-	-	-	3,272	3,444	(147)
Net change in OPEB Liability	(20,914)	1,865	21,664	2,759	6,612	39,226	(34,340)
Total OPEB liability, beginning	75,869	74,004	52,340	49,581	42,969	3,743	38,083
Total OPEB liability, ending	<u>\$ 54,955</u>	<u>\$ 75,869</u>	<u>\$ 74,004</u>	<u>\$ 52,340</u>	<u>\$ 49,581</u>	<u>\$ 42,969</u>	<u>\$ 3,743</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%	0%
Covered employee payroll	\$ 2,706,587	\$ 2,407,350	\$ 2,329,146	\$ 2,208,812	\$ 2,032,996	\$ 2,051,994	\$ 1,993,816
City's net OPEB liability as a percentage of covered employee payroll	2.030%	3.152%	3.177%	2.370%	2.439%	2.094%	0.188%

II. Ten-year Trend Information

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net Ending OPEB Obligation	Covered Employee Payroll	Net OPEB Liability As Percentage of Covered Employee Payroll
9/30/2015	(9,881)	-	0.00%	208,664	1,621,439	12.867%
9/30/2016	(168,337)	-	0.00%	40,327	1,771,449	2.276%
9/30/2017	(1,722)	-	0.00%	38,605	1,191,935	3.234%
9/30/2018	(34,862)	-	0.00%	3,743	1,993,816	0.188%
9/30/2019	39,226	-	0.00%	42,969	2,051,994	2.094%
9/30/2020	6,612	-	0.00%	49,581	2,032,996	2.439%
9/30/2021	2,759	-	0.00%	52,340	2,208,812	2.370%
9/30/2022	21,664	-	0.00%	74,004	2,329,146	3.177%
9/30/2023	1,865	-	0.00%	75,869	2,407,350	3.152%
9/30/2024	(20,914)	-	0.00%	54,955	2,706,587	2.030%

III. Additional supplementary information

Valuation date	September 30, 2024
Alternate measurement method	Entry age normal
Amortization method	Level percentage of payroll
Asset valuation method	Unfunded
Discount rate utilized in the current valuation	3.00%
Projected salary increases	3.00%
Mortality basis	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

The accompanying "Notes to financial statements" form an integral part of this statement.

GOVERNMENTAL FUNDS
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS (1)
CITY OF MACCLENNY, FLORIDA

Florida Retirement System

Fiscal Year Ending September 30	Employer's Proportion of the FRS Net Pension Liability	Employer's Proportionate of the FRS Net Pension Liability	Employer's Covered Payroll (2)	Employer's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.00384674%	\$ 496,859	\$ 973,070	51.06%	61.64%
2016	0.00453600%	1,129,053	1,061,922	106.32%	56.86%
2017	0.00495943%	1,467,470	1,191,935	123.12%	56.21%
2018	0.00507342%	1,442,521	1,269,274	113.65%	56.45%
2019	0.00514661%	1,709,610	1,325,517	128.98%	54.53%
2020	0.00480585%	2,044,858	1,283,799	159.28%	51.31%
2021	0.00489778%	349,750	1,372,437	25.48%	62.08%
2022	0.00520631%	1,913,108	1,484,545	128.87%	54.50%
2023	0.00585779%	2,291,268	1,636,162	140.04%	54.69%
2024	0.00606455%	2,289,850	1,714,541	133.55%	55.89%

Health Insurance Subsidy Program

Fiscal Year Ending September 30	Employer's Proportion of the HIS Net Pension Liability	Employer's Proportionate of the HIS Net Pension Liability	Employer's Covered Payroll (2)	Employer's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.00323300%	\$ 327,102	\$ 973,070	33.62%	0.34%
2016	0.00342847%	390,181	1,061,922	36.74%	0.65%
2017	0.00374000%	357,294	1,191,935	29.98%	1.10%
2018	0.00388609%	374,646	1,269,274	29.52%	1.45%
2019	0.00396763%	413,415	1,325,517	31.19%	1.74%
2020	0.00369893%	427,307	1,283,799	33.28%	1.95%
2021	0.00387668%	450,957	1,372,437	32.86%	2.29%
2022	0.00407359%	401,952	1,484,545	27.08%	3.16%
2023	0.00412990%	622,186	1,636,162	38.03%	2.74%
2024	0.00405128%	570,344	1,714,541	33.27%	3.21%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

The accompanying "Notes to financial statements" form an integral part of this statement.

