

CITY OF MOORE HAVEN, FLORIDA
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2021



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**CITY OF MOORE HAVEN, FLORIDA
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YEAR ENDED SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Moore Haven, Florida
Moore Haven, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Moore Haven, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Honorable Mayor and City Council
City of Moore Haven, Florida

Opinions

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of changes in the City's total OPEB liability and related ratios, the schedules of City's proportionate share of net pension liability, and the schedules of City contributions on pages 3 through 17, and 79 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 22, 2022

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

As management of the City of Moore Haven, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. Please read it in conjunction with the City's financial statements, which follow this section.

Financial Highlights

At the close of the 2021 fiscal year, the City's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$48.8 million (net deficit). This number consists of net investment in capital assets of a negative \$43.1 million, net position restricted for debt service of \$27.9 million, net position restricted for economic environment of \$0.2 million, net position restricted for capital projects of \$2.8 million, net position restricted for renewal and replacement of \$4.5 million, net position restricted for insurance of \$0.2 million and negative \$41.3 million of unrestricted net position. These amounts are further broken down as follows:

At the close of the 2021 fiscal year, CaPFA's (the City's blended component unit) liabilities and deferred inflows exceeded its assets and deferred outflows by \$62.1 million (net deficit). This number consists of net investment in capital assets of a negative \$52.2 million, net position restricted for debt service of \$27.8 million, net position restricted for capital projects \$2.8 million, net position restricted for renewal and replacement \$3.3 million, net position restricted for insurance \$219,936 and negative \$43.9 million of unrestricted net position.

At the close of the 2021 fiscal year, the City's Electric Fund assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2.1 million (net position). This number consists of net investment in capital assets of \$452,578, an amount restricted for renewal and replacement of \$967,729, and \$680,932 of unrestricted net position available to be used to meet future ongoing obligations.

At the close of the 2021 fiscal year, the City's Water Fund assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$5.9 million (net position). This number consists of net investment in capital assets of \$3.6 million, net position restricted for debt service of \$214,099, an amount restricted for renewal and replacement of \$262,570 and \$1.9 million of unrestricted net position available to be used to meet future ongoing obligations.

At the close of the 2021 fiscal year, AHFA's (the City's blended component unit) liabilities equaled its assets, \$-0- net position.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Moore Haven's basic financial statements, which comprise the following three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Overview of the Financial Statements (Continued)

The statement of net position (deficit) presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases and decreases in net position should serve as a useful indicator of whether the City's financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, physical environment, transportation, human services and culture and recreation. The business-type activities of the City include a water utility, an electric utility, and blended component units, AHFA and CaPFA, which includes CaPFA Capital Corp. 1998B, CaPFA Capital Corp. 2000F, CaPFA Capital Corp. 2010A, CaPFA Capital Corp. 2016A, and CaPFA Capital Corp. 2017A (formerly CaPFA Capital Corp. 2015A), five legally separate special purpose entities serving as instrumentalities of CaPFA. Financial information for these component units are blended within the financial information presented for the primary government itself, since the governing body of the entities are one and the same, the City Council.

The government-wide financial statements can be found on pages 18 through 20.

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows and outflows of spendable resources and the availability of these resources at the end of the fiscal year. Such information may be useful for evaluating a government's near-term financial requirements, but does not help readers to better understand the long-term impact of the City's near-term financing decisions. In that regard, it would be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Consequently, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains three governmental funds, the General Fund, the CRA Fund, and the ARPA Fund, for reporting purposes.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Overview of the Financial Statements (Continued)

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 21 through 24 of this report.

Proprietary Funds. The City uses enterprise funds to account for the functions presented as business-type activities in the government-wide financial statements. These enterprise funds consist of a water utility and an electric utility. Also included as enterprise funds are the City's blended component units, AHFA and CaPFA. CaPFA represents student housing projects located near the University of Central Florida and a high school project located in Guam. AHFA represents activities related to initial up-front costs associated with the possible purchase of affordable housing projects.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the City's water utility, the electric utility, and CaPFA. The AHFA had no activity.

The basic proprietary fund financial statements can be found on pages 26 through 30 of this report.

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

The notes to financial statements can be found on pages 31 through 78 of this report.

Government-Wide Financial Analysis. The following table summarizes the City's statement of net position:

**City of Moore Haven, Florida
Net Position
September 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 1,323,145	\$ 563,580	\$ 60,012,913	\$ 39,831,704	\$ 61,336,058	\$ 40,395,284
Capital Assets	5,054,941	5,442,195	124,869,525	123,707,549	129,924,466	129,149,744
Total Assets	6,378,086	6,005,775	184,882,438	163,539,253	191,260,524	169,545,028
Deferred Outflows	168,049	281,154	1,000,932	201,024	1,168,981	482,178
Noncurrent Liabilities Outstanding	379,008	892,928	236,016,871	169,270,240	236,395,879	170,163,168
Other Liabilities	562,910	78,920	3,608,124	46,940,319	4,171,034	47,019,239
Total Liabilities	941,918	971,848	239,624,995	216,210,559	240,566,913	217,182,407
Deferred Inflows	341,113	18,096	286,022	12,914	627,135	31,010
Net Position:						
Net Investment in Capital Assets	5,054,941	5,442,195	(48,198,563)	(39,110,806)	(43,143,622)	(33,668,611)
Restricted	154,565	154,395	35,505,931	4,547,600	35,660,496	4,701,995
Unrestricted	53,598	(299,605)	(41,335,015)	(17,919,990)	(41,281,417)	(18,219,595)
Total Net Position	\$ 5,263,104	\$ 5,296,985	\$ (54,027,647)	\$ (52,483,196)	\$ (48,764,543)	\$ (47,186,211)

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Overview of the Financial Statements (Continued)

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. In the case of the City, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately \$48.8 million at the close of the most recent fiscal year.

A portion of the City's net position consists of a negative \$43.1 million investment in capital assets (e.g., land, building, infrastructure, machinery, and equipment), which is net of accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its 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.

An additional portion of the City's net position, \$35.7 million represents resources that are subject to external restrictions on how they may be used.

The City's net position decreased by \$1.6 million during the current fiscal year. Governmental activities decreased net position by \$33,881 while business-type activities accounted for a decrease of \$1.5 million.

The City's Electric Fund accounted for a decrease in net position of \$119,561 for the fiscal year. Net position in the Electric Fund was decreased by increases in operating expenses. Actual operations of the Electric Fund generated an increase of \$356,563 before transfers compared to an increase of \$399,384 during the year ended September 30, 2020. This reduction is primarily due to increases for Personal Services of \$41,401 and Operating Costs of \$33,911 due to higher wages and increased supply costs.

The City's Water Fund accounted for a decrease in net position of \$269,603 for the fiscal year. The decrease in net position before transfers of \$41,028 is a decrease over the corresponding decrease of \$202,607 recorded during the fiscal year ended September 30, 2020. This change was due to a decrease in Personal Services costs of \$29,583 and an increase in revenues of \$3,867. The decrease in Personal Services costs was due to vacancies throughout the year. The increase of revenues was due to more water usage by customers within the City during the year ended September 30, 2021.

CaPFA, the City's blended component unit, accounted for an increase of \$1.2 million in the City's net position for the fiscal year. All debt contained within the City's blended component unit are nonrecourse to the City and payable only from revenues derived from the projects. This increase was less than the \$6.2 million increase during fiscal year September 30, 2020. This change was due primarily to the recording of bond issuance costs of \$4,443,081 during fiscal year September 30, 2021.

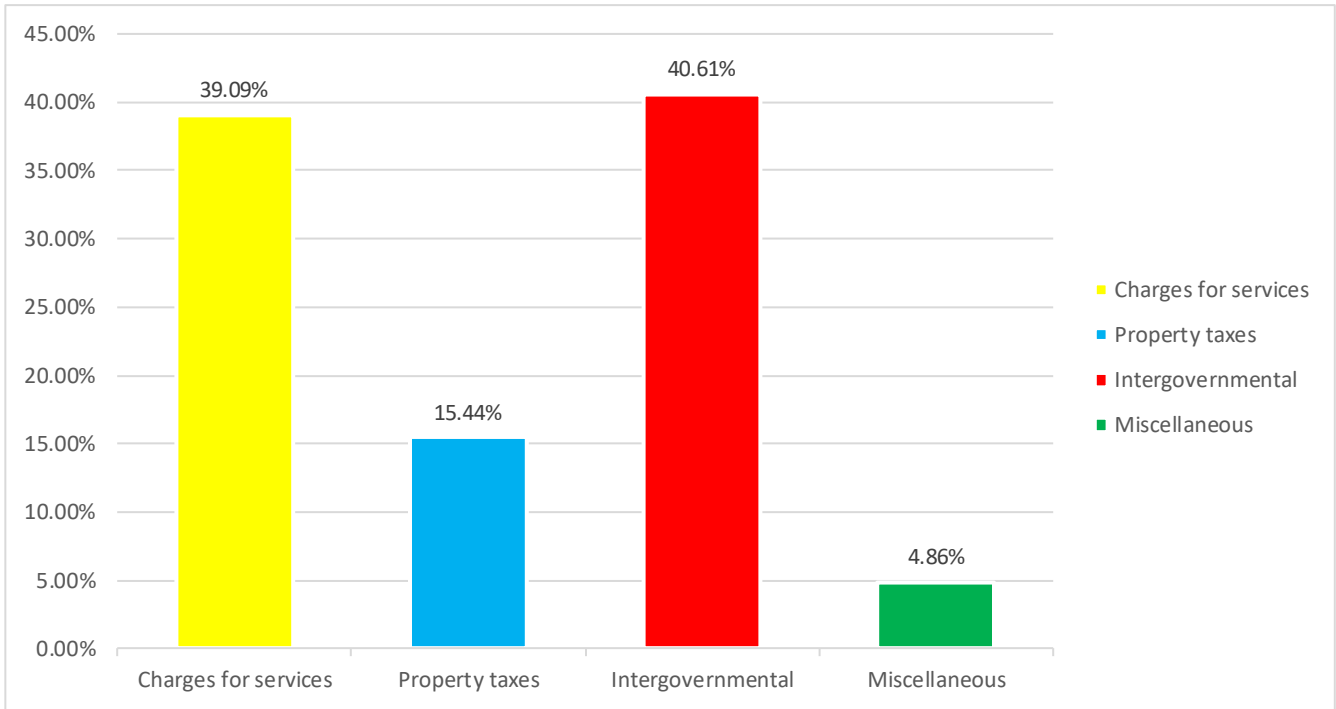
AHFA, a blended component unit of the City, accounted for no change in the City's net position for the fiscal year.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Governmental Activities

Governmental activities decreased the City's net position by \$33,881. The graph below shows the percentage of the total governmental activities revenues allocated by each revenue type.

