

**CITY OF WALDO, FLORIDA**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended September 30, 2024**

**CITY OF WALDO, FLORIDA**  
**ANNUAL FINANCIAL REPORT**  
For the Fiscal Year Ended September 30, 2024  
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## **INTRODUCTORY SECTION**

**CITY OF WALDO, FLORIDA  
LIST OF PRINCIPAL OFFICIALS  
September 30, 2024**

**MAYOR**

Louie Davis

**CITY COUNCIL**

Carolyn Wade,  
Council Chairman

Monique Taylor

Shannon Boal

Glen Johnson

Rick Pisano

**CITY CLERK/MANAGER**

Kim Worley

**CITY ATTORNEY**

William E. Sexton, PA.

## **FINANCIAL SECTION**



## Powell and Jones CPA

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

### INDEPENDENT AUDITOR'S REPORT

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

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Waldo, Florida, (the City) as of and for the year ended September 30, 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, and each major fund 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 issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

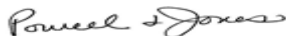
#### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**POWELL AND JONES, CPA**  
Lake City, Florida  
June 20, 2025

**CITY OF WALDO, FLORIDA**  
**Management's Discussion and Analysis**

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

**Report Layout**

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

***Basic Financial Statements***

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

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

**City as a Whole**

*Government-wide Financial Statements*

A condensed version of the Statement of Net Position follows:

**Net Position at September 30, 2024 and 2023**

	Governmental	Business-type	Total Government	
	Activities	Activities	2024	2023
<b>Assets</b>				
Cash and investments	\$ 2,227,102	\$ 1,119,414	\$ 3,346,516	\$ 3,306,813
Other assets	77,342	100,162	177,504	163,037
Internal balances	234,003	(234,003)	-	
Capital assets, net	1,964,695	6,133,510	8,098,205	8,144,529
<b>Total assets</b>	<b>4,503,142</b>	<b>7,119,083</b>	<b>11,622,225</b>	<b>11,614,379</b>
<b>Liabilities</b>				
Current liabilities	113,636	146,825	260,461	610,367
Long-term liabilities	16,513	1,926,770	1,943,283	2,018,185
<b>Total liabilities</b>	<b>130,149</b>	<b>2,073,595</b>	<b>2,203,744</b>	<b>2,628,552</b>
<b>Net position</b>				
Net investment in capital assets	1,964,695	4,167,510	6,132,205	6,121,529
Restricted	282,327	131,454	413,781	107,397
Unrestricted	2,125,971	746,524	2,872,496	2,756,901
<b>Total net position</b>	<b>\$ 4,372,993</b>	<b>\$ 5,045,488</b>	<b>\$ 9,418,481</b>	<b>\$ 8,985,827</b>

65% of the City's net position reflect its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted assets of \$413,781 consist of earmarked funds as reserves for debt service and police training. The remaining balance of unrestricted net position \$2,872,496 may be used to meet the City's ongoing obligations to citizens and creditors.

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

A condensed version of the Statement of Activities follows:

**Change in Net Position  
For the Fiscal Years ended September 30, 2024 and 2023**

	Governmental	Business-type	Total Government	
	Activities	Activities	2024	2023
<b>Revenues</b>				
<b>Program revenues</b>				
Charges for services	\$ 73,121	\$ 727,317	\$ 800,438	\$ 740,526
Grants and contributions	332,431	-	332,431	239,669
<b>General revenues</b>				
Taxes	569,562	-	569,562	528,999
Franchise fees	79,491	-	79,491	77,673
Fines and forfeitures	11,989	-	11,989	11,012
Licenses	18,860	-	18,860	19,509
State shared revenues	110,883	-	110,883	114,190
Interest and other	26,650	84,789	111,439	53,618
Interfund transfers	(271,198)	271,198	-	-
<b>Total revenues</b>	<b>951,789</b>	<b>1,083,304</b>	<b>2,035,093</b>	<b>1,785,196</b>
<b>Expenses</b>				
General government	567,873	-	567,873	401,635
Transportation	182,692	-	182,692	187,378
Culture/recreation	75,722	-	75,722	82,876
Interest on long-term debt	-	42,968	42,968	44,136
Water, sewer, and garbage services	-	733,184	733,184	705,150
<b>Total expenses</b>	<b>826,287</b>	<b>776,152</b>	<b>1,602,439</b>	<b>1,421,175</b>
<b>Change in net position</b>	<b>125,502</b>	<b>307,152</b>	<b>432,654</b>	<b>364,021</b>
<b>Beginning net position</b>	<b>4,247,491</b>	<b>4,738,336</b>	<b>8,985,827</b>	<b>8,621,806</b>
<b>Ending net position</b>	<b>\$ 4,372,993</b>	<b>\$ 5,045,488</b>	<b>\$ 9,418,481</b>	<b>\$ 8,985,827</b>

Governmental activities:

Taxes provided 60% of the revenues for Governmental Activities, state shared revenues provided 12%, while Grants and Contributions provided 35%. Most of the Governmental Activities resources are spent for, General Government (69%), Transportation (22%), and Culture/recreation (9%).

Business-type activities:

Business-type activities increased the City's net position by \$307,152.

## Budgetary Highlights

In the General Fund actual revenue amounts were more than budgeted amounts by \$377,065, and budgeted expenditures amounts were less than actual expenditures by \$70,000.

## Capital Assets and Debt Administration

### Capital Assets

At September 30, 2024, the City had \$8.1 million invested in capital assets, including park and recreation facilities, buildings, roads, bridges and water and sewer facilities.