PROPRIETARY FUNDS
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS (1)
CITY OF MACCLENNY, FLORIDA

Florida Retirement System

Fiscal Year Ending September 30	Employer's Proportion of the FRS Net Pension Liability	Employer's Proportionate of the FRS Net Pension Liability	Employer's Covered Payroll (2)	Employer's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.00245939%	\$ 317,664	\$ 622,126	51.06%	30.36%
2016	0.00266400%	688,953	623,669	110.47%	28.02%
2017	0.00233385%	690,573	560,910	123.12%	27.68%
2018	0.00249885%	838,284	625,165	134.09%	27.81%
2019	0.00265128%	975,876	682,842	142.91%	28.09%
2020	0.00257882%	1,155,770	688,887	167.77%	27.54%
2021	0.00262815%	218,749	736,450	29.70%	34.32%
2022	0.00271161%	1,032,995	773,198	133.60%	28.39%
2023	0.00296521%	1,224,420	828,244	147.83%	27.69%
2024	0.00301802%	1,223,715	853,240	143.42%	27.81%

Health Insurance Subsidy Program

Fiscal Year Ending September 30	Employer's Proportion of the HIS Net Pension Liability	Employer's Proportionate of the HIS Net Pension Liability	Employer's Covered Payroll (2)	Employer's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.00206700%	\$ 209,131	\$ 622,126	33.62%	0.16%
2016	0.00203500%	246,178	623,669	39.47%	0.32%
2017	0.00174320%	230,702	560,910	41.13%	0.54%
2018	0.00191404%	239,248	625,165	38.27%	0.70%
2019	0.00204393%	259,219	682,842	37.96%	0.89%
2020	0.00198485%	266,674	688,887	38.71%	1.05%
2021	0.00208023%	279,748	736,450	37.99%	1.27%
2022	0.00139506%	254,224	773,198	32.88%	1.65%
2023	0.00138797%	365,706	828,244	44.15%	1.38%
2024	0.00134619%	339,821	853,240	39.83%	1.59%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

The accompanying "Notes to financial statements" form an integral part of this statement.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST 10 FISCAL YEARS

CITY OF MACCLENNY, FLORIDA

Florida Retirement System Pension Plan

Fiscal Year Ending September 30	Contractually Required FRS Contribution	FRS Contributions In Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	City's Covered Payroll (1)	FRS Contributions as a Percentage of Covered Payroll
2015	\$ 153,011	\$ (153,011)	\$ -	\$ 1,595,196	9.59%
2016	191,263	(191,263)	-	1,685,591	11.35%
2017	186,727	(186,727)	-	1,752,845	10.65%
2018	225,183	(225,183)	-	1,894,438	11.89%
2019	245,444	(245,444)	-	2,008,359	12.22%
2020	252,491	(252,491)	-	1,984,922	12.72%
2021	299,912	(299,912)	-	2,173,825	13.80%
2022	360,071	(360,071)	-	2,300,002	15.66%
2023	428,950	(428,950)	-	2,409,989	17.80%
2024	538,785	(538,785)	-	2,673,515	20.15%

Health Insurance Subsidy Pension Plan

Fiscal Year Ending September 30	Contractually Required HIS Contribution	HIS Contributions In Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	City's Covered Payroll (1)	HIS Contributions as a Percentage of Covered Payroll
2015	\$ 21,568	\$ (21,568)	\$ -	\$ 1,595,196	1.35%
2016	29,527	(29,527)	-	1,685,591	1.75%
2017	28,491	(28,491)	-	1,752,845	1.63%
2018	32,273	(32,273)	-	1,894,438	1.70%
2019	33,465	(33,465)	-	2,008,359	1.67%
2020	32,956	(32,956)	-	1,984,922	1.66%
2021	36,093	(36,093)	-	2,173,825	1.66%
2022	38,188	(38,188)	-	2,300,002	1.66%
2023	41,942	(41,942)	-	2,409,989	1.74%
2024	53,483	(53,483)	-	2,673,515	2.00%

Notes to schedules:

(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

The accompanying "Notes to financial statements" form an integral part of this statement.

SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

	COMMUNITY DEVELOPMENT BLOCK GRANT - COVID	Florida Recreation Development Assistance Program - Memorial Park	RURAL DEVELOPMENT COMMUNITY GRANT	Department of State Division of Historical Resources Special Category Grant	TOTAL NON- MAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash	\$ 4,500	\$ -	\$ -	\$ 27,790	\$ 32,290
Due from other agencies	42,150	9,600	-	39,890	91,640
TOTAL ASSETS	\$ 46,650	\$ 9,600	\$ -	\$ 67,680	\$ 123,930
LIABILITIES					
Accounts payable	\$ 4,500	\$ -	\$ -	\$ 27,790	\$ 32,290
Due to other funds	42,150	9,600	-	39,890	91,640
TOTAL LIABILITIES	46,650	9,600	-	67,680	123,930
FUND BALANCES					
Fund Balances:					
Restricted to:					
Impact fees	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,650	\$ 9,600	\$ -	\$ 67,680	\$ 123,930

The accompanying "Notes to financial statements" form an integral part of this statement.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

	COMMUNITY DEVELOPMENT BLOCK GRANT - COVID	Florida Recreation Development Assistance Program - Heritage Park	RURAL DEVELOPMENT COMMUNITY GRANT	Department of State Division of Historical Resources Special Category Grant	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<u>REVENUES</u>					
Grant revenue	\$ 14,400	\$ 9,600	\$ 14,964	\$ 39,890	\$ 78,854
TOTAL REVENUES	<u>14,400</u>	<u>9,600</u>	<u>14,964</u>	<u>39,890</u>	<u>78,854</u>
<u>EXPENDITURES</u>					
Capital outlay:	14,400	9,600	59,978	39,890	\$ 123,868
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Transportation	-	-	-	-	-
TOTAL EXPENDITURES	<u>14,400</u>	<u>9,600</u>	<u>59,978</u>	<u>39,890</u>	<u>123,868</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(45,014)</u>	<u>-</u>	<u>(45,014)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Interest income	-	-	-	-	-
Transfer in (out)	-	-	45,014	-	45,014
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>45,014</u>	<u>-</u>	<u>45,014</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, October 1, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, September 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying "Notes to financial statements" form an integral part of this statement.

COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE (ENTERPRISE FUND)
SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