**Revenues by Source – Governmental Activities
Year Ended September 30, 2021**



**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Governmental Activities (Continued)

The table below summarizes the changes in net position – Governmental Activities

**City of Moore Haven, Florida
Changes in Net Position – Governmental Activities
Year Ended September 30, 2021 and 2020**

	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 507,371	\$ 497,192
Operating Grants	-	63,436
Capital Grants	74,560	684,981
General Revenues:		
Property Taxes	200,429	201,459
Intergovernmental	452,545	412,011
Interest Income	1,281	3,235
Other Revenues	61,840	97,538
Gain/(Loss) on Disposal of Capital Assets	-	2,150
Total Revenues	1,298,026	1,962,002
Expenses:		
General Government	712,916	720,085
Public Safety	78,967	109,109
Physical Environment	497,824	1,336,420
Transportation	240,033	248,130
Human Services	25,000	25,000
Economic Environment	-	175
Culture and Recreation	513,029	545,508
Total Expenses	2,067,769	2,984,427
Excess before Transfers	(769,743)	(1,022,425)
Transfers	735,862	688,599
Change in Net Position	(33,881)	(333,826)
Net Position – Beginning	5,296,985	5,630,811
Net Position – Ending	\$ 5,263,104	\$ 5,296,985

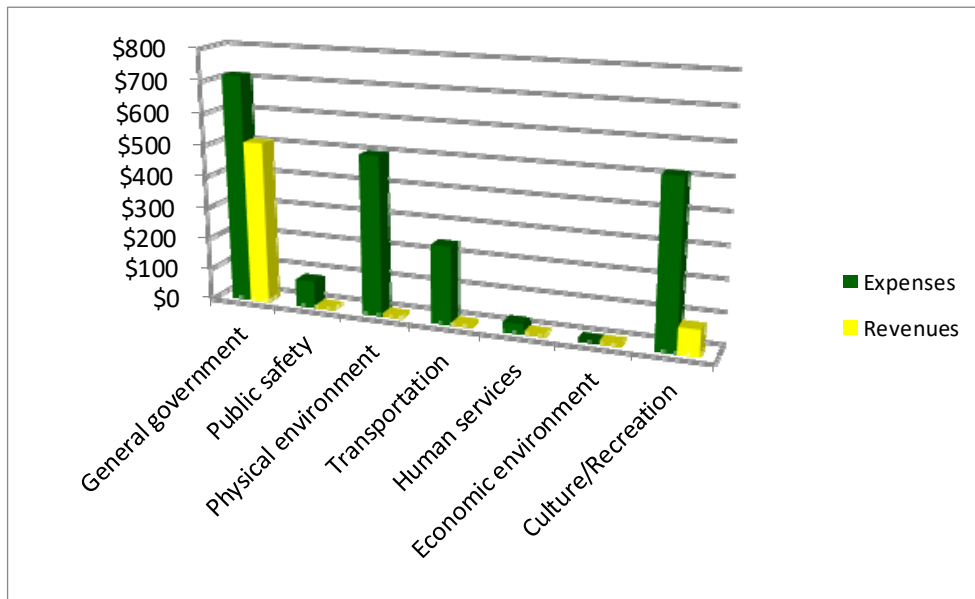
Overall, net position decreased by \$33,881 during the current fiscal year compared to the decrease of \$333,826 during fiscal year ended September 30, 2020. This change in net position in the Governmental Activities was due primarily to an increase of \$47,263 in transfers from proprietary funds.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Governmental Activities (Continued)

The table below discloses the cost of services for governmental activities. The total cost of services column contains all costs related to the programs; the net cost column shows how much of the total expenses are not covered by program revenues or costs that must be covered by general revenues or transfers.

**Expenses and Program Revenues – Governmental Activities
Year Ended September 30, 2021 (in Thousands)**



Business-Type Activities

Business-type activities decreased the City's net position by \$1.5 million. The City's electric utility decreased the City's net position by \$119,561 and the water utility decreased the City's net position by \$269,603. The City's blended component units, CaPFA decreased the City's net position by \$1.2 million and AHFA had no change on the City's net position.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Business-Type Activities (Continued)

The table below summarizes the changes in net position – Business-Type Activities:

**City of Moore Haven, Florida
Changes in Net Position – Business-Type Activities
Year Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 40,052,052	\$ 42,805,286
General Revenues:		
Interest Income	13,414	108,909
Other Revenues	24,363	15,752
Total Revenues	<u>40,089,829</u>	<u>42,929,947</u>
Expenses:		
CaPFA	37,904,472	33,356,571
Electric	1,539,757	1,459,954
Water	1,454,189	1,620,496
Total Expenses	<u>40,898,418</u>	<u>36,437,021</u>
Excess before Transfers	(808,589)	6,492,926
Transfers	<u>(735,862)</u>	<u>(688,599)</u>
Change in Net Position	(1,544,451)	5,804,327
Net Position – Beginning	<u>(52,483,196)</u>	<u>(58,287,523)</u>
Net Position – Ending	<u>\$ (54,027,647)</u>	<u>\$ (52,483,196)</u>

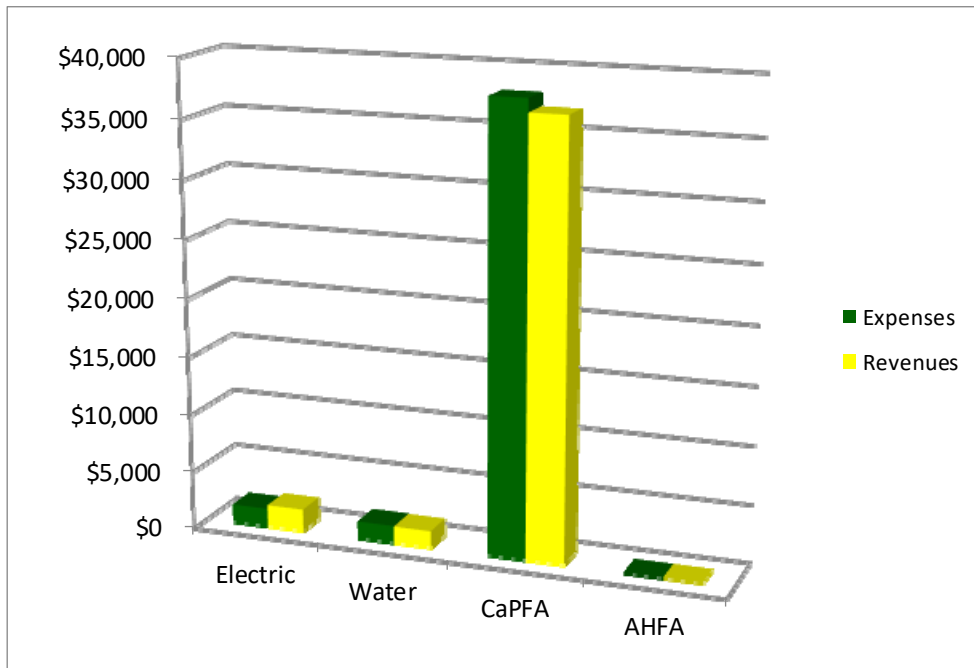
Net position in the City's blended component units, CaPFA and AHFA, decreased \$1.2 million and did not change, respectively, during the current year. CaPFA's decrease of \$1.2 million during the current year was less than the \$6.2 million increase during fiscal year 2020. This change was due to a reduction in revenue for charge for services and an increase in expenses for the recording of \$4,443,081 in bond issuance costs for the fiscal year ending September 30, 2021. All debt contained within the CaPFA component unit is project specific and nonrecourse to the City.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

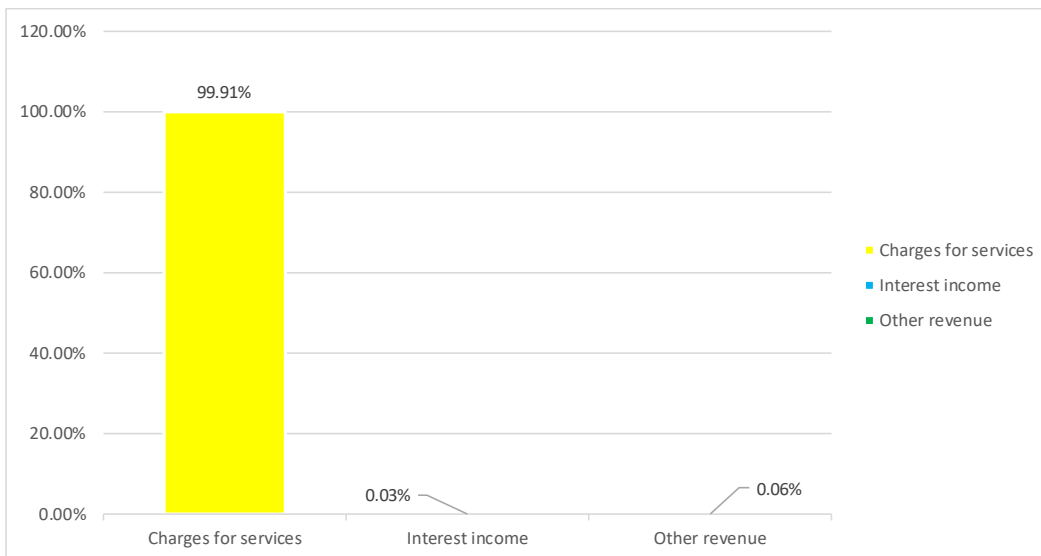
Business-Type Activities (Continued)

The following chart shows a comparison to expenses to program revenues for business-type activities for the fiscal year ended September 30, 2021.

**Expenses and Program Revenues – Business-Type Activities
Year Ended September 30, 2021 (in Thousands)**



**Revenue by Source – Business-Type Activities
Year Ended September 30, 2021 (in Thousands)**



**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Financial Analysis of the Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The table below summarizes the changes in the fund balances of the City's governmental funds:

Governmental Funds

	2021	2020
Fund Balance – Beginning	\$ 477,565	\$ 413,648
Revenues	1,230,563	1,905,189
Expenditures	(1,820,934)	(2,532,020)
Other Financing Sources	798,481	690,748
Fund Balance – Ending	\$ 685,675	\$ 477,565

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

The City's governmental funds consist of the General Fund, CRA Fund and an ARPA Fund.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year the fund balance of the General Fund was \$531,110. All of this was unassigned.

The City's net change in fund balance in its General Fund was an increase of \$207,940.

The City's General Fund is required to adopt an annual budget prepared on a basis consistent with generally accepted accounting principles (U.S. GAAP). Surpluses from any prior fiscal years cannot be appropriated in future fiscal years.

The CRA Fund is used to account for the tax increment factor levied on the benefiting properties within the defined district and the use of such funds. At the end of the current fiscal year the total fund balance for the CRA Fund was \$154,656. This entire amount was restricted for economic environment.

The City's net change in fund balance for its CRA Fund was an increase of \$170.

The ARPA Fund is used to account for the American Rescue Plan Act Coronavirus Local Fiscal Recovery Fund disbursements for the purpose of providing funds to local governments in order to facilitate the ongoing recovery from the COVID-19 pandemic. At the end of the current fiscal year the total fund balance for the ARPA Fund was \$-0-.