### Capital Assets at September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Not being depreciated:						
Land	\$ 54,724	\$ 54,724	\$ 36,453	\$ 36,453	\$ 91,177	\$ 91,177
CIP	-	-	274,254	-	274,254	-
Being depreciated:						
Buildings and improvements	2,642,832	2,566,704	9,192,345	9,173,145	11,835,177	11,739,849
Equipment	585,003	543,735	293,692	234,021	878,695	777,756
Vehicles	35,600	35,600	-	-	35,600	35,600
Subtotal	3,318,159	3,200,763	9,796,744	9,443,619	13,114,903	12,644,382
Accumulated depreciation	(1,353,464)	(1,083,107)	(3,663,234)	(3,201,719)	(5,016,697)	(4,284,826)
Capital assets, net	<u>\$ 1,964,695</u>	<u>\$ 2,117,656</u>	<u>\$ 6,133,510</u>	<u>\$ 6,241,900</u>	<u>\$ 8,098,206</u>	<u>\$ 8,359,556</u>

There was an increase in capital assets due to equipment purchases and construction in progress for new booster pumps during the year.

### Debt Outstanding

At year-end, the City had \$2,006,336 in debt outstanding versus \$2,082,040 last year, a decrease of \$75,704.

### Debt Outstanding at September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Bonds payable	\$ -	\$ -	\$ 1,966,000	\$ 2,023,000	\$ 1,966,000	\$ 2,023,000
Compensated absences	19,427	32,368	20,909	26,672	40,336	59,040
Total	<u>\$ 19,427</u>	<u>\$ 32,368</u>	<u>\$ 1,986,909</u>	<u>\$ 2,049,672</u>	<u>\$ 2,006,336</u>	<u>\$ 2,082,040</u>

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

## **OTHER FINANCIAL INFORMATION**

### **Economic Factors and Rates**

- The current unemployment rate for the City was 3.40%, which is the approximate Alachua County rate.
- The population of the City in 2024 is estimated to be 818 by demographic services.
- The City's ad valorem tax rate for 2024 was 6.4000 mills, which was consistent with the 2023 rate of 6.4000 mills.

### **Financial Contact**

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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WALDO, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	\$ 1,944,775	\$ 842,779	\$ 2,787,554
Accounts receivable	40,533	100,080	140,613
Prepaid expenses	36,809	-	36,809
Internal balances	234,003	(234,003)	-
Due from other governmental units	-	82	82
<b>Total current assets</b>	<b>2,256,120</b>	<b>708,938</b>	<b>2,965,058</b>
<b>Restricted assets</b>			
Cash	282,327	145,181	427,508
Investments	-	131,454	131,454
<b>Total restricted assets</b>	<b>282,327</b>	<b>276,635</b>	<b>558,962</b>
<b>Capital assets</b>			
Land	54,724	36,453	91,177
Depreciable capital assets, net	1,909,971	5,822,803	7,732,774
<b>Total capital assets</b>	<b>1,964,695</b>	<b>6,133,510</b>	<b>8,098,205</b>
<b>Total assets</b>	<b>\$ 4,503,142</b>	<b>\$ 7,119,083</b>	<b>\$ 11,622,225</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued liabilities	\$ 1,411	\$ 4,933	\$ 6,344
Accounts payable	37,723	8,338	46,061
Unearned revenue	71,338	-	71,338
Rental deposits	250	-	250
Due to other funds	-	-	-
Compensated absences, current portion	2,914	3,136	6,050
Accrued interest payable	-	3,774	3,774
Due to other governmental units, current portion	-	-	-
Due to other funds	-	-	-
Bonds payable, current portion	-	57,000	57,000
Deposits	-	69,644	69,644
<b>Total current liabilities</b>	<b>113,636</b>	<b>146,825</b>	<b>260,461</b>

(continued)

See notes to the financial statements

**CITY OF WALDO, FLORIDA  
STATEMENT OF NET POSITION  
September 30, 2024**

Long-term liabilities			
Bonds payable, net of current portion	-	1,909,000	1,909,000
Compensated absences, net of current portion	<u>16,513</u>	<u>17,770</u>	<u>34,283</u>
Total long-term liabilities	<u>16,513</u>	<u>1,926,770</u>	<u>1,943,283</u>
Total liabilities	<u>130,149</u>	<u>2,073,595</u>	<u>2,203,744</u>
 <b>NET POSITION</b>			
Net investment in capital assets	1,964,695	4,167,510	6,132,205
Restricted for:			
Debt service	-	131,454	131,454
Transportation Infrastructure	198,428	-	198,428
Wildspaces	83,899	-	83,899
Unrestricted	<u>2,125,971</u>	<u>746,524</u>	<u>2,872,496</u>
Total net position	<u>\$ 4,372,993</u>	<u>\$ 5,045,488</u>	<u>\$ 9,418,481</u>

See notes to the financial statements



**CITY OF WALDO, FLORIDA  
GOVERNMENTAL FUND  
BALANCE SHEET  
September 30, 2024**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 1,944,775
Accounts receivable	40,533
Due from other funds	234,003
Restricted cash	282,327
Prepaid expenses	36,809
<b>Total assets</b>	<b>2,538,447</b>
 <b>LIABILITIES</b>	
Accrued liabilities	\$ 1,411
Accounts payable	37,723
Unearned revenue	71,338
Rental deposits	250
<b>Total liabilities</b>	<b>110,722</b>
 <b>FUND BALANCES</b>	
Non-spendable - prepaids	36,809
Restricted - transportation infrastructure	198,428
Restricted - wildspaces	83,899
Unassigned	2,108,589
<b>Total fund balances</b>	<b>2,427,725</b>