	WATER AND SEWER UTILITY	RENTAL HOMES	COMBINED TOTAL
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Current assets:			
Cash and equivalents	\$ 2,635,841	\$ 311,615	\$ 2,947,456
Accounts receivable (net)	449,632	3,120	452,752
Accrued interest receivable	352	-	352
Due from other agencies	41,260	-	41,260
Inventories	106,358	-	106,358
Total current assets	<u>3,233,443</u>	<u>314,735</u>	<u>3,548,178</u>
Noncurrent assets:			
Restricted assets:			
Cash	3,915,416	750	3,916,166
Total cash and investments, restricted	<u>3,915,416</u>	<u>750</u>	<u>3,916,166</u>
Capital assets:			
Non-depreciable capital assets:			
Land	475,923	35,746	511,669
Construction in progress	3,887,818	-	3,887,818
Total non-depreciable capital assets	<u>4,363,741</u>	<u>35,746</u>	<u>4,399,487</u>
Depreciable capital assets:			
Buildings, improvements and infrastructure	26,171,097	277,527	26,448,624
Machinery and equipment	3,705,545	-	3,705,545
Right of use asset	150,000	-	150,000
Accumulated depreciation and amortization	<u>(17,922,520)</u>	<u>(258,189)</u>	<u>(18,180,709)</u>
Total depreciable assets net of accumulated depreciation	<u>12,104,122</u>	<u>19,338</u>	<u>12,123,460</u>
Total capital assets net of accumulated depreciation	<u>16,467,863</u>	<u>55,084</u>	<u>16,522,947</u>
Total noncurrent assets	<u>20,383,279</u>	<u>55,834</u>	<u>20,439,113</u>
Deferred outflows of resources:			
Net underwriter's discount	12,390	-	12,390
Deferred gain on early retirement	860	-	860
Change in pension assumptions	513,692	-	513,692
Total deferred outflow of resources	<u>526,942</u>	<u>-</u>	<u>526,942</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>24,143,664</u>	<u>370,569</u>	<u>24,514,233</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
Current liabilities:			
Accounts payable	802,903	72	802,975
Accrued interest payable	40,932	-	40,932
Accrued payroll payable	15,489	-	15,489
Due to other funds	266,943	-	266,943
Notes payable	41,482	-	41,482
Bonds payable	241,000	-	241,000
Net pension liabilities	1,075	-	1,075
Accrued compensated absences	85,041	-	85,041
Total current liabilities	<u>1,494,865</u>	<u>72</u>	<u>1,494,937</u>
Noncurrent liabilities:			
Customer deposits	745,768	750	746,518
Notes payable	1,195,220	-	1,195,220
Bonds payable	1,104,000	-	1,104,000
Net pension liabilities	1,562,461	-	1,562,461
Accrued compensated absences	46,843	-	46,843
Accrued insurance supplement	900	-	900
Accrued OPEB obligation	18,261	-	18,261
Total noncurrent liabilities	<u>4,673,453</u>	<u>750</u>	<u>4,674,203</u>
Deferred inflows of resources:			
Change in pension assumptions	185,991	-	185,991
Unearned revenues	1,571,575	-	1,571,575
Total deferred inflows of resources	<u>1,757,566</u>	<u>-</u>	<u>1,757,566</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>7,925,884</u>	<u>822</u>	<u>7,926,706</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	13,845,229	55,084	13,900,313
Restricted for water and sewer development	771,955	-	771,955
Unrestricted	1,600,596	314,663	1,915,259
TOTAL NET POSITION	<u>\$ 16,217,780</u>	<u>\$ 369,747</u>	<u>\$ 16,587,527</u>

The accompanying "Notes to financial statements" form an integral part of this statement.

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE (ENTERPRISE FUND)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

	WATER AND SEWER UTILITY	RENTAL HOMES	COMBINED TOTAL
OPERATING REVENUES			
Charges for services	\$ 3,432,231	\$ 24,000	\$ 3,456,231
TOTAL OPERATING REVENUES	3,432,231	24,000	3,456,231
OPERATING EXPENSES			
Personal services	1,463,948	-	1,463,948
Materials, supplies and other expenses	1,119,060	13,450	1,132,510
Depreciation	1,009,971	1,028	1,010,999
Amortization expense	1,583	-	1,583
TOTAL OPERATING EXPENSES	3,594,562	14,478	3,609,040
OPERATING INCOME (LOSS)	(162,331)	9,522	(152,809)
NONOPERATING REVENUES (EXPENSES)			
Utility tax	100,638	-	100,638
Grant revenue	2,313,849	-	2,313,849
Miscellaneous income	22,018	-	22,018
Interest income	184,581	-	184,581
Interest expense	(62,187)	-	(62,187)
TOTAL NONOPERATING REVENUES (EXPENSES)	2,558,899	-	2,558,899
Changes in net position	2,396,568	9,522	2,406,090
NET POSITION, October 1, 2023	13,821,212	360,225	14,181,437
NET POSITION, September 30, 2024	\$ 16,217,780	\$ 369,747	\$ 16,587,527

The accompanying "Notes to financial statements" form an integral part of this statement.

COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE (ENTERPRISE FUND)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