The City's net change in fund balance for its ARPA Fund was \$-0-.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Financial Analysis of the Governmental Funds (Continued)

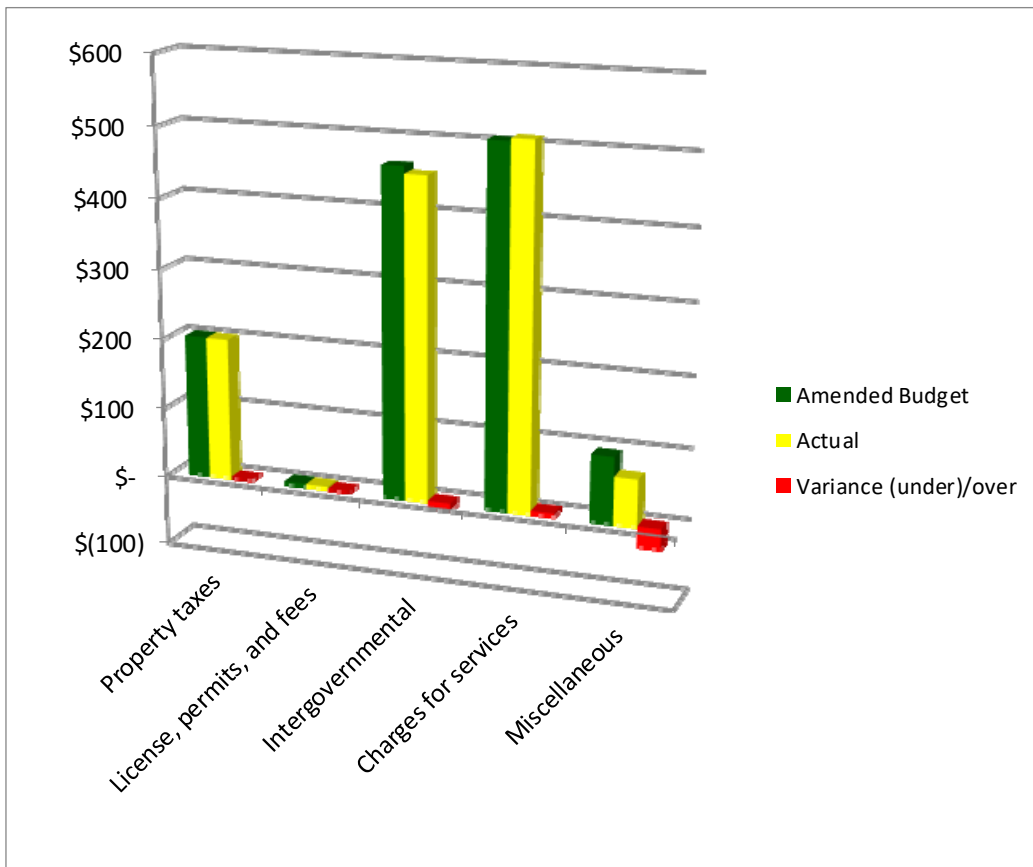
Proprietary Funds. The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

The total decrease in net position for all enterprise funds was \$1.5 million. This includes a decrease of \$1.2 million and no change attributable to CaPFA and AHFA, respectively, the component units of the City.

General Fund Budgetary Highlights

The following information is presented to assist the reader in comparing the final Amended Budget to actual results. The Amended Budget can be modified subsequent to the end of the fiscal year.

**General Fund Revenues
Year Ended September 30, 2021 (in Thousands)**



**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

General Fund Budgetary Highlights (Continued)

**General Fund Revenues
Year Ended September 30, 2021 (in Thousands)**

	Final Amended Budget	Actual	Variance
Taxes:			
Property	\$ 201,000	\$ 200,429	\$ (571)
License, Permits, and Fees	3,700	2,797	(903)
Intergovernmental	462,698	452,545	(10,153)
Charges for Services	505,342	509,306	3,964
Miscellaneous	92,940	65,316	(27,624)
Total Revenues	<u>\$ 1,265,680</u>	<u>\$ 1,230,393</u>	<u>\$ (35,287)</u>

**General Fund Expenditures
Year Ended September 30, 2021 (in Thousands)**

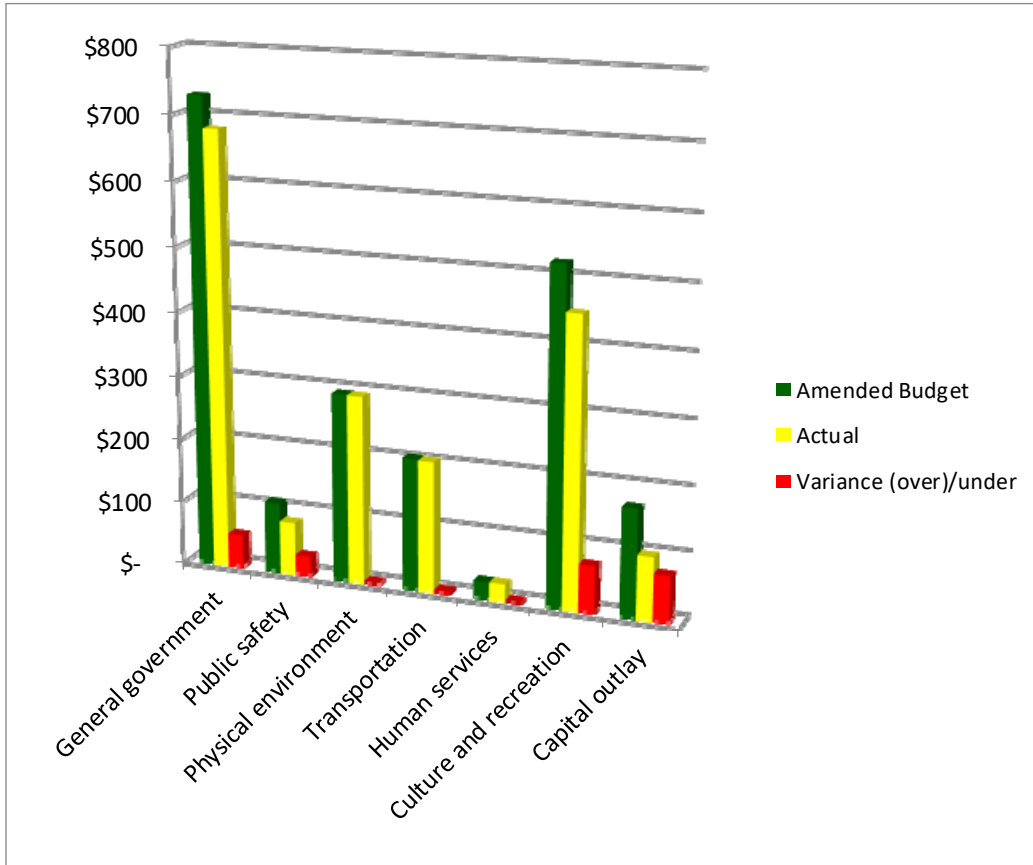
	Final Amended Budget	Actual	Variance
General Government	\$ 727,707	\$ 678,637	\$ 49,070
Public Safety	108,284	79,609	28,675
Physical Environment	291,849	291,233	616
Transportation	203,676	201,993	1,683
Human Services	25,000	25,000	-
Culture and Recreation	519,563	448,072	71,491
Capital Outlay	167,300	96,390	70,910
Total Expenditures	<u>\$ 2,043,379</u>	<u>\$ 1,820,934</u>	<u>\$ 222,445</u>

The following chart and table summarizes actual expenditures by function/program for the fiscal year ended September 30, 2021, and compares expenditures with the Amended Budget.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

General Fund Budgetary Highlights (Continued)

**General Fund Expenditures
Year Ended September 30, 2021 (in Thousands)**



The difference between budgeted and actual revenue amounts of (\$35,286) in the City's revenues was primarily due to an underbudget amount of (\$27,623) in charges for services.

The difference between budgeted and actual expenditures of \$222,445 is due primarily to reductions in expenses for General Government, Public Safety, Physical Environment and Capital Outlay.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities at September 30, 2021 amounts to \$129.9 million (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, apartment furniture and appliances, transmission, distribution and collection plants, and machinery and equipment, which are detailed as follows (net of accumulated depreciation):

Capital Assets

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
Land	\$ 265,077	\$ 190,500	\$ 455,577
Construction in Progress	74,560	8,018,277	8,092,837
Infrastructure	3,382,751	-	3,382,751
Structures and Improvements	1,131,671	107,718,579	108,850,250
Apartment Furniture and Appliances	-	1,113,422	1,113,422
Transmission, Distribution and Collection Plants	-	7,162,411	7,162,411
Machinery and Equipment	200,882	666,336	867,218
Total Capital Assets	<u>\$ 5,054,941</u>	<u>\$ 124,869,525</u>	<u>\$ 129,924,466</u>

The City has developed various capital improvement programs to improve the quality of life of its residents. During the year ended September 30, 2021, the total amount expended for Capital Outlay in the General Fund was \$96,390.

Long-Term Debt

At the end of the current fiscal year, the City had a total bonded debt outstanding of \$165.6 million and certificates of participation of \$65.7 million. Of this amount, \$161.2 million were revenue bonds and \$65.7 million were certificates of participation for CaPFA, the City's blended component unit; the remaining \$3.8 million were revenue bonds for the City's water utility. CaPFA's certificates of participation were issued to finance the demolition and reconstruction of a high school for the government of Guam.

Economic Factors and Next Year's Budget

The factors listed below were considered in preparing the City's budget for the 2022 fiscal year.

The occupancy rate for the City's business district has remained unchanged during this year. Although the City continually tries to encourage new businesses to begin operations within its jurisdiction, the current economy has limited the City's ability to make any meaningful progress in this area. However recent developments look encouraging for new business development in the City. The City is optimistic that improvements currently being made at the nearby Airglades International Airport will eventually have a positive effect on possible new businesses entering the area. The improvements are geared toward making the airport a hub for cargo and perishable goods to and from Latin-America.

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Economic Factors and Next Year's Budget

Although not included in the budget for the fiscal year 2022 budget, in April 2021, the City received notice of a grant award for \$1.9 million from the State of Florida Department of Economic Opportunity for the Downtown Revitalization Stormwater and Roadway Infrastructure Improvements Project. This Project will provide road reconstruction and drainage improvements for Main Street and the downtown area and is expected to start development of the downtown area. In the recent Florida legislative session, the City also received \$934,960 in funding for additional drainage improvements in the downtown area. The development of the downtown area in addition to development of the marina could greatly increase business investment in the City.

Requests for Information

This financial report is designed to provide a general overview of the City of Moore Haven's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the City of Moore Haven, PO Box 399, Moore Haven, FL 33471.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 896,099	\$ 16,356,022	\$ 17,252,121
Restricted Assets:			
Cash and Cash Equivalents	170,274	41,416,466	41,586,740
Capital Credit	-	498,767	498,767
Accounts Receivable, Net	102,828	529,940	632,768
Other Receivables	-	9,807	9,807
Prepaid Items	-	1,072,009	1,072,009
Due from Other Governments	122,959	5,075	128,034
Internal Balances	30,985	(30,985)	-
Advance to Joint Venture	-	155,812	155,812
Capital Assets (Net of Accumulated Depreciation):			
Land	265,077	190,500	455,577
Construction in Progress	74,560	8,018,277	8,092,837
Infrastructure	3,382,751	-	3,382,751
Structures and Improvements	1,131,671	107,718,579	108,850,250
Apartment Furniture and Appliances	-	1,113,422	1,113,422
Transmission, Distribution and Collection Plants	-	7,162,411	7,162,411
Machinery and Equipment	200,882	666,336	867,218
Total Assets	<u>6,378,086</u>	<u>184,882,438</u>	<u>191,260,524</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Pensions	165,441	138,720	304,161
Deferred Amount on OPEB	2,608	2,271	4,879
Deferred Amount on Debt	-	859,941	859,941
Total Deferred Outflows of Resources	<u>168,049</u>	<u>1,000,932</u>	<u>1,168,981</u>

See accompanying Notes to Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 75,380	\$ 1,374,243	\$ 1,449,623
Prepaid Tenant Rent	-	1,019,082	1,019,082
Due to Other Governmental Units	35,008	144,852	179,860
Unearned Revenue	452,522	1,069,947	1,522,469
Payable from Restricted Assets:			
Customer Security Deposits and Advances	-	267,343	267,343
Certificates of Participation	-	20,000	20,000
Accrued Interest	-	4,097,495	4,097,495
Revenue Bonds and Notes Payable	-	4,436,866	4,436,866
Noncurrent Liabilities:			
Due Within One Year	18,509	16,516	35,025
Due in More Than One Year	-	226,874,603	226,874,603
Total OPEB Liability	55,019	47,905	102,924
Net Pension Liability	305,480	256,143	561,623
Total Liabilities	<u>941,918</u>	<u>239,624,995</u>	<u>240,566,913</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Pensions	341,113	286,022	627,135
Total Deferred Inflows of Resources	<u>341,113</u>	<u>286,022</u>	<u>627,135</u>
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	5,054,941	(48,198,563)	(43,143,622)
Restricted for:			
Debt Service	-	27,993,332	27,993,332
Economic Environment	154,565	-	154,565
Capital Project	-	2,802,694	2,802,694
Renewal and Replacement	-	4,489,969	4,489,969
Insurance	-	219,936	219,936
Unrestricted	53,598	(41,335,015)	(41,281,417)
Total Net Position (Deficit)	<u>\$ 5,263,104</u>	<u>\$ (54,027,647)</u>	<u>\$ (48,764,543)</u>

See accompanying Notes to Financial Statements.

**CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 712,916	\$ 506,842	\$ -	\$ -	\$ (206,074)	\$ -	\$ (206,074)
Public Safety	78,967	-	-	-	(78,967)	-	(78,967)
Physical Environment	497,824	-	-	-	(497,824)	-	(497,824)
Transportation	240,033	-	-	-	(240,033)	-	(240,033)
Human Services	25,000	-	-	-	(25,000)	-	(25,000)
Culture/Recreation	513,029	529	-	74,560	(437,940)	-	(437,940)
Total Governmental Activities	2,067,769	507,371	-	74,560	(1,485,838)	-	(1,485,838)
Business-Type Activities:							
CaPFA	37,904,472	36,777,112	-	-	-	(1,127,360)	(1,127,360)
Electric	1,539,757	1,868,901	-	-	-	329,144	329,144
Water	1,454,189	1,406,039	-	-	-	(48,150)	(48,150)
Total Business-Type Activities	40,898,418	40,052,052	-	-	-	(846,366)	(846,366)
Total Primary Government	\$ 42,966,187	\$ 40,559,423	\$ -	\$ 74,560	(1,485,838)	(846,366)	(2,332,204)
General Revenues:							
Property Taxes, Levied for General Purposes					200,429	-	200,429
Intergovernmental Revenues, not Restricted to Specific Programs					452,545	-	452,545
Investment Earnings					1,281	13,414	14,695
Miscellaneous					61,840	24,363	86,203
Transfers					735,862	(735,862)	-
Total General Revenues and Transfers					1,451,957	(698,085)	753,872
Change in Net Position					(33,881)	(1,544,451)	(1,578,332)
Net Position (Deficit) – Beginning of Year					5,296,985	(52,483,196)	(47,186,211)
Net Position (Deficit) – End of Year					\$ 5,263,104	\$ (54,027,647)	\$ (48,764,543)

See accompanying Notes to Financial Statements.

**CITY OF MOORE HAVEN, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	CRA Fund	ARPA Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 443,577	\$ -	\$ 452,522	\$ 896,099
Accounts Receivable, Net	102,828	-	-	102,828
Due from Other Funds	45,354	-	-	45,354
Due from Other Governments	122,959	-	-	122,959
Cash and Cash Equivalents – Restricted	-	170,274	-	170,274
Total Assets	<u>\$ 714,718</u>	<u>\$ 170,274</u>	<u>\$ 452,522</u>	<u>\$ 1,337,514</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 75,380	\$ -	\$ -	\$ 75,380
Due to Other Funds	7,506	6,863	-	14,369
Due to Other Governments	26,162	8,846	-	35,008
Unearned Revenue	-	-	452,522	452,522
Total Liabilities	109,048	15,709	452,522	577,279
 DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	74,560	-	-	74,560
 FUND BALANCES				
Restricted:				
Economic Environment	-	154,565	-	154,565
Unassigned	531,110	-	-	531,110
Total Fund Balances	531,110	154,565	-	685,675
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 714,718</u>	<u>\$ 170,274</u>	<u>\$ 452,522</u>	<u>\$ 1,337,514</u>

See accompanying Notes to Financial Statements.

**CITY OF MOORE HAVEN, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Total Fund Balance – Governmental Funds		\$ 685,675
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.		5,054,941
Some revenues are not available in the current period and, therefore, are not reported in the funds.		74,560
Deferred outflows of resources are reported as a result of changes in deferred amounts on pensions in the statement of net position.		165,441
Deferred outflows of resources are reported as a result of changes in deferred amounts on other post employment benefits in the statement of net position.		2,608
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.		
Compensated Absences	(18,509)	
Net Pension Liability	(305,480)	
Net Other Postemployment Benefits Liability	<u>(55,019)</u>	(379,008)
Deferred inflows of resources are reported as a result of changes in deferred amounts on pensions in the statement of net position.		<u>(341,113)</u>
Net Position of Governmental Activities		<u>\$ 5,263,104</u>

See accompanying Notes to Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	General Fund	CRA Fund	ARPA Fund	Total Governmental Funds
REVENUES				
Property Taxes	\$ 200,429	\$ -	\$ -	\$ 200,429
Licenses, Permits, and Fees	2,797	-	-	2,797
Intergovernmental	452,545	-	-	452,545
Charges for Services	509,306	-	-	509,306
Miscellaneous	65,316	170	-	65,486
Total Revenues	1,230,393	170	-	1,230,563
EXPENDITURES				
Current:				
General Government	678,637	-	-	678,637
Public Safety	79,609	-	-	79,609
Physical Environment	291,233	-	-	291,233
Transportation	201,993	-	-	201,993
Human Services	25,000	-	-	25,000
Culture/Recreation	448,072	-	-	448,072
Capital Outlay	96,390	-	-	96,390
Total Expenditures	1,820,934	-	-	1,820,934
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(590,541)	170	-	(590,371)
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Capital Assets	62,619	-	-	62,619
Transfers In	735,862	-	-	735,862
Total Other Financing Sources (Uses)	798,481	-	-	798,481
CHANGE IN FUND BALANCES	207,940	170	-	208,110
Fund Balances - Beginning of Year	323,170	154,395	-	477,565
FUND BALANCES - END OF YEAR	\$ 531,110	\$ 154,565	\$ -	\$ 685,675

See accompanying Notes to Financial Statements.

**CITY OF MOORE HAVEN, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

Net Change in Fund Balance – Governmental Funds	\$	208,110
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Capital Outlay	96,390	
Depreciation	<u>(387,340)</u>	(290,950)
<p>Various effects of miscellaneous transactions involving capital assets (i.e., disposals, donation of capital assets, transfers).</p>		
		(96,304)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This item represents the change caused by the "available" revenue recognition criteria.</p>		
		67,465
<p>Compensated absences are not recorded in the fund financial statements. However, the obligation is recorded when earned in the government-wide financial statements.</p>		
		15,556
<p>Net change in the liability, deferred outflows and inflows for OPEB is reported in the government-wide statements, but not in the governmental fund statements.</p>		
		(8,209)
<p>Net change in the liability, deferred outflows and inflows for pension is reported in the government-wide statements, but not in the governmental fund statements.</p>		
		<u>70,451</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>(33,881)</u>

See accompanying Notes to Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 201,000	\$ 201,000	\$ 200,429	\$ (571)
Licenses, Permits, and Fees	3,700	3,700	2,797	(903)
Intergovernmental	462,698	462,698	452,545	(10,153)
Charges for Services	505,342	505,342	509,306	3,964
Miscellaneous	92,940	92,940	65,316	(27,624)
Total Operating Revenues	<u>1,265,680</u>	<u>1,265,680</u>	<u>1,230,393</u>	<u>(35,287)</u>
EXPENDITURES				
Current:				
General Government	727,707	727,707	678,637	49,070
Public Safety	108,284	108,284	79,609	28,675
Physical Environment	291,849	291,849	291,233	616
Transportation	203,676	203,676	201,993	1,683
Human Services	25,000	25,000	25,000	-
Culture/Recreation	519,563	519,563	448,072	71,491
Capital Outlay	167,300	167,300	96,390	70,910
Total Expenditures	<u>2,043,379</u>	<u>2,043,379</u>	<u>1,820,934</u>	<u>222,445</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(777,699)	(777,699)	(590,541)	187,158
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Capital Assets	-	-	62,619	62,619
Transfers In	777,699	777,699	735,862	(41,837)
Total Other Financing Sources (Uses)	<u>777,699</u>	<u>777,699</u>	<u>798,481</u>	<u>20,782</u>
CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	207,940	<u>\$ 207,940</u>
Fund Balances - Beginning of Year			<u>323,170</u>	
FUND BALANCES - END OF YEAR			<u>\$ 531,110</u>	

See accompanying Notes to Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities – Enterprise Funds			Total
	CaPFA	Electric Fund	Water Fund	
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 13,819,886	\$ 312,685	\$ 2,223,451	\$ 16,356,022
Restricted Assets:				
Cash and Cash Equivalents	7,956,875	-	486,627	8,443,502
Accounts Receivable, Net	130,669	196,049	203,222	529,940
Other Receivables	9,807	-	-	9,807
Prepaid Items	1,063,935	-	8,074	1,072,009
Total Current Assets	<u>22,981,172</u>	<u>508,734</u>	<u>2,921,374</u>	<u>26,411,280</u>
NONCURRENT ASSETS				
Restricted Assets:				
Cash and Cash Equivalents	31,737,892	1,177,911	57,161	32,972,964
Capital Credit	-	498,767	-	498,767
Due to to Other Funds	7,506	-	-	7,506
Advance to Joint Venture	155,812	-	-	155,812
Due from Other Governments	-	5,075	-	5,075
Capital Assets (Net of Accumulated Depreciation):				
Land	-	28,350	162,150	190,500
Construction in Progress	7,969,854	-	48,423	8,018,277
Structures and Improvements	214,534,605	56,108	212,249	214,802,962
Apartment Furniture and Appliances	3,517,372	-	-	3,517,372
Transmission, Distribution, and Collection Plants	-	725,854	14,359,562	15,085,416
Machinery and Equipment	8,242,760	478,293	686,980	9,408,033
Total Capital Assets	<u>234,264,591</u>	<u>1,288,605</u>	<u>15,469,364</u>	<u>251,022,560</u>
Less: Accumulated Depreciation	<u>(117,269,190)</u>	<u>(836,027)</u>	<u>(8,047,818)</u>	<u>(126,153,035)</u>
Net Capital Assets	<u>116,995,401</u>	<u>452,578</u>	<u>7,421,546</u>	<u>124,869,525</u>
Total Noncurrent Assets	<u>148,896,611</u>	<u>2,134,331</u>	<u>7,478,707</u>	<u>158,509,649</u>
Total Assets	171,877,783	2,643,065	10,400,081	184,920,929
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Pensions	-	30,045	108,675	138,720
Deferred Amount on OPEB	-	475	1,796	2,271
Deferred Amount on Refunding	859,941	-	-	859,941
Total Deferred Outflows of Resources	<u>859,941</u>	<u>30,520</u>	<u>110,471</u>	<u>1,000,932</u>

See accompanying Notes to Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2021