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,964,695
Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.	(19,427)
<b>Net position of governmental activities</b>	<b>\$ 4,372,993</b>

See notes to the financial statements

**CITY OF WALDO, FLORIDA  
GOVERNMENTAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended September 30, 2024**

	<u>General Fund</u>
<b>REVENUES</b>	
Taxes	\$ 569,562
Licenses and permits	18,860
Intergovernmental	443,314
Charges for services	73,121
Fines and forfeitures	11,989
Utility franchise fees	79,491
Miscellaneous	26,650
<b>Total revenues</b>	<b>1,222,987</b>
 <b>EXPENDITURES</b>	
<b>Current expenditures</b>	
General government	368,947
Transportation	170,914
Culture/recreation	29,010
<b>Capital outlay</b>	
General government	89,449
Culture/recreation	27,947
<b>Total expenditures</b>	<b>686,267</b>
 <b>Excess of revenues over expenditures</b>	<b>536,720</b>
 <b>OTHER FINANCING SOURCES</b>	
Interfund transfers	(271,198)
<b>Total other financing sources</b>	<b>(271,198)</b>
 <b>Net change in fund balance</b>	<b>265,522</b>
<b>Fund balance at beginning of year</b>	<b>2,162,203</b>
<b>Fund balance at end of year</b>	<b>\$ 2,427,725</b>

See notes to the financial statements

**CITY OF WALDO, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended September 30, 2024**

Net change in fund balance - total governmental funds		\$ 265,522
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	117,396	
Less current year depreciation	<u>(270,357)</u>	
		(152,961)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.		
Net change in compensated absences		<u>12,941</u>
Change in net position of governmental activities		<u><u>\$ 125,502</u></u>

See notes to the financial statements

**CITY OF WALDO, FLORIDA  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 September 30, 2024**

	<u>Enterprise Fund</u>
<b>ASSETS</b>	
Current assets	
Cash	\$ 842,779
Accounts receivable	100,080
Due from other governments	82
Total current assets	942,941
Restricted assets	
Cash	145,181
Investments	131,454
Total restricted assets	276,635
Capital assets	
Not being depreciated:	
Land	36,453
Being depreciated:	
Property and equipment	9,486,037
Accumulated depreciation	(3,663,234)
Total capital assets	6,133,510
Total assets	\$ 7,353,086

**LIABILITIES AND NET POSITION**

**LIABILITIES**

Current liabilities (payable from current assets)	
Accounts payable	\$ 8,338
Payroll liabilities	4,933
Due to other funds	234,003
Compensated absences	3,136
Total current liabilities (payable from current assets)	250,410
Current liabilities (payable from restricted assets)	
Accrued interest payable	3,774
Bonds payable, current portion	57,000
Deposits	69,644
Total current liabilities (payable from restricted assets)	130,418
Long-term liabilities	
Compensated absences, net of current portion	17,770
Bonds payable, net of current portion	1,909,000
Total long-term liabilities	1,926,770
Total liabilities	2,307,598

(continued)

See notes to financial statements

**CITY OF WALDO  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
(CONCLUDED)  
SEPTEMBER 30, 2024**

**NET POSITION**

Net investment in capital assets	4,167,510
Restricted, debt service	131,454
Unrestricted	746,524
Total net position	<u>5,045,488</u>
Total liabilities and net position	<u>\$ 7,353,086</u>

See notes to financial statements

**CITY OF WALDO, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**For the Fiscal Year Ended September 30, 2024**

<b>OPERATING REVENUES</b>	<u>Enterprise Fund</u>
Physical environment	
Water utility revenue	\$ 255,315
Garbage/solid waste revenue	119,197
Sewer revenue	352,805
Late charges	15,508
Other revenue	34,175
Total operating revenues	<u>777,000</u>
<b>OPERATING EXPENSES</b>	
Water services	
Personnel services	70,372
Operating expenses	88,836
Depreciation	35,334
Total water services	<u>194,542</u>
Sewer services	
Personnel services	105,558
Operating expenses	132,491
Depreciation	211,155
Total sewer services	<u>449,204</u>
Solid waste services	
Contractual services	89,438
Total solid waste services	<u>89,438</u>
Total operating expenses	<u>733,184</u>
Operating income (loss)	<u>43,816</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest earnings	35,106
Interest expense	(42,968)
Transfers	271,198
Total nonoperating revenues (expenses)	<u>263,336</u>
Net gain	307,152
Net position at beginning of year	4,738,336
Net position at end of year	<u>\$ 5,045,488</u>

See notes to financial statements

**CITY OF WALDO, FLORIDA**  
**PROPRIETARY FUND**  
**STATEMENT OF CASH FLOWS**  
For the Fiscal Year Ended September 30, 2024

	<b>Enterprise Fund</b>
Cash flows from operating activities	
Cash received from customers	\$ 760,409
Cash paid to employees and benefits	(344,013)
Cash paid to suppliers	(176,762)
Net cash provided by (used in) operating activities	239,634
 Cash flow from non-capital financing activities	
Transfers from other funds	392,708
Net cash provided by (used in) non-capital financing activities	392,708
 Cash flows from capital related financing activities:	
Acquisition of fixed assets	(353,125)
Proceeds from capital grants	(82)
Interest payments on debt	(7,862)
Principal payments on debt	(57,000)
Net cash provided by (used in) capital and related financing activities	(418,069)
 Cash flows from investing activities	
Increase in investments	(22,723)
Net cash provided by (used in) investing activities	(22,723)
 Net increase in cash	191,550
 Cash and cash equivalents at beginning of year	651,229
Cash and cash equivalents at end of year	\$ 842,779
 Cash as shown in financial statements	
Cash	\$ 842,779
Restricted cash	145,181
Restricted investments	131,454
	\$ 1,119,414