	WATER AND SEWER UTILITY	RENTAL HOMES	COMBINED TOTAL
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash received from customers	\$ 3,445,290	\$ 23,541	\$ 3,468,831
Cash payments to suppliers for goods and services	(321,377)	(13,378)	(334,755)
Cash payments to employees for services	(1,431,023)	-	(1,431,023)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,692,890	10,163	1,703,053
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisition of capital assets	(3,055,939)	-	(3,055,939)
Proceeds from capital grants	1,314,440	-	1,314,440
Proceeds from loans	246,830	-	246,830
Amounts due from other governmental agencies	(36,014)	-	(36,014)
Interest paid on long term debt	(69,932)	-	(69,932)
Principle paid on notes payable	(41,316)	-	(41,316)
Principle paid on bonds payable	(234,000)	-	(234,000)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,875,931)	-	(1,875,931)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	184,581	-	184,581
NET CASH PROVIDED BY INVESTING ACTIVITIES	184,581	-	184,581
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,540	10,163	11,703
CASH AND CASH EQUIVALENTS - October 1, 2023	6,549,717	302,202	6,851,919
CASH AND CASH EQUIVALENTS - September 30, 2024	\$ 6,551,257	\$ 312,365	\$ 6,863,622
CASH AND CASH EQUIVALENTS CLASSIFIED AS:			
Cash and cash equivalents - unrestricted	\$ 2,635,841	\$ 311,615	\$ 2,947,456
Cash and cash equivalents - restricted	3,915,416	750	3,916,166
TOTAL CASH AND CASH EQUIVALENTS CLASSIFIED	\$ 6,551,257	\$ 312,365	\$ 6,863,622
RECONCILIATION OF OPERATING INCOME (LOSS) TO			
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (162,331)	\$ 9,522	\$ (152,809)
Utility tax and miscellaneous nonoperating revenue	122,656	-	122,656
Adjustments to reconcile operating income (loss) to net cash provided			
by operating activities:			
Depreciation	1,009,971	1,028	1,010,999
Amortization	1,583	-	1,583
Change in assets and liabilities:			
Accounts receivable	(120,051)	(459)	(120,510)
Accounts payable	695,859	72	695,931
Accrued compensated absences	9,734	-	9,734
Due to other funds	104,576	-	104,576
Net pension liability	23,015	-	23,015
Net OPEB obligation and insurance supplement	(7,237)	-	(7,237)
Accrued payroll	7,412	-	7,412
Customer deposits	10,454	-	10,454
Inventory	(2,751)	-	(2,751)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,692,890	\$ 10,163	\$ 1,703,053

The accompanying "Notes to financial statements" form an integral part of this statement.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

<i>Grantor/Program or Cluster Title</i>	<i>CFDA or CSFA Number</i>	<i>Pass-through Number</i>	<i>Name of Grant</i>	<i>Total Expenditures</i>
<i>Federal Awards</i>				
<i>United States Department of Agriculture Rural Development</i>				
Community Facilities Loans and Grants				
Fire Department Equipment	10.766	N/A		\$ 14,964
<i>Total United States Department of Agriculture Rural Development</i>				<u>14,964</u>
<i>United States Department of Housing and Urban Development</i>				
Passed through Florida Department of Commerce				
Small Cities Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	22DB-OP-04-12-02-N15	Neighborhood Revitalization Funding	331,473
Small Cities Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	DBF20 22CV-S32	CDBG CV Grant	14,400
<i>Total Florida Department of Commerce</i>				<u>345,873</u>
<i>United States Department of Treasury</i>				
Passed through Florida Department of Emergency Management				
Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan Act)	21.027	Y5194	America Rescue Plan Act	906,534
<i>Total United States Department of Treasury</i>				<u>906,534</u>
<i>Total Expenditures of Federal Awards</i>				<u>\$ 1,267,371</u>
<i>State Financial Assistance</i>				
<i>Florida Department of Environmental Protection</i>				
Florida Recreation Development Assistance Program	37.017	Line Item No. 1796, GAA, FY 2023-2024	A2426 - Heritage Park	\$ 29,600
Florida Recreation Development Assistance Program	37.017	Line Item No. 1796, GAA, FY 2023-2024	A2438 - Memorial Park	9,600
Statewide Water Quality Restoration Projects	37.039	LPA05070	Legislative Appropriation NEFSH	88,520
Wastewater Treatment Facility Construction - Water Restoration Assistance	37.077	CS-12000119-1	Capitalization Grants for Clean Water State Revolving Funds	1,356,930
<i>Total Florida Department of Environmental Protection</i>				<u>1,484,650</u>
<i>Florida Department of State</i>				
Acquisition, Restoration of Historic Properties	45.032	24.h.sc.100.087	Burnsd Block House Restoration	39,890
<i>Total Florida Department of State</i>				<u>39,890</u>
<i>Total Expenditures of State Financial Assistance</i>				<u>\$ 1,524,540</u>

The accompanying "Notes to financial statements" form an integral part of this statement.