	Business-Type Activities – Enterprise Funds			
	CaPFA	Electric Fund	Water Fund	Total
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,123,277	\$ 215,065	\$ 35,901	\$ 1,374,243
Due to Other Funds	6,078	1,678	30,735	38,491
Due to Other Governments	-	12,425	132,427	144,852
Prepaid Tenant Rent	1,019,082	-	-	1,019,082
Compensated Absences	-	5,546	10,970	16,516
Payable from Restricted Assets:				
Customer Security Deposits and Advances	-	210,182	57,161	267,343
Accrued Interest	4,087,537	-	9,958	4,097,495
Revenue Bonds and Notes Payable	4,360,000	-	76,866	4,436,866
Certificates of Participation	20,000	-	-	20,000
Total Current Liabilities	<u>10,615,974</u>	<u>444,896</u>	<u>354,018</u>	<u>11,414,888</u>
NONCURRENT LIABILITIES				
Unearned Revenue, Less Current Portion	1,069,947	-	-	1,069,947
Total OPEB Liability	-	10,020	37,885	47,905
Net Pension Liability	-	55,479	200,664	256,143
Revenue Bonds and Notes Payable, Less Current Portion	157,433,905	-	3,747,118	161,181,023
Certificates of Participation, Less Current Portion	65,693,580	-	-	65,693,580
Total Noncurrent Liabilities	<u>224,197,432</u>	<u>65,499</u>	<u>3,985,667</u>	<u>228,248,598</u>
Total Liabilities	234,813,406	510,395	4,339,685	239,663,486
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount on Pensions	-	61,951	224,071	286,022
Total Deferred Inflows of Resources	<u>-</u>	<u>61,951</u>	<u>224,071</u>	<u>286,022</u>
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	(52,248,703)	452,578	3,597,562	(48,198,563)
Restricted for Debt Service	27,779,233	-	214,099	27,993,332
Restricted for Capital Projects	2,802,694	-	-	2,802,694
Restricted for Renewal and Replacement	3,259,670	967,729	262,570	4,489,969
Restricted for Insurance	219,936	-	-	219,936
Unrestricted Net Position (Deficit)	(43,888,512)	680,932	1,872,565	(41,335,015)
Total Net Position (Deficit)	<u>\$ (62,075,682)</u>	<u>\$ 2,101,239</u>	<u>\$ 5,946,796</u>	<u>\$ (54,027,647)</u>

See accompanying Notes to Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION (DEFICIT) – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds			Total
	CaPFA	Electric Fund	Water Fund	
OPERATING REVENUES				
Charges for Services	\$ 36,777,112	\$ 1,868,901	\$ 1,406,039	\$ 40,052,052
OPERATING EXPENSES				
Personnel Services	2,906,239	160,846	425,777	3,492,862
Cost of Sales and Services	-	1,334,108	360,781	1,694,889
Promotions and Marketing	381,811	-	-	381,811
Telecommunication Resale Expense	500,969	-	-	500,969
Taxes and Insurance	3,940,466	-	-	3,940,466
Contractual Services	2,996,911	-	-	2,996,911
Utilities	2,183,436	-	-	2,183,436
Legal	69,053	-	-	69,053
Office Expense	454,354	-	-	454,354
Repairs and Maintenance	2,436,891	-	93,742	2,530,633
Miscellaneous	214,087	-	606	214,693
Depreciation	7,379,178	44,803	451,509	7,875,490
Total Operating Expenses	<u>23,463,395</u>	<u>1,539,757</u>	<u>1,332,415</u>	<u>26,335,567</u>
OPERATING INCOME	13,313,717	329,144	73,624	13,716,485
NONOPERATING REVENUES (EXPENSES)				
Interest Income	3,236	4,903	5,275	13,414
Interest Expense	(9,949,545)	-	(121,774)	(10,071,319)
Loss on Disposal of Capital Assets	(13,869)	-	-	(13,869)
Bond Issuance Costs	(4,443,081)	-	-	(4,443,081)
Miscellaneous Income	-	22,516	1,847	24,363
Miscellaneous Expense	(34,582)	-	-	(34,582)
Total Nonoperating Revenues (Expenses)	<u>(14,437,841)</u>	<u>27,419</u>	<u>(114,652)</u>	<u>(14,525,074)</u>
INCOME (LOSS) BEFORE TRANSFERS	(1,124,124)	356,563	(41,028)	(808,589)
TRANSFERS				
Transfers Out	(31,163)	(476,124)	(228,575)	(735,862)
Total Transfers	<u>(31,163)</u>	<u>(476,124)</u>	<u>(228,575)</u>	<u>(735,862)</u>
CHANGE IN NET POSITION	(1,155,287)	(119,561)	(269,603)	(1,544,451)
Total Net Position (Deficit) - Beginning of Year	<u>(60,920,395)</u>	<u>2,220,800</u>	<u>6,216,399</u>	<u>(52,483,196)</u>
TOTAL NET POSITION (DEFICIT) - END OF YEAR	<u><u>\$ (62,075,682)</u></u>	<u><u>\$ 2,101,239</u></u>	<u><u>\$ 5,946,796</u></u>	<u><u>\$ (54,027,647)</u></u>

See accompanying Notes to Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities – Enterprise Funds			
	CaPFA	Electric Fund	Water Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers and Users	\$ 37,954,697	\$ 1,883,556	\$ 1,415,605	\$ 41,253,858
Cash Paid to Suppliers	(10,361,212)	(1,245,432)	(562,231)	(12,168,875)
Cash Paid to Employees	(2,906,239)	(155,665)	(412,468)	(3,474,372)
Net Cash Provided by Operating Activities	24,687,246	482,459	440,906	25,610,611
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to Other Funds	(31,162)	(476,124)	(228,575)	(735,861)
Other Receipts (Payments)	113,916	24,194	32,582	170,692
Net Cash Provided (Used) by Noncapital Financing Activities	82,754	(451,930)	(195,993)	(565,169)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(8,983,891)	-	(67,444)	(9,051,335)
Interest Paid	(21,144,587)	-	(121,829)	(21,266,416)
Proceeds from Issuance of Long-Term Debt	228,666,611	-	-	228,666,611
Payments on Protective Advance	(27,890,040)	-	-	(27,890,040)
Payments on Bond Insurer Advance	(16,624,355)	-	-	(16,624,355)
Principal Payments on Long-Term Debt	(151,208,138)	-	(74,535)	(151,282,673)
Bond Issuance Costs Paid	(2,257,933)	-	-	(2,257,933)
Trustee Fees Paid	(2,219,731)	-	-	(2,219,731)
Net Cash Used by Capital and Related Financing Activities	(1,662,064)	-	(263,808)	(1,925,872)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Other Income Received	3,235	4,903	5,275	13,413
Net Cash Provided by Investing Activities	3,235	4,903	5,275	13,413
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,111,171	35,432	(13,620)	23,132,983
Cash and Cash Equivalents - Beginning of Year	30,403,482	1,455,164	2,780,859	34,639,505
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 53,514,653</u>	<u>\$ 1,490,596</u>	<u>\$ 2,767,239</u>	<u>\$ 57,772,488</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Current Assets – Cash and Cash Equivalents	\$ 13,819,886	\$ 312,685	\$ 2,223,451	\$ 16,356,022
Current Assets – Restricted Cash and Cash Equivalents	7,956,875	-	486,627	8,443,502
Noncurrent Assets – Restricted Cash and Cash Equivalents	31,737,892	1,177,911	57,161	32,972,964
Total Cash and Cash Equivalents	<u>\$ 53,514,653</u>	<u>\$ 1,490,596</u>	<u>\$ 2,767,239</u>	<u>\$ 57,772,488</u>

See accompanying Notes to Financial Statements.

CITY OF MOORE HAVEN, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities – Enterprise Funds			Total
	CaPFA	Electric Fund	Water Fund	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 13,313,717	\$ 329,144	\$ 73,624	\$ 13,716,485
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	7,379,178	44,803	451,509	7,875,490
Bad Debt Expense	-	(2,683)	(793)	(3,476)
Loss on Capital Credits	-	(8,291)	-	(8,291)
Amortization of Prepaid Bond Insurance	2,570,069	-	-	2,570,069
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	207,638	11,618	3,578	222,834
Due to/from Other Governments	-	(925)	(87,619)	(88,544)
Prepaid Items	44,238	-	(5,046)	39,192
Other Assets	(9,807)	-	-	(9,807)
Deferred Outflows—Pension	-	11,538	46,746	58,284
Deferred Outflows—OPEB	-	381	1,368	1,749
Increase (Decrease) in:				
Accounts Payable and Accrued Expenses	202,459	97,892	(14,437)	285,914
Customer Deposits	1,069,947	5,720	6,781	1,082,448
Prepaid Tenant Rent	(90,193)	-	-	(90,193)
Total OPEB Liability	-	1,708	7,153	8,861
Net Pension Liability	-	(66,465)	(255,113)	(321,578)
Deferred Inflows—Pension	-	59,225	213,883	273,108
Compensated Absences	-	(1,206)	(728)	(1,934)
Net Cash Provided by Operating Activities	<u>\$ 24,687,246</u>	<u>\$ 482,459</u>	<u>\$ 440,906</u>	<u>\$ 25,610,611</u>
NONCASH FINANCING ACTIVITIES				
Amortization of Premiums	<u>\$ (1,157,655)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,157,655)</u>
Amortization of Deferred Outflow on Refunding Debt	<u>\$ 56,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,598</u>

See accompanying Notes to Financial Statements.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The City of Moore Haven, Florida (the City) was incorporated in 1925 pursuant to Chapter 10923, Special Acts of 1925, Laws of Florida. An elected mayor and four-member city council (the Council) govern the City. The City provides the following services to its residents: general government, public safety, physical environment, transportation, human services, economic environment, culture/recreation, student housing rental, affordable housing, electricity, and water services. The Council is responsible for legislative and fiscal control of the City.

The basic financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), applicable to state and local governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. 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 U.S. GAAP for governmental units.

Financial Reporting Entity

U.S. GAAP require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in GASB Statement No. 14, *The Financial Reporting Entity* (as amended) have been considered in determining the Agencies, boards or authorities to be presented with the City.

A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Under criteria established by GASB No. 14 (as amended), component units are to be either blended with the primary government or presented discretely. For a component unit to be blended it must meet one or both of the following two situations: 1) the board of the component unit is substantially the same as that of the primary government or 2) the component unit serves the primary government exclusively.

Blended Component Units

The Moore Haven Redevelopment Agency (the CRA), although an entity legally separate from the City, is governed by the Council. In 2004, Ordinance 241, as amended by Ordinance 284, created the CRA pursuant to section 163.357 of the Florida statutes. The governing body of the CRA is the Council. Therefore for financial reporting purposes, the CRA is reported as a special revenue fund in the City's financial statements.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Blended Component Units (Continued)

The Affordable Housing Finance Authority (the Authority) is an entity that is legally separate from the City; however, because the governing bodies are the same, the entity is blended with the primary government under the business-type activities. There has been only limited financial activity since inception for the Authority; consequently, no separately issued financial statements are prepared. The Authority had no balances and no activity for the year ended September 30, 2021.

The Capital Projects Finance Authority (CaPFA) and five legally separate special purpose corporations acting as instrumentalities of CaPFA: CaPFA Capital Corp. 1998B, CaPFA Capital Corp. 2000F, CaPFA Capital Corp. 2010A, CaPFA Capital Corp. 2017A, and CaPFA Capital Corp. 2016A; however, the governing bodies are the same. These entities are blended with the primary government under the business-type activities. CaPFA Capital Corp. 1998B, CaPFA Capital Corp. 2017A and CaPFA Capital Corp. 2016A had no balances and no activity for the year ended September 30, 2021 and are, therefore, not included in the segment information reported in Note 12. Separately issued audited financial statements for CaPFA Capital Corp. 2000F can be obtained from the City Clerk at 299 Riverside Drive, Moore Haven, Florida 33471.

Basic Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements along with the notes to the financial statements. The focus of the financial statements is on either the City as a whole or major individual funds (within the fund financial statements).

Government-Wide and Fund Financial Statements

The government-wide statement of net position and statement of activities report information on all 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 services.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; 2) grants and contributions that are restricted to meeting the operating requirements of a particular function or segment; and 3) grants and contributions that are restricted to meeting capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Government-Wide and Fund Financial Statements (Continued)

The net cost by function is normally covered by general revenue (property taxes, utility taxes, franchise fees, licenses and permits, certain intergovernmental revenues, interest income, etc.).