See notes to the financial statements

**CITY OF WALDO, FLORIDA  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 RECONCILIATION OF OPERATING INCOME TO NET CASH  
 USED IN OPERATING ACTIVITIES  
 For the Fiscal Year Ended September 30, 2024**

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	<u>Enterprise Fund</u>
Operating income (loss)	<u>\$ 43,816</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	<u>246,489</u>
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable, net	(20,786)
Increase (decrease) in liabilities:	
Accounts payable	(33,247)
Customer deposits	4,195
Payroll liabilities	4,933
Accrued compensated absences	<u>(5,766)</u>
Total adjustments	<u>195,818</u>
Net cash provided by operating activities	<u>\$ 239,634</u>

See notes to the financial statements

**CITY OF WALDO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2024

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

The financial statements of the City of Waldo (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB Statement 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

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

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

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

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

## **1. Government-wide Financial Statements**

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

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

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

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

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

## **2. Fund Financial Statements**

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

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

**Governmental Funds** - Governmental fund financial statements are reported using the current

financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the City.

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

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

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

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

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

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

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

long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

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

**1. Governmental Fund:**

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

**2. Proprietary Fund:**

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

**Non-current Governmental Assets/Liabilities:**

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

**D. Assets, Liabilities and Net Position or Equity**

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

**2. Allowance for Doubtful Accounts** - As applicable year-to-year, the City provides an allowance for Enterprise Fund accounts receivable that may become uncollectible. At September 30, 2024, there were no amounts exceeding 180 days, therefore no allowance for doubtful accounts was reported. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2024.

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

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

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

**5. Restricted Assets** - Certain proceeds of enterprise fund revenue bonds, as well as certain

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

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

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

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

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

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

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

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

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

**11. Fund Balances/Net Position**

**A. Governmental Funds**

As of September 30, 2024, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned – all other spendable amounts.

As of September 30, 2024, fund balances are composed of the following:

	<u>Amount</u>
Non-spendable prepaids	\$ 36,809
Restricted - transportation infrastructure	198,428
Restricted - wildspaces	83,899
Unassigned	2,108,589
	<u>\$ 2,427,725</u>

When an expenditure is incurred for purposes to which both restricted and unrestricted fund balance is available, the City considered restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been

spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

**B. Proprietary Funds**

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

As of September 30, 2024, net position is composed of the following:

	<u>Amount</u>
Net investment in capital assets	\$ 4,167,510
Restricted for debt service	131,454
Unrestricted	<u>746,524</u>
	<u>\$ 5,045,488</u>

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

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

“Total fund balances” of the City’s governmental funds \$2,427,725 differs from “net position” of governmental activities 4,372,993 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Capital related items

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

Cost of capital assets	\$ 3,318,159
Accumulated depreciation	<u>(1,353,464)</u>
Total	<u>\$ 1,964,695</u>

Long-term debt transactions

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2024, were:

Accrued compensated absences	<u>\$ (19,427)</u>
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**CITY OF WALDO, FLORIDA**

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

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

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Statement of Net Position
<b>ASSETS</b>				
Cash and investments	\$ 2,227,102	\$ -	\$ -	\$ 2,227,102
Accounts receivable	40,533	-	-	40,533
Due from other funds	234,003	-	-	234,003
Prepaid expenses	36,809	-	-	36,809
Capital assets - net	-	1,964,695	-	1,964,695
<b>Total assets</b>	<b>\$ 2,538,447</b>	<b>\$ 1,964,695</b>	<b>\$ -</b>	<b>\$ 4,503,142</b>
<b>LIABILITIES AND FUND BALANES</b>				
<b>Liabilities</b>				
Accrued liabilities	\$ 1,411	\$ -	\$ -	\$ 1,411
Accounts payable	37,723	-	-	37,723
Unearned revenue	71,338	-	-	71,338
Rental deposits	250	-	-	250
Compensated absences	-	-	19,427	19,427
<b>Total liabilities</b>	<b>110,722</b>	<b>-</b>	<b>19,427</b>	<b>130,149</b>
<b>Fund balance/net position</b>	<b>2,427,725</b>	<b>1,964,695</b>	<b>(19,427)</b>	<b>4,372,993</b>
<b>Total liabilities and fund balances/net position</b>	<b>\$ 2,538,447</b>	<b>\$ 1,964,695</b>	<b>\$ -</b>	<b>\$ 4,503,142</b>

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

The net change in fund balances for governmental funds of \$265,522 differs from the change in net position for governmental \$125,502 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

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

Capital outlay	\$ 117,396
Depreciation expense	<u>(270,357)</u>
Total	<u>\$ (152,961)</u>

**Long-term debt transactions**

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

Decrease in accrued compensated absences	<u>\$ 12,941</u>
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**CITY OF WALDO, FLORIDA**