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state award activity of the City of Macclenny (the City) for the fiscal year ended September 30, 2024. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The schedule is presented using the modified accrual basis of accounting for grants which are accounted for in governmental funds and on the accrual basis of accounting for grants which are accounted for in the proprietary funds. Such expenditures are recognized following the cost principles in the Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Chapter 10.650 *Rules of the Auditor General*, and the Florida Single Audit Act wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in the schedule is presented in accordance with the Uniform Guidance and Audits of States, Local Governments, and Non-Profit Organizations; therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the City's financial statements.

NOTE 3 – INDIRECT COST

Title 2, Section 200.414(f) of the Code of Federal Regulations (CFR) allows certain non-federal agencies that never received a negotiated federal indirect cost rate to instead use the 10% de minimis indirect cost rate to recover allowable indirect costs for federal grants and cooperative agreements. If the agency elects to use the 10% de minimis indirect cost rate, the agency must continue to use the 10% de minimis indirect cost rate for all federal awards until the agency negotiates a cost rate. The City has not elected to use the 10% de minimis indirect cost rate.

ADDITIONAL ELEMENTS REQUIRED
BY THE
RULES OF THE AUDITOR GENERAL

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Mayor and
Members of the City Commission
City of Macclenny, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Macclenny, Florida (the City), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 20, 2025.

Auditors' Responsibility

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

Other Reports and Schedule

We have issued our 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*; 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 schedules, which are dated June 20, 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. Corrective actions have been taken to address findings and recommendations made in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)1., *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. This information is disclosed within the City's notes to the financial statements.

Financial Condition

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 has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.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 conditions, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same. The application of such procedures did not reveal evidence of "deteriorating financial condition."

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 noted item 2024-001 in the accompanying Schedule of Findings.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554 (1)(i)6.a., *Rules of the Auditor General*, the City is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. There was no PACE Program operating within the City's geographical boundaries.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that have occurred, or is 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 Mayor and members of the City Commissioners and management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to express our appreciation for the courtesies, which have once again, been extended to our staff. We have sincerely enjoyed our association with the City and look forward to a continuing relationship. If you have any questions or comments concerning this letter, our accompanying reports, or any other matters, please do not hesitate to contact us.



June 20, 2025
Macclenny, Florida

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

To the Honorable Mayor and
Members of the City Commission
City of Macclenny, 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 and the Florida Department of Financial Services' *State Projects Compliance Supplement*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Macclenny, 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 and have issued our report thereon dated June 20, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Macclenny, Florida's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 20, 2025
Macclenny, Florida

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Honorable Mayor and
Members of the City Commission
City of Macclenny, Florida

Report on Compliance for the Major Federal Project and Major State Project

Opinion on the Major Federal Program and State Project

We have audited the City of Macclenny's (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on the City's major federal program and state project for the year ended September 30, 2024. The City's major federal program and state project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and major state project for the year ended September 30, 2024.

Basis for Opinion on the Major Federal Program and Major 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; 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 the audit requirements of Chapter 10.550, *Rules of the Auditor General*. 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 the major federal program and major state project. Our audit does not provide a legal determination of 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 program and state project.

Auditors' 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

Members of American and Florida Institutes of Certified Public Accountants

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 judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program and the major 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, *Rules of the Auditor General* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks 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 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 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*, but not for the purpose of expressing an opinion on the effectiveness of 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, the 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.

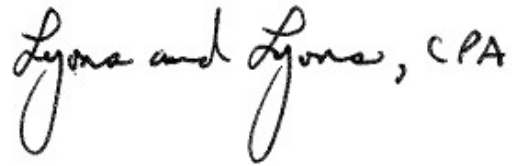
Report on Internal Control over Compliance

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 or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 or state project 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 the 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit 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, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Lyons and Lyons, CPA". The signature is written in black ink and is positioned above the typed name of the firm.