Separate fund based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Measurement Focus and Basis of Accounting

Basis of accounting determines when transactions are reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

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

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Measurement Focus and Basis of Accounting (Continued)

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities of the government-wide presentation.

Property taxes, franchise and utility taxes, intergovernmental revenues when eligibility requirements have been met, licenses, charges for services, contributions, and investment earnings associated with the current fiscal period are all considered to be measurable and have been recognized as revenues of the current fiscal period, if available. Permits, fines and forfeitures, and miscellaneous revenues are considered measurable only when cash is received by the government.

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds are charges to customers for sales and services and rents. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Basis of Presentation

The financial transactions of the City are recorded in individual funds. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. 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.

GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City's major funds are presented in separate columns on the governmental fund financial statement and the proprietary fund financial statement. The funds that do not meet the criteria of a major fund are considered nonmajor funds and are combined into a single column in the fund financial statements and detailed in the combining section.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

Basis of Presentation (Continued)

The focus of Governmental Fund measurement (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major Governmental Funds of the City:

General Fund – This fund is the general operating fund of the City. It is used to account for all revenues and expenditures except those required to be accounted for in another fund. The activities accounted for in the fund include general government public safety, transportation, physical environment, and culture and recreation.

CRA Fund – This fund is a special revenue fund and is used to account for the operations and resources related to the City of Moore Haven Community Redevelopment Area.

ARPA Fund – This fund is a special revenue fund and is used to account for funding received under the American Rescue Plan Act that is restricted for various purposes under the Act.

The focus of Proprietary Fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major Proprietary Funds of the City:

CaPFA – This fund is used to account for the income and expenses of financing and operating apartment facilities within the area of the University of Central Florida and the construction and rental of a high school in Guam.

Water Fund – This fund is used to account for the income and expenses of operating the City's water system.

Electric Fund – This fund is used to account for the income and expenses of operating the City's electric system.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to a known amount of cash and have a maturity of no longer than three months at the date of purchase.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses

Restricted Cash and Investments

Pursuant to bond documents, the City is required to maintain certain amounts from bond proceeds and operations as restricted for debt service. For purposes of cash flow statement reporting, the City considers restricted cash as cash and cash equivalents.

Accounts Receivable

Accounts receivable for the governmental, electric, and water are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable for the year ended September 30, 2021 were \$7,352, \$454, and \$422 for the governmental, electric, and water activities, respectively. For the year ended September 30, 2021, bad debt expense netted with recoveries were \$(767), \$(2,683), and \$(793) for the governmental, electric, and water activities, respectively.

For water and electric receivables, the City discontinues service if the receivable is not paid after a certain period of time.

Accounts receivable associated with student housing for a tenant that has vacated the property are turned over to a collection agency. The allowance for uncollectible accounts netted with accounts receivable for the year ended September 30, 2021 was \$-0-.

Restricted Assets

These assets represent cash and cash equivalents and investments set aside to meet obligations under the terms of the outstanding revenue bonds, customer deposits, or other legal commitments.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and proprietary fund financial statements. The City has elected to treat these items under the purchase method for the governmental fund financial statements. As such, the costs are recognized immediately as expenditures when purchased.

Capital Credits

As a former member of the Glades County Electric Cooperative (the Cooperative), the City of Moore Haven was entitled to share in the net earnings of this nonprofit organization. The City accounts for its share of the net earnings on the cost basis method. The City's interest in the Cooperative was 3.5% until withdrawing in 2016. The Cooperative accumulates these credits on behalf of each of its members, with distribution being made upon termination of membership or upon the Co-op's fulfillment of their debt requirements with the Rural Electric Administration (REA) and the National Rural Utilities Cooperative Finance Corporation (CFC) Mortgages.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Charges for Services

Charges for services include rental income from student housing and a high school in Guam, and fees earned for electric services and water services.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (which includes roads, bridges, sidewalks, traffic signals, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of one year. Capital assets are stated at historical cost or estimated historical cost if actual historical cost is not known. Contributed assets are recorded at estimated acquisition value at the time received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method over the assets' estimated useful lives. Estimated useful lives assigned to various categories of assets are as follows:

Structures and Improvements	7 to 40 Years
Apartment Furniture and Appliances	3 to 7 Years
Transmission, Distribution, and Collection Plant	20 to 40 Years
Machinery and Equipment	3 to 12 Years
Infrastructure	20 Years

The cost of assets retired or sold, together with the accumulated depreciation, is removed from the accounts and any gain or loss on disposition is credited or charged to earnings.

Pensions

In the government-wide and proprietary funds statements of net position, liabilities are recognized for the City's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Other Postemployment Benefits (OPEB)

In the government-wide and proprietary funds statements of net position, liabilities are recognized for the City's total OPEB liability as determined by an actuarial review of the healthcare coverage purchased by retirees to continue participation in the City's health plan. The City does not subsidize any premiums for retired participants. OPEB expense is recognized immediately for changes in the OPEB liability resulting from current year service cost, interest on the total OPEB liability and changes of benefit terms or actuarial assumptions.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the City's statement of net position relate to the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the Other Postemployment Benefits Plan. Notes 15 and 19 provide more information on this item. These amounts will be recognized as increases in pension expense and OPEB expense in future years. In addition, The difference between the reacquisition price of debt and the net carrying value of the old debt on refunded debt transactions is recorded as a deferred outflow of resources and recognized as a component of expense using the effective interest method over the shorter of the remaining life of the old debt or the new debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the City's statement of net position relate to the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the Other Postemployment Benefits Plan. Notes 14 and 18 provide more information on this item. These amounts will be recognized as reductions in pension expense and OPEB expense in future years.

Deferred inflows of resources also include amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criterion (availability) has not been met.

Prepaid Tenant Rent

The prepaid tenant rent balance represents the amounts received from tenants for rent and other charges in advance that relate to a period after September 30, 2021.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation leave, which will be paid to employees upon separation from the City. The accumulated compensated absences are accrued when incurred in the government-wide financial statements and proprietary funds for both the current and long-term portions.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond Premiums and Discounts

The premiums and discounts on the revenue bonds are being amortized using the effective interest method over the term of the bonds.

Fund Balance

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in the current year. Accordingly, in the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Council, the City's highest level of decision making authority. Commitments may be changed or lifted only by the Council taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Fund Balance (Continued)

Assigned Fund Balance – Includes spendable fund balance amounts established by the administration of the City that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for the general fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City expends restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Minimum Fund Balance Policy

The City's policy is to maintain an adequate general fund unassigned fund balance to provide liquidity to meet seasonal shortfalls in cash flows, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. Fund balance information is used to identify the available resources to pay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the City, in accordance with policies established by the Council. The Council adopted a financial standard to maintain a general fund minimum unassigned fund balance of 17% of general fund operating expenditures.

Net Position

Net position of the government-wide and proprietary funds are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to property, plant, and equipment net of depreciation and net of any outstanding debt related to the acquisition or construction of the asset. The restricted net position represents the balance of assets restricted by bond requirements and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position is available for any project purpose. A deficit will require future funding.

Lease Revenue

Rent revenues for CaPFA Capital Corp. 2000F are recognized monthly over the term of the lease agreements which are semester, academic term, or one year in duration.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity, Revenues, and Expenditures/Expenses (Continued)

Interfund Transactions

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund. Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements. Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" or "advances 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."

Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector, respectively. Property values are assessed on a county-wide basis as of January 1 of each year. Tax bills are mailed for the City by Glades County on or about October 1 (the levy date) of each year and are payable with discounts of up to 4% offered for early payment. The City's levy becomes an enforceable claim on November 1. Taxes become delinquent on April 1 of the year following the year of assessment and state law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-earning tax certificates to satisfy unpaid property taxes. The City is subject to certain limitations on millage rate assessments as defined by state statutes.

NOTE 3 BUDGETARY INFORMATION

Florida Statutes require that all municipal governments establish budgetary systems and approve annual operating budgets. The Council adopts an annual operating budget and appropriates funds only for the General Fund. The procedures for establishing budgetary data are as follows:

By July 1st of each year, the Property Appraiser certifies the tax roll for the City on form DR-420. This tax roll is used in formulating the proposed millage rate for the coming year. Thereafter the following timetable must be adhered to:

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 BUDGETARY INFORMATION (CONTINUED)

- a. Within 35 days, the City Clerk must have submitted the proposed budget to Council and delivered form DR-420 to the Property Appraiser.
- b. Between 65-80 days from the date of certification (September 3-18), the City must hold a tentative budget and millage hearing. Budget hearings cannot be held sooner than 10 days following the mailing of notices by the Property Appraiser (August 24th).
- c. Within 15 days of the tentative budget and millage hearing (September 18 – October 3), the City must advertise a final hearing on the budget.
- d. Not less than 2 or more than 5 days after the advertisement (September 20 – October 8), a final hearing adopting the budget and millage is held.
- e. Within 3 days after adoption, the City must certify the adopted millage to the Property Appraiser and Tax Collector.
- f. Within 3 days after the receipt of final value, as discussed below, the City Clerk completes form DR-422 and returns it to the Property Appraiser.
- g. Within 30 days of final millage and budget adoption, the City must certify compliance with Section 200.065 and 200.068, Florida Statutes, to the Department of Revenue.

The adopted budget is prepared in accordance with U.S. GAAP. The Council also adopts a nonappropriated operating budget for the Electric Fund and Water Fund on a basis consistent with U.S. GAAP, except that depreciation is not budgeted.

Total expenditures may not legally exceed total appropriations at the fund level. The Council may amend the current year’s budget appropriation by passage of a budget amendment resolution after conducting one public hearing on the matter. Unexpended appropriations lapse at year-end.

NOTE 4 CASH, CASH EQUIVALENTS, AND INVESTMENTS

As of September 30, 2021, the City’s cash and investments were as follows:

Deposits with Financial Institutions	\$ 55,465,068
Investments Considered as Cash Equivalents	3,373,793
Total	<u><u>\$ 58,838,861</u></u>
Cash and Cash Equivalents	\$ 17,252,121
Restricted Cash and Cash Equivalents	41,586,740
Total	<u><u>\$ 58,838,861</u></u>

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. CaPFA Capital Corp 2000F and CaPFA Capital Corp. 2010A do not have a deposit policy for custodial credit risk. The City's policy is to follow Florida Statutes, which authorize the deposit of funds in demand deposits or time deposits of financial institutions approved by the Florida Chief Financial Officer as qualified public depositories. These are defined as public deposits. The City and CaPFA Capital Corp. 2000F's deposits are held in qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof and, therefore, the City is not exposed to custodial credit risk for its deposits.

CaPFA 2000F deposit accounts had a carrying value and bank balance of \$539,150, of which \$250,000 were FDIC insured, but held by the trustee in the trustee's name.

Investments

The City does not have a written investment policy and as such, its practice is to follow Florida Statute 218.415, which limits the types of investments that a local government may invest in. Local governments electing not to adopt a written investment policy in accordance with policies developed by the state may only invest surplus public funds in the state pool or similar, highly rated money market funds, time deposits, savings accounts, or direct obligations of the U.S. Treasury. Florida Statute 218.415 does not apply to the investment of funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds.

The Trust Indenture for the outstanding bonds and certificates of participation, as listed in Note 7, defines eligible investments for CaPFA Capital Corp. 2000F and CaPFA Capital Corp. 2010A. The investments listed below are eligible investments per the Trust Indentures:

Investment Type	Amortized Cost	Investment Maturities Less Than One Year
First American Treasury Obligation Fund Class D	\$ 3,373,793	\$ 3,373,793
Total	\$ 3,373,793	\$ 3,373,793

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investments in Securities and Exchange Commission registered money market funds (First American Treasury Obligation Fund Class D) are not evidenced by securities that exist in physical or book form and, therefore, disclosures for interest rate risk, concentration of credit risk, and custodial credit risk are not applicable.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in the market interest rates. CaPFA Capital Corp. 2000F and CaPFA Capital Corp. 2010A do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a credit quality rating by a nationally recognized statistical rating organization. CaPFA Capital Corp. 2000F and CaPFA Capital Corp. 2010A have no investment policy that would further limit its investment choices.