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

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

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Statement of Activities
<b>REVENUES</b>				
Taxes	\$ 569,562	\$ -	\$ -	\$ 569,562
Franchise fees	79,491	-	-	79,491
Licenses and permits	18,860	-	-	18,860
Intergovernmental	443,314	-	-	443,314
Charges for Services	73,121	-	-	73,121
Fines and forfeitures	11,989	-	-	11,989
Miscellaneous	26,650	-	-	26,650
<b>Total revenues</b>	<u>1,222,987</u>	<u>-</u>	<u>-</u>	<u>1,222,987</u>
<b>EXPENDITURES</b>				
Current expenditures				
General government	368,947	211,867	(12,941)	567,873
Transportation	170,914	11,778	-	182,692
Culture/recreation	29,010	46,712	-	75,722
Capital outlay				
General government	89,449	(89,449)	-	-
Culture/recreation	27,947	(27,947)	-	-
<b>Total expenditures</b>	<u>686,267</u>	<u>152,961</u>	<u>(12,941)</u>	<u>826,287</u>
<b>Excess of revenues over expenditures</b>	536,720	(152,961)	12,941	396,700
<b>OTHER FINANCING SOURCES</b>				
Interfund transfers	(271,198)	-	-	(271,198)
<b>Total other financing sources</b>	<u>(271,198)</u>	<u>-</u>	<u>-</u>	<u>(271,198)</u>
<b>Net change in fund balance</b>	265,522	(152,961)	12,941	125,502
Fund balance at beginning of year	2,162,203	2,117,656	(32,368)	4,247,491
<b>Fund balance at end of year</b>	<u>\$ 2,427,725</u>	<u>\$ 1,964,695</u>	<u>\$ (19,427)</u>	<u>\$ 4,372,993</u>

**NOTE 3. LEGAL COMPLIANCE–BUDGETS**

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

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

**NOTE 4. DEPOSITS AND INVESTMENTS**

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

Investments. Under state law, the City is allowed to invest surplus funds in guaranteed obligations of the U.S. government, interest bearing accounts of financial institutions which are legally secured, and the Local Government Surplus Funds Trust Fund. The City’s investments in the amount of \$131,454, consist of certificates of deposits in a qualified depository with original maturities in excess of ninety days. The investments are valued at amortized cost which approximates fair value. The investments were fully insured at September 30, 2024.

**Schedule of Investments at September 30, 2024**

Certificates of deposit	<u>\$ 131,454</u>
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**NOTE 5. PROPERTY TAX REVENUES**

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2023-2024 fiscal year were levied in October 2023. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

## NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions / Revaluations	Ending Balance
<b>Governmental activities:</b>				
Non-depreciable capital assets				
Land	\$ 54,724	\$ -	\$ -	\$ 54,724
Total non-depreciable capital assets	<u>54,724</u>	<u>-</u>	<u>-</u>	<u>54,724</u>
Depreciable capital assets:				
Buildings and improvements	2,566,704	76,128	-	2,642,832
Equipment	543,735	41,268	-	585,003
Vehicles	35,600	-	-	35,600
Total depreciable capital assets	<u>3,146,039</u>	<u>117,396</u>	<u>-</u>	<u>3,263,435</u>
Accumulated depreciation				
Buildings and improvements	(774,995)	(211,867)	-	(986,862)
Equipment	(238,563)	(11,778)	-	(250,341)
Vehicles	(69,549)	(46,712)	-	(116,261)
Total accumulated depreciation	<u>(1,083,107)</u>	<u>(270,357)</u>	<u>-</u>	<u>(1,353,464)</u>
Depreciable capital assets, net	<u>2,062,932</u>	<u>(152,961)</u>	<u>-</u>	<u>1,909,971</u>
Governmental activities capital assets, net	<u>\$ 2,117,656</u>	<u>\$ (152,961)</u>	<u>\$ -</u>	<u>\$ 1,964,695</u>
<b>Business-type activities:</b>				
Non-depreciable assets:				
Land	\$ 36,453	\$ -	\$ -	\$ 36,453
CIP	-	274,254	-	274,254
Total non-depreciable assets	<u>36,453</u>	<u>274,254</u>	<u>-</u>	<u>310,707</u>
Depreciable assets:				
Buildings and improvements	9,173,145	19,200	-	9,192,345
Equipment	234,021	59,671	-	293,692
Total depreciable capital assets	<u>9,407,166</u>	<u>78,871</u>	<u>-</u>	<u>9,486,037</u>
Less accumulated depreciation	<u>(3,416,745)</u>	<u>(246,489)</u>	<u>-</u>	<u>(3,663,234)</u>
Depreciable capital assets, net	<u>\$ 5,990,421</u>	<u>\$ (167,617)</u>	<u>\$ -</u>	<u>\$ 5,822,804</u>
Business-type activities capital assets, net	<u>\$ 6,026,874</u>	<u>\$ 106,636</u>	<u>\$ -</u>	<u>\$ 6,133,510</u>

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

<b>Governmental activities:</b>	
General government	\$ 211,867
Transportation	11,778
Recreation	46,712
Total depreciation expense - governmental activities	<u>\$ 270,357</u>
<b>Business-type activities:</b>	
Water	\$ 35,334
Sewer	211,155
Total depreciation expense - business-type activities	<u>\$ 246,489</u>

**NOTE 7. INTERFUND RECEIVABLES/PAYABLES**

The following is a schedule of interfund receivables and payables at September 30, 2024.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 234,003	\$ -
Enterprise	-	234,003
	<u>\$ 234,003</u>	<u>\$ 234,003</u>

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

**NOTE 8. RECEIVABLE AND PAYABLE BALANCES**

**Receivables**

Receivables at September 30, 2024 net of allowances for bad debts, were as follows:

	<u>Total Receivables</u>
Governmental activities:	
General	\$ 40,533
Business-type activities:	
Enterprise	<u>100,162</u>
	<u>\$ 140,695</u>

**Payables**

Payables at September 30, 2024, were as follows:

	<u>Vendors</u>
Governmental activities:	
General	<u>\$ 37,723</u>
Business-type activities	
Enterprise	<u>\$ 8,338</u>

**NOTE 9. PROPRIETARY LONG-TERM DEBT**

**USDA Wastewater Revenue Bonds 2013**

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

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

1. The bond ordinance requires a sinking fund reserve which accumulates a monthly sum equal to 1/12 of the principal and interest of the bond payment due on the next succeeding September 1.
2. An additional reserve equal to the maximum annual debt service requirement over the period of the bond to be used for; operation and maintenance fund to pay operating expenses pursuant to the annual budget; and payment of any principal and interest if the funds of the Sinking Fund are insufficient. This reserve is maintained by transferring monthly from the revenue account an amount equal to \$10,219 annually until fully funded. This reserve was fully funded at September 30, 2024.