Lyons & Lyons, CPA's
Macclenny, FL
June 20, 2025

LYONS AND LYONS

CERTIFIED PUBLIC ACCOUNTANTS

106 West Boulevard
Macclenny, Florida 32063

Telephone (904) 259-4307
Fax (904) 259-5102

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES, SECTION 218.415, FLORIDA STATUTES

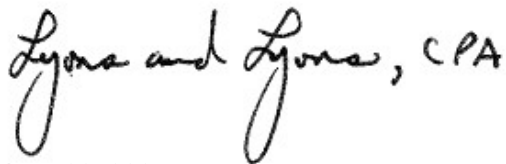
To the Honorable Mayor and
Members of the City Commission
City of Macclenny, Florida

We have examined the City of Macclenny, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2024. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2024.

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



June 20, 2025
Macclenny, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

PART 1 – SUMMARY OF AUDITOR’S RESULTS

- (i) The independent auditor’s report on the financial statements expressed an unmodified opinion on the financial statements.
- (ii) The audit disclosed a deficiency in internal control over financial reporting that was considered to be a material weakness.
- (iii) The audit did not disclose any noncompliance considered material to the financial statements.
- (iv) The audit did not disclose material weaknesses or report significant deficiencies for the major State project.
- (v) The auditor’s report on compliance with requirements applicable to the major federal program and state project expressed an unmodified opinion.
- (vi) The audit did not disclose findings relative to the major federal program or major state project.
- (vii) The City’s major federal program and major state project were

<u>Federal Program</u>	<u>CFDA Number</u>
Coronavirus State and Local Fiscal Recovery funds (American Rescue Plan Act)	21.027

<u>State Project</u>	<u>CSFA Number</u>
Wastewater Treatment Facilities Construction - Water Restoration Assistance	37.017

- (viii) A threshold of \$750,000 and \$457,362 was used to distinguish between Type A and Type B programs for federal programs and state projects, respectively.
- (ix) The City did not qualify as a high-risk audit as the term is described in Uniform Guidance.

PART II – FINANCIAL STATEMENT FINDINGS

2024-001 **Criteria** – Management is responsible for establishing and maintaining effective internal control over financial reporting and presenting financial statements in accordance with generally accepted accounting principles.

Condition – Statements of Auditing Standards No. 115, Communicating Internal Control Related Matters Identified in an Audit, requires auditors to prepare written communication if they identify misstatements during the audit process or if it was necessary to assist with the preparation of the financial statements. As part of the audit process, we proposed material adjustments to the City’s financial statements. It was also necessary for us to assist with the preparation of the financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

Cause – The City has a limited number of personnel necessary to handle all the year-end material adjustments to the financial accounts. This results in the risk of the financial statements to be materially inaccurate.

Effect – The lack of preparation of the year-end closing adjustments to the financial accounts can lead to inaccuracies, errors, and irregularities.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2024
CITY OF MACCLENNY, FLORIDA

PART II – FINANCIAL STATEMENT FINDINGS (concluded)

Recommendation – We recommend that you consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process. By improving the financial reporting process, the City will have an enhanced ability to monitor its financial position on an ongoing basis.

PART III – FEDERAL PROGRAM AND STATE PROJECT FINDINGS AND QUESTIONED COSTS

There were no findings relative to the major federal program or major state project.



118 East Macclenny Avenue
Macclenny, Florida 32063
Tel: 904.259.6261

June 20, 2025

Sherrill F. Norman, CPA
Auditor General
111 W Madison Avenue
Tallahassee, FL 32399-1450

Dear Madam:

In reply to the audit finding of the City of Macclenny's financial statements for the fiscal year ending September 30, 2024, please find below corrective action on the finding which will be implemented by appropriate staff and me:

Current Audit Finding 2024-001

Criteria – Management is responsible for establishing and maintaining effective internal control over financial reporting and presenting financial statements in accordance with generally accepted accounting principles.

Condition – Statements of Auditing Standards No. 115, Communicating Internal Control Related Matters Identified in an Audit requires auditors to prepare written communication if they identify misstatements during the audit process or if it was necessary to assist with the preparation of the financial statements. As part of the audit process, we proposed material adjustments to the City's financial statements. It was also necessary for us to assist with the preparation of the financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

Corrective Action Plan

We continue to recognize this is an ongoing weakness common for small agencies. We will consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process. By improving the financial reporting process, the City will have an enhanced ability to monitor its financial position on an ongoing basis.

If you should have questions and need additional information, please feel free to contact me.

Sincerely,

Mike Griffis
City Manager