As of September 30, 2021, CaPFA Capital Corp. 2000F and CaPFA Capital Corp. 2010A's investments were related as follows:

<u>Investment Type</u>	<u>Moody's Investors Services</u>	<u>Standard & Poor's</u>
First American Treasury Obligation Fund Class D	Aaa-mf	AAAm

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. CaPFA Capital Corp. 2000F and CaPFA Capital Corp. 2010A place no limit on the amount that may be invested in any one issuer. All of CaPFA 2010A's investments are held in First American Treasury Obligation Fund Class D, and CaPFA 2000F's had no investments as of September 30, 2021.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2021 is summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital Assets not Being Depreciated:				
Land	\$ 361,381	\$ -	\$ 96,304	\$ 265,077
Construction in Progress	-	74,560	-	74,560
Total Capital Assets not Being Depreciated	361,381	74,560	96,304	339,637
Capital Assets Being Depreciated:				
Infrastructure	11,066,152	-	-	11,066,152
Structures and Improvements	1,955,941	-	-	1,955,941
Machinery and Equipment	1,255,789	21,830	-	1,277,619
Total Capital Assets Being Depreciated	14,277,882	21,830	-	14,299,712
Less Accumulated Depreciation for:				
Infrastructure	7,439,082	244,319	-	7,683,401
Structures and Improvements	748,030	76,240	-	824,270
Machinery and Equipment	1,009,956	66,781	-	1,076,737
Total Accumulated Depreciation	9,197,068	387,340	-	9,584,408
Capital Assets Being Depreciated, Net	5,080,814	(365,510)	-	4,715,304
Governmental Activities Capital Assets, Net	<u>\$ 5,442,195</u>	<u>\$ (290,950)</u>	<u>\$ 96,304</u>	<u>\$ 5,054,941</u>
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Business-Type Activities:</u>				
Capital Assets not Being Depreciated:				
Land	\$ 190,500	\$ -	\$ -	\$ 190,500
Construction in Progress	180,686	8,129,241	291,650	8,018,277
Total Capital Assets not Being Depreciated	371,186	8,129,241	291,650	8,208,777
Capital Assets Being Depreciated:				
Structures and Improvements	214,431,155	771,421	399,614	214,802,962
Apartment Furniture and Appliances	4,522,623	370,466	1,375,717	3,517,372
Transmission, Distribution, and Collection Plants	15,085,416	-	-	15,085,416
Machinery and Equipment	9,833,337	71,856	497,160	9,408,033
Total Capital Assets Being Depreciated	243,872,531	1,213,743	2,272,491	242,813,783
Less Accumulated Depreciation for:				
Structures and Improvements	101,185,663	6,298,333	399,613	107,084,383
Apartment Furniture and Appliances	2,796,844	982,823	1,375,717	2,403,950
Transmission, Distribution, and Collection Plants	7,514,024	408,981	-	7,923,005
Machinery and Equipment	9,039,637	185,353	483,293	8,741,697
Total Accumulated Depreciation	120,536,168	7,875,490	2,258,623	126,153,035
Capital Assets Being Depreciated, Net	123,336,363	(6,661,747)	13,868	116,660,748
Business-Type Activities Capital Assets, Net	<u>\$ 123,707,549</u>	<u>\$ 1,467,494</u>	<u>\$ 305,518</u>	<u>\$ 124,869,525</u>

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to function/program as follows:

<u>Governmental Activities:</u>	
General Government	\$ 22,544
Public Safety	1,748
Physical Environment	241,255
Transportation	45,006
Culture and Recreation	76,787
Total Depreciation Expense, Governmental Activities	\$ 387,340
 <u>Business-Type Activities:</u>	
CaPFA	\$ 7,379,178
Electric	44,803
Water	451,509
Total Depreciation Expense, Business-Type Activities	\$ 7,875,490

Pursuant to bond resolution, CaPFA leases the land of the project associated with the CaPFA Capital Corp. 2000F from the Knight's Crossing Student Housing, LLC for \$10 per year, plus any residual profits. Knight's Crossing Student Housing, LLC is a single member Florida Limited Liability Company, the sole member of which is the University of Central Florida Foundation, Inc. The lease, dated December 1, 2000, is for a term ending after the bonds are paid or 40 years, whichever is sooner. CaPFA 2000F holds title of the buildings on the leased land. Title to the buildings will revert to the Knight's Crossing Student Housing, LLC after the bonds mature and are paid in full.

As indicated in Note 1, the buildings and certain building improvements are being depreciated over 40 years which exceed the final maturity of the bonds. This will result in a residual value in those assets of approximately \$21,427,412 at the date the bonds mature. The residual value will be considered a contribution to Knight's Crossing Student Housing, LLC when the title to the assets reverts.

NOTE 6 INVESTMENT IN GLADES COUNTY ELECTRIC COOPERATIVE

As a former member of the Glades County Electric Cooperative, the City of Moore Haven was entitled to share in the net earnings of this nonprofit organization. The Cooperative accumulates these credits on behalf of each of its members, with distribution being made upon termination of membership or upon the Co-op's fulfillment of their debt requirements with the Rural Electric Administration (REA) and the National Rural Utilities Cooperative Finance Corporation (CFC) Mortgages. During the year ended September 30, 2016 the City withdrew from the Cooperative. To date the City has received \$509,090 related to the period 1987 and prior. At September 30, 2021, the amount of the credit balance remaining as computed by the Cooperative was \$498,767.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS

Changes in long-term debt for the year ended September 30, 2021 are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 34,065	\$ 32,686	\$ 48,242	\$ 18,509	\$ 18,509
Governmental Fund Total	<u>\$ 34,065</u>	<u>\$ 32,686</u>	<u>\$ 48,242</u>	<u>\$ 18,509</u>	<u>\$ 18,509</u>
Business-Type Activities:					
Revenue Bonds	\$ 94,072,003	\$ 162,928,264	\$ 95,206,362	\$ 161,793,905	\$ 4,360,000
Direct Placement Revenue Bonds	3,898,520	-	74,536	3,823,984	76,866
Direct Placement Certificates of Participation	56,218,126	65,713,580	56,218,126	65,713,580	20,000
Compensated Absences	18,450	19,582	21,516	16,516	16,516
Business-Type Fund Total	<u>\$ 154,207,099</u>	<u>\$ 228,661,426</u>	<u>\$ 151,520,540</u>	<u>\$ 231,347,985</u>	<u>\$ 4,473,382</u>

Governmental Activities

Compensated absences: This amount represents the City's long-term liability for earned and unpaid vacation benefits as of September 30, 2021, which is not expected to be paid with current available resources.

Business-Type Activities

Student Housing Revenue Bonds: The Revenue bonds are payable from and collateralized by revenue derived from the operation of the CaPFA 2000F project, which is a student housing facility.

Bond covenants require CaPFA 2000F to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient based on stated ratios, to meet the payment and operating expenses, current debt service, and reserve requirements as defined in the bond documents.

Direct Placement Water Revenue Bonds Payable: The revenue bonds are payable from and collateralized by revenue derived from the operation of the water system and, accordingly, are recorded in the enterprise fund.

Bond covenants require the Water Fund to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient based on stated ratios, to meet the payment and operating expenses, current debt service, and reserve requirements as defined in the bond documents.

Direct Placement Certificates of Participation – John F. Kennedy High School Project: The certificates of participation are payable from and collateralized by revenue derived from leasing the CaPFA 2010A project, which is a high school, to the government of Guam.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Business-Type Activities

Certificate covenants require CaPFA 2010A to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient based on stated ratios, to meet the payment and operating expenses, current debt service, and reserve requirements as defined in the certificate of participation documents.

The long-term debt at September 30, 2021 is summarized as follows:

	Balance
<u>Revenue Bonds</u>	
Series 2020A-1, \$126,115,000, due in annual installments beginning October 1, 2024 ranging from \$2,865,000 to \$14,615,000 through October 1, 2035. Interest at 5% per annum is payable on April 1 and October 1 of each year.	\$ 126,115,000
Series 2020A-2, \$22,200,000, due in annual installments ranging from \$4,360,000 to \$7,850,000, through October 1, 2024. Interest at 4%, per annum, is payable on April 1 and October 1 of each year.	22,200,000
<u>Direct Placement Debt</u>	
Certificates of Participation Series 2020A, \$65,420,000, due in annual installments ranging from \$20,000 to \$5,395,000 through February 1, 2040. Interest ranging from 3.625% to 5.0% per annum is payable on February 1 and August 1 of each year.	65,420,000
Water and Sewer Revenue Bond - \$4,402,000 Water Revenue Bonds, Series 2009, due in annual installments ranging from \$61,971 to \$193,475 through September 1, 2052. Interest of 3.125% is payable annually on September 1 of each year. The bond is collateralized by a lien on revenues of the water system.	3,823,983
Total Debt	217,558,983
Add: Bond Premiums	13,478,905
Less: Bond Discounts	293,581
Total Debt	231,331,469
Current Maturities	(4,456,866)
Total Long-Term Debt Net of Bond Discounts, Bond Premiums, and Current Maturities	\$ 226,874,603

The total interest expensed for the year ended September 30, 2021 was \$9,910,332.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Business-Type Activities (Continued)

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

<u>Year Ending September 30,</u>	<u>Revenue Bonds</u>		<u>Direct Placement Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 4,360,000	\$ 7,106,550	\$ 76,866	\$ 119,499
2023	4,390,000	6,931,550	79,268	117,097
2024	7,850,000	6,686,750	81,745	114,620
2025	8,465,000	6,346,125	84,299	112,066
2026	9,130,000	5,934,250	86,934	109,431
2027-2031	54,655,000	21,964,875	477,157	504,669
2032-2036	59,465,000	6,743,625	556,521	425,305
2037-2041	-	-	649,085	332,742
2042-2046	-	-	757,044	224,782
2047-2051	-	-	882,960	98,866
2052-2056	-	-	92,106	2,878
Total	<u>\$ 148,315,000</u>	<u>\$ 61,713,725</u>	<u>\$ 3,823,983</u>	<u>\$ 2,161,957</u>

<u>Direct Placement Certificates of Participation</u>		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$ 20,000	\$ 3,063,506	\$ 14,746,421
1,580,000	3,034,506	16,132,421
2,565,000	2,959,378	20,257,493
2,660,000	2,864,675	20,532,165
2,770,000	2,757,600	20,788,215
15,770,000	11,863,044	105,234,745
20,015,000	7,612,125	94,817,576
20,040,000	2,067,000	23,088,826
-	-	981,826
-	-	981,826
-	-	94,984
<u>\$ 65,420,000</u>	<u>\$ 36,221,834</u>	<u>\$ 317,656,499</u>

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Business-Type Activities (Continued)

Provisions of Revenue Bond Resolutions – CaPFA 2000F

Bond covenants require CaPFA 2000F to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient (based on stated ratios) to meet the payment of operating expenses, current debt service, and reserve requirements. Certain bond covenants are noted below:

Project Fund

The Project Fund will consist of sub-accounts for each series of Bonds: the Tax-Exempt Accounts for proceeds of each tax-exempt series of Bonds and the Taxable Account for proceeds of any taxable series of Bonds. The balance in the proceed accounts as of September 30, 2021 was \$-0-.