Revenue bond debt service requirements to maturity, including \$642,891 of interest, are as follows:

September 30	Principal	Interest	Total Payment
2025	\$ 57,000	\$ 41,778	\$ 98,778
2026	58,000	40,556	98,556
2027	59,000	39,334	98,334
2028	60,000	38,080	98,080
2029	61,000	36,805	97,805
2030-2034	320,000	164,157	484,157
2035-2039	345,000	129,094	474,094
2040-2044	370,000	91,376	461,376
2045-2049	390,000	51,213	441,213
2050-2052	246,000	10,498	256,498
Total	<u>\$ 1,966,000</u>	<u>\$ 642,891</u>	<u>\$ 2,608,891</u>

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

	Balance October 1, 2023	Increases	Decreases	Balance September 30, 2024	Due Within One Year
USDA Revenue Bonds	\$ 2,023,000	\$ -	\$ 57,000	\$ 1,966,000	\$ 57,000
Compensated absences	26,672	-	5,766	20,906	3,136
	<u>\$ 2,049,672</u>	<u>\$ -</u>	<u>\$ 62,766</u>	<u>\$ 1,986,906</u>	<u>\$ 60,136</u>

**NOTE 10. GOVERNMENTAL LONG-TERM DEBT**

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

	Balance October 1, 2023	Increases	Decreases	Balance September 30, 2024	Due Within One Year
Compensated absences	\$ 32,368	\$ -	\$ 12,941	\$ 19,427	2,914
	<u>\$ 32,368</u>	<u>\$ -</u>	<u>\$ 12,941</u>	<u>\$ 19,427</u>	<u>\$ 2,914</u>

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

**NOTE 11. RETIREMENT SYSTEM**

The City maintains a defined contribution retirement plan underwritten by Mutual of America Life Insurance Company. All employees eighteen years of age that have completed six months of service receive monthly contributions of five percent of their salary under the plan. No employee contributions are permitted under the plan. Employees are immediately vested in the plan from the date of their participation. During the year, total contributions to the plan were \$12,064. Contributions for 2023 and 2022 were \$17,618 and \$11,504, respectively.

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

**NOTE 12. CONTINGENT LIABILITIES**

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

**NOTE 13. RISK MANAGEMENT**

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

**NOTE 14. FIRE PROTECTION SERVICES**

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

**NOTE 15. LONG-TERM CONTRACTS**

Effective March 13, 2011 the City entered into a contract with Gainesville Regional Utilities for the treatment of wastewater. The contract is for a 40-year term. The contract fees are payable monthly and based upon usage. In the current year, \$89,438 was paid under the contract.

**NOTE 16. OTHER POST EMPLOYMENT BENEFITS**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WALDO, FLORIDA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes				
Ad valorem	\$ 233,923	\$ 233,923	\$ 240,184	\$ 6,261
Sales and use taxes				
Local option gas tax	64,271	64,271	56,219	(8,052)
Discretionary sales tax	128,408	128,408	124,823	(3,585)
Communication service tax	27,409	27,409	25,427	(1,982)
Utility service tax				
Electric	78,000	78,000	98,441	20,441
Propane	1,500	1,500	1,557	57
Water	20,000	20,000	22,911	2,911
Total taxes	<u>553,511</u>	<u>553,511</u>	<u>569,562</u>	<u>16,051</u>
Utility franchise fees	<u>66,500</u>	<u>66,500</u>	<u>79,491</u>	<u>12,991</u>
Licenses and permits				
Professional and occupational	2,200	2,200	4,679	2,479
Election fees	165	165	22	(143)
Building permits	4,000	4,000	14,159	10,159
Total licenses and permits	<u>6,365</u>	<u>6,365</u>	<u>18,860</u>	<u>12,495</u>
Intergovernmental				
Federal grants				
General government				
ARPA Program	1,000	1,000	283,632	282,632
Total federal grants	<u>1,000</u>	<u>1,000</u>	<u>283,632</u>	<u>282,632</u>
State grants				
Culture/recreation				
USDA grant	-	-	48,799	48,799
Total state grants	<u>-</u>	<u>-</u>	<u>48,799</u>	<u>48,799</u>
Total intergovernmental	<u>1,000</u>	<u>1,000</u>	<u>332,431</u>	<u>331,431</u>
State shared revenue				
State revenue sharing	49,531	49,531	50,978	1,447
Mobile home licenses	450	450	362	(88)
Alcoholic beverage licenses	600	600	343	(257)
Local government half-cent sales tax	61,337	61,337	59,200	(2,137)
Total state shared revenue	<u>111,918</u>	<u>111,918</u>	<u>110,883</u>	<u>(1,035)</u>

(continued)

See Notes to financial statements

**CITY OF WALDO, FLORIDA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
City property rental	\$ 52,152	\$ 52,152	\$ 51,561	\$ (591)
Transportation				
Highway lighting	17,088	17,088	18,310	1,222
Culture/recreation				
Special events	-	-	3,250	3,250
Total charges for services	<u>69,240</u>	<u>69,240</u>	<u>73,121</u>	<u>3,881</u>
Fines and forfeitures				
Court cases				
Court fines	14,000	14,000	11,989	(2,011)
Total fines and forfeitures	<u>14,000</u>	<u>14,000</u>	<u>11,989</u>	<u>(2,011)</u>
Miscellaneous				
Rents and royalties				
Rent cable	1,200	1,200	1,206	6
Rent telephone	20,988	20,988	20,997	9
Other miscellaneous				
Other miscellaneous income	1,200	1,200	4,447	3,247
Total miscellaneous	<u>23,388</u>	<u>23,388</u>	<u>26,650</u>	<u>3,262</u>
Total revenues	<u>845,922</u>	<u>845,922</u>	<u>1,222,987</u>	<u>377,065</u>

(continued)

See Notes to financial statements

**CITY OF WALDO, FLORIDA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES</b>				
General government				
Legislative				
Personnel services	\$ 19,491	\$ 19,491	\$ 19,491	\$ -
Financial and administrative				
Personnel services	125,860	125,860	120,984	4,876
Operating expenses	173,599	173,599	190,089	(16,490)
Capital outlay	31,000	31,000	89,449	(58,449)
Total financial and administrative	<u>349,950</u>	<u>349,950</u>	<u>420,013</u>	<u>(70,063)</u>
Legal counsel				
Operating expenses	21,000	21,000	24,383	(3,383)
Comprehensive planning				
Operating expenses	10,000	10,000	14,000	(4,000)
Other general government				
Operating expenses	26,624	26,624	-	26,624
Total general government	<u>407,574</u>	<u>407,574</u>	<u>458,396</u>	<u>(50,822)</u>
Transportation				
Roads and streets				
Personnel services	120,721	120,721	82,053	38,668
Operating expenses	81,984	81,984	88,861	(6,877)
Capital outlay	2,000	2,000	-	2,000
Total transportation	<u>204,705</u>	<u>204,705</u>	<u>170,914</u>	<u>33,791</u>

(continued)

See Notes to financial statements

**CITY OF WALDO, FLORIDA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2024**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Culture/recreation				
Parks and recreation				
Personnel services	\$ 12,097	\$ 12,097	\$ 895	\$ 11,202
Operating expenses	15,087	15,087	18,288	(3,201)
Capital outlay	89,204	89,204	27,947	61,257
Special events				
Operating expenses	13,000	13,000	-	13,000
Special recreation facilities				
Operating expenses	14,600	14,600	9,827	4,773
Total culture/recreation	<u>143,988</u>	<u>143,988</u>	<u>56,957</u>	<u>87,031</u>
Total expenditures	<u>756,267</u>	<u>756,267</u>	<u>686,267</u>	<u>70,000</u>
Excess of revenues over expenditures	89,655	89,655	536,720	447,065
<b>OTHER FINANCING SOURCES</b>				
Interfund transfers	-	-	(271,198)	(271,198)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(271,198)</u>	<u>(271,198)</u>
Net change in fund balance	89,655	89,655	265,522	175,867
Fund balance at beginning of year	2,162,203	2,162,203	2,162,203	-
Fund balance at end of year	<u>\$ 2,251,858</u>	<u>\$ 2,251,858</u>	<u>\$ 2,427,725</u>	<u>\$ 175,867</u>

See Notes to financial statements

**CITY OF WALDO, FLORIDA**  
**NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED, SEPTEMBER 30, 2024**

**I. Stewardship, Compliance, and Accountability**

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

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

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

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

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

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

## **OTHER INFORMATION**

**CITY OF WALDO, FLORIDA  
 PROPRIETARY FUND  
 SCHEDULE OF NET POSITION BY FUNCTION  
 For the Fiscal Year Ended September 30, 2024**

	Solid Waste	Water	Sewer	Total
<b>ASSETS</b>				
Current assets				
Cash	143,999	698,780	\$ -	\$ 842,779
Accounts receivable	-	40,032	60,048	100,080
Interfund balances	-	(78,779)	78,779	-
Due from other governments	-	82	-	82
Total current assets	<u>143,999</u>	<u>660,115</u>	<u>138,827</u>	<u>942,941</u>
Restricted assets				
Cash	-	-	145,181	145,181
Investments	-	-	131,454	131,454
Total restricted assets	<u>-</u>	<u>-</u>	<u>276,635</u>	<u>276,635</u>
Noncurrent assets				
Fixed assets				
Land	-	-	36,453	36,453
Construction in progress	-	-	274,254	274,254
Property and equipment	-	1,236,205	8,249,832	9,486,037
Accumulated depreciation	-	(481,668)	(3,181,566)	(3,663,234)
Total fixed assets	<u>-</u>	<u>754,537</u>	<u>5,378,973</u>	<u>6,133,510</u>
Prepaid expenses	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>754,537</u>	<u>5,378,973</u>	<u>6,133,510</u>
Total assets	<u>\$ 143,999</u>	<u>\$ 1,414,652</u>	<u>\$ 5,794,435</u>	<u>\$ 7,353,086</u>
<b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
Current liabilities (payable from current assets)				
Accounts payable	\$ -	\$ -	8,338	\$ 8,338
Payroll liabilities	-	-	4,933	4,933
Due to other funds	-	-	234,003	234,003
Compensated absences	-	1,882	1,254	3,136
Total current liabilities (payable from current assets)	<u>-</u>	<u>1,882</u>	<u>248,528</u>	<u>250,410</u>
Current liabilities (payable from restricted assets)				
Accrued interest payable	-	-	3,774	3,774
Bonds payable, current portion	-	-	57,000	57,000
Deposits	-	41,786	27,858	69,644
Total current liabilities (payable from restricted assets)	<u>-</u>	<u>41,786</u>	<u>88,632</u>	<u>130,418</u>
Long-term liabilities				
Compensated absences	-	10,662	7,108	17,770
Bonds payable, net of current portion	-	-	1,909,000	1,909,000
Total long-term liabilities	<u>-</u>	<u>10,662</u>	<u>1,916,108</u>	<u>1,926,770</u>
Total liabilities	<u>-</u>	<u>54,330</u>	<u>2,253,268</u>	<u>2,307,598</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	754,537	3,412,973	4,167,510
Restricted, debt service	-	-	131,454	131,454
Unrestricted	143,999	605,785	(3,259)	746,524
Total net position	<u>143,999</u>	<u>1,360,322</u>	<u>3,541,167</u>	<u>5,045,488</u>
Total liabilities and net position	<u>\$ 143,999</u>	<u>\$ 1,414,652</u>	<u>\$ 5,794,435</u>	<u>\$ 7,353,086</u>

See notes to financial statements

**CITY OF WALDO, FLORIDA**  
**PROPRIETARY FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY FUNCTION**  
**For the Fiscal Year Ended September 30, 2024**

<b>OPERATING REVENUES</b>	<u>Solid Waste</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Physical environment				
Water utility revenue	\$ -	\$ 255,315	\$ -	\$ 255,315
Garbage/solid waste revenue	119,197	-	-	119,197
Sewer revenue	-	-	352,805	352,805
Late charges	-	6,203	9,305	15,508
Other revenue	-	13,670	20,505	34,175
<b>Total operating revenues</b>	<u>119,197</u>	<u>275,188</u>	<u>382,615</u>	<u>777,000</u>
<b>OPERATING EXPENSES</b>				
Water/sewer services				
Personnel services	-	70,372	105,558	175,930
Operating expenses	-	88,836	132,491	221,327
Depreciation	-	35,334	211,155	246,489
<b>Total water/sewer services</b>	<u>-</u>	<u>194,542</u>	<u>449,204</u>	<u>643,746</u>
Solid waste services				
Contractual services	89,438	-	-	89,438
<b>Total solid waste services</b>	<u>89,438</u>	<u>-</u>	<u>-</u>	<u>89,438</u>
<b>Total operating expenses</b>	<u>89,438</u>	<u>194,542</u>	<u>449,204</u>	<u>733,184</u>
<b>Operating income (loss)</b>	<u>29,759</u>	<u>80,646</u>	<u>(66,589)</u>	<u>43,816</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest earnings	-	-	35,106	35,106
Interest expense	-	-	(42,968)	(42,968)
Transfers	-	-	271,198	271,198
<b>Total nonoperating revenues (expenses)</b>	<u>-</u>	<u>-</u>	<u>263,336</u>	<u>263,336</u>
<b>Net income (loss)</b>	<u>29,759</u>	<u>80,646</u>	<u>196,747</u>	<u>307,152</u>
<b>Net position at beginning of year</b>	<u>114,240</u>	<u>1,279,676</u>	<u>3,344,420</u>	<u>4,738,336</u>
<b>Net position at end of year</b>	<u>\$ 143,999</u>	<u>\$ 1,360,322</u>	<u>\$ 3,541,167</u>	<u>\$ 5,045,488</u>

**See notes to financial statements**

**CITY OF WALDO, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended September 30, 2024**

	ALN	Grant Contract Number	Amount	Reported in Prior Years	Expenditures Recognized in Current Year	Revenues Recognized in Current Year
<b>Federal Financial Assistance</b>						
U.S. Department of the Treasury						
Passed through Division of Emergency Management						
American Rescue Plan Act	21.027	Y5312	\$ 504,861	\$ 179,270	\$ 283,632	\$ 283,632
U.S. Department of Agriculture						
Community Facilities Loans and Grants	10.766	42-043-790616166	50,000	-	48,799	48,799
Total federal awards			<u>\$ 554,861</u>	<u>\$ 179,270</u>	<u>\$ 332,431</u>	<u>\$ 332,431</u>

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

**CITY OF WALDO, FLORIDA**  
Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2024

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

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

**A. Reporting Entity**

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

**B. Basis of Accounting**

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

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

**C. Subrecipients**

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

**D. Indirect Cost Rate**

The City did not elect to use the de minimis indirect cost rate for the fiscal year then ended September 30, 2024.

## **COMPLIANCE SECTION**



## Powell and Jones CPA

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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 Council  
City of Waldo, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the business-type activities and each major fund of the City of Waldo, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Waldo, Florida's basic financial statements, and have issued our report thereon dated June 20, 2025.

### **Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
June 20, 2025



## Powell and Jones CPA

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Lake City, FL 32025  
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### MANAGEMENT LETTER

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

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

We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards dated June 20, 2025. Disclosures in that report should be considered in conjunction with this management letter.

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

#### PRIOR YEAR FINDINGS

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

#### FINANCIAL COMPLIANCE MATTERS

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

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

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

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

**PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAMS**

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

**CONCLUSION**

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

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

**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
June 20, 2025



**Powell and Jones CPA**

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

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

We have examined the Town of Waldo, Florida's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 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 year ended September 30, 2024.

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

**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
June 20, 2025



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### **Communication with Those Charged with Governance**

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

We have audited the financial statements of the City of Waldo, Florida for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Waldo, Florida are described Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

##### *Difficulties Encountered in Performing the Audit*

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

##### *Corrected and Uncorrected Misstatements*

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

### *Disagreements with Management*

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

### *Management Representations*

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

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### Other Information in Documents Containing Audited Financial Statements

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

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

Very truly yours,



**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
June 20, 2025