With respect to the Series 2020A Bonds, there is a Costs of Issuance Subaccount. Amounts deposited to the Costs of Issuance Subaccount shall be disbursed by the Trustee upon written direction of the Borrower. Any amounts remaining in the subaccount 180 days following the date of delivery of the Series 2020A Bonds shall be transferred to the Revenue Fund and the subaccount shall thereafter be closed. The Balance in the Cost of Issuance Subaccount at September 30, 2021 was \$39,578.

Daily Deposit Fund

Daily Deposit Account established and maintained by the Trustee, which shall be for the account of the Issuer and all monies therein shall be held in trust hereunder by the Trustee for periodic transfers to the Revenue Fund, and only the Trustee shall have withdrawal rights under the Daily Deposit Account. The Borrower (or the Manager on its behalf) is required by Section 4.3 of the Agreement to deposit Pledged Revenues into the Daily Deposit Account. The balance in the Daily Deposit Account as of September 30, 2021 was \$-0-.

Revenue Fund

The provisions of the bond documents require CaPFA 2000F to establish a Revenue Fund. All operating revenues received by CaPFA 2000F held by the Trustee in the Daily Deposit Account are deposited into this fund, and then disbursed as outlined in the bond documents. The balance in the Revenue Fund at September 30, 2021 was \$-0-.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Revenue Bond Resolutions – CaPFA 2000F (Continued)

Revenue Fund (Continued)

Within the Revenue Fund there is the Prepaid Rent Subaccount. Specific funds on deposit in the Daily Deposit Account identified in writing by the Borrower or the Manager shall be deposited into the Prepaid Rent Subaccount. The Borrower or the Manager shall provide the Trustee a schedule detailing the amounts and times that amounts on deposit in the Prepaid Rent Subaccount are to be transferred to the Revenue Fund. The balance in the Prepaid Rent Fund at September 30, 2021 was \$586,486.

Bond Fund

There are two separate accounts created with the Bond Fund: a) the Principal account and b) the Interest account. Monies are required to be held in these accounts for the payments of principal and interest when due. The balance in these accounts at September 30, 2021 was \$7,956,875.

Debt Service Reserve Fund

For the 2020A Bonds, \$15,232,875 was calculated on the date of issuance and defined as the maximum annual debt service (the maximum amount of Bond Service Charges, exclusive of premium payable on the Bonds, due in any Fiscal Year of the Borrower while any of the Bonds remain outstanding). Monies are required to be held in the Debt Service Reserve Fund for the payments of principal and interest should any shortfalls occur in the other funds. The balance of the Debt Reserve Fund was \$15,599,500 as of September 30, 2021.

Repair and Replacement Fund

The current balance is \$2,162,155. An amount equal to \$550 per bed per year is deposited into this account (increased (i) each year by the consumer price index evidenced by a Certificate of the Borrower or (ii) in the judgement of the Borrower as set forth in the Operating Budget, which amount shall be further increased or decreased, as necessary, not less frequently than every five (5) years, commencing on or before October 1, 2025, in accordance with a Certificate of the Borrower filed with the Trustee and the Company, at any time, and which Certificate shall be accompanied by a written report of a Housing Consultant describing, in the opinion of such Housing Consultant, the appropriate amount that should be on deposit in the Repair and Replacement Fund in light of (a) the financial condition and the physical condition of the Project, and (b) similar provisions for repair and replacement reserves made with respect to other housing projects that are comparable to the Project). Amounts on hand in this account may be used for acquiring equipment, fixtures or furnishings and construction, rehabilitation, repair, replacement or improvement of the project. Further, amounts in this fund may be used to cure deficiencies to the extent pledged revenues are not sufficient to meet minimum requirements. The amount required to be deposited into the Repair and Replacement Fund for fiscal year ending September 30, 2021 was \$585 per bed.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Revenue Bond Resolutions – CaPFA 2000F (Continued)

Surplus Fund

CaPFA 2000F is required to create and deposit monies into the Surplus Fund. Amounts in the Surplus Fund are to be applied to the following items by the Trustee: a) to satisfy any deficiencies in the application of pledged revenues, b) to pay the Trustee and CaPFA 2000F certain costs and amounts when due, and c) upon satisfaction of the Release Test pay Knight's Crossing Student Housing, LLC, a Florida limited liability company, additional payments on the Ground Lease. The balance in the Surplus Fund at September 30, 2021 was \$6,801,558.

COVID Fund

At the time of issuance of the Series 2020A Bonds, an amount equal to 50% of the maximum annual debt service requirement on the Series 2020A Bonds shall be deposited to the COVID Fund. Amounts on deposit in the COVID Fund shall satisfy any deficiency in the Revenue Fund and pay amounts directly to Knight's Crossing Student Housing, LLC, a Florida limited liability, on October 1, 2022. The balance in the COVID Fund at September 30, 2021 was \$7,799,750.

Rebate Fund

CaPFA 2000F is required to maintain, as a separate deposit account in the custody of the Trustee, a trust fund designated "Capital Projects Finance Authority - Florida Universities Rebate Fund" (the Rebate Fund). Any moneys deposited therein in accordance with the provisions of the Tax Agreement shall be used for no other purpose than payments to the United States Treasury, at the time and in the manner and amount specified in the Tax Agreement. The balance in the Rebate Fund at September 30, 2021 was \$-0-.

Release Test/Rate Covenant

The Bond Documents provide that the borrower shall, subject to applicable requirements or restrictions imposed by law, charge and maintain rental rates for the units comprising the Project and other revenue producing facilities of the Project at a level which will (i) provide Net Revenues available for debt service in each fiscal year which are at least equal to 120% of the bond service charges due in such fiscal year on all senior bonds then outstanding, and (ii) provide net revenues available for debt service in each fiscal year which are at least equal to 110% of the bond service charges due in such fiscal year on all bonds then Outstanding. In addition, a Surplus Fund is created in which any excess funds, after all expenses have been paid and all sinking fund requirements have been met are deposited.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Revenue Bond Resolutions – CaPFA 2000F (Continued)

Release Test/Rate Covenant (Continued)

Upon being provided the officer's certificate, known as the "Release Test," the Trustee will release to CaPFA 2000F the surplus funds for distribution to the Knight's Crossing Student Housing, LLC as determined by section 4.13(c) of the trust indenture.

Percentage of Net Revenues Available For Debt Service in excess of Bond Service Charges on the Senior Bonds for prior Fiscal Year	Percentage of funds on deposit in Surplus Fund that may be paid
Equal to or greater than 1.20x	100%
1.18 to 1.1999x	75%
1.16 to 1.1799x	50%
1.10 to 1.1599x	25%

Provisions of Certificates of Participation Resolutions – CaPFA 2010A

Bond covenants require CaPFA 2010A to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient (based on stated ratios) to meet the payment of operating expenses, current debt service, and reserve requirements. Certain bond covenants are noted below:

Project Fund

At closing, a portion of the proceeds of the Certificates were deposited in the Project Fund. Amounts on deposit in the Project Fund shall be withdrawn and used solely for the payment of cost incurred on the project. Upon receipt of a Completion Certificate stating that all of the Project Costs and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Project Fund is to be maintained in the full amount of such claims until such dispute is resolved), the Trustee shall transfer any amounts remaining in the Project Fund and the accounts therein (but less the amount of any such retention) to the Certificate Payment Fund, and shall close the Project Fund. The balance in this account at September 30, 2021 was \$1,317,233.

Cost of Delivery Account

The provisions of the certificate of participation documents require CaPFA 2010A to establish a Cost of Delivery Account. Amounts on deposit in the Costs of Delivery Account shall be withdrawn and used solely for the payment of Costs of Delivery in respect of the Series of Certificates for which such account was established. Unless otherwise provided in a related Supplemental Trust Agreement, amounts remaining on deposit in the Costs of Delivery Account 180 days after delivery of the related Certificates shall be transferred to the Holding Fund, and such Costs of Delivery Account shall be closed. The balance in this account at September 30, 2021 was \$69,548.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Certificates of Participation Resolutions – CaPFA 2010A (Continued)

Holding Fund

The provisions of the certificate of participation documents require CaPFA 2010A to establish a Holding Fund. All aggregate base rental payments (net of amounts held in the Capitalized Interest Account) received by CaPFA 2010A are deposited into this fund then disbursed as outlined in the certificate of participation documents. The balance in this account at September 30, 2021 was \$-0-.

Capitalized Interest Account

At closing, a portion of the proceeds of the Certificates were deposited in the Capitalized Interest Account. The monies on deposit therein shall be used for the payment of interest represented by the Certificates and are to be transferred by the Trustee from the Capitalized Interest Account to the Interest Fund, on each date that is five business days prior to February 1, 2021 and August 1, 2021, in the amounts specified in the Trust Agreement. After both of such transfers have been made, the Trustee shall close the Capitalized Interest Account. The balance in this account at September 30, 2021 was \$1.

Certificate Payment Fund

There are three separate accounts created with the Certificate Payment Fund: a) the Principal Fund, b) the Interest Fund, and c) the Redemption Fund. CaPFA 2010A is required to create and deposit monies into the Certificate Payment Fund. Amounts in the Certificate Payment Fund are to be applied to the following items by the Trustee: a) pay interest represented by the Certificates as it becomes due and payable, b) pay principal represented by the Certificates or Mandatory Sinking Fund Payments when due and payable, and c) paying interest and principal represented by Certificates to be prepaid as provided in the Trust. The balance in these accounts at September 30, 2021 was \$198,295.

Rebate Fund

The provisions of the certificate of participation documents require CaPFA 2010A to establish a Rebate Fund. There shall be deposited by the Trustee in the Rebate Fund such amounts as are required to be deposited pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. The balance in this account at September 30, 2021 was \$-0-.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Certificates of Participation Resolutions – CaPFA 2010A (Continued)

Insurance and Maintenance Fund

The provisions of the certificate of participation documents require CaPFA 2010A to establish an Insurance and Maintenance Fund. Deposits into the Insurance and Maintenance Fund consist of Additional Rentals and any Base Rentals in excess of the amounts required to be transferred to the Certificate Payment Fund or the Certificate Debt Service Reserve Fund, an amount equal to the upcoming year's budget for the payment of certain expenses relating to the Project meeting the applicable requirements of the Lease and determined pursuant to the procedures described in the Lease and the Maintenance Agreement. Monies in the Insurance and Maintenance Fund are to be used and withdrawn by the Trustee for the purpose of paying Project-related costs including, but not limited to, annual fees of the Trustee and the Lessor and taxes (if any) relating to insurance for, and maintenance of, the Project in accordance with the Lease and determined pursuant to the procedures described in the Lease and the Maintenance Agreement. The balance in this account at September 30, 2021 was \$575,177.

Capital Replacement Reserve

Provisions of the certificate of participation documents require CaPFA 2010A to establish a Capital Replacement Reserve. Deposits into the Capital Replacement Reserve consist of Additional Rentals and any Base Rentals in excess of the amounts required to be transferred to the Certificate Payment Fund, the Certificate Debt Service Reserve Fund, or the Insurance and Maintenance Fund, a maximum deposit of \$589,500 for such Fiscal Year; provided that no such deposit shall be required after the balance on deposit in the Capital Replacement Reserve reaches \$3,200,000. Amounts on hand in this fund may be used for the purpose of paying costs of maintenance of the Project, including but not limited to the replacement of major capital items of the Project, including but not limited to and unanticipated, unbudgeted, or emergency repairs of and emergency replacements for the Project pursuant to the procedures described in the Lease and the Maintenance Agreement. The balance in this account at September 30, 2021 was \$1,213,540.

Surplus Fund

The provisions of the certificate of participation documents require CaPFA 2010A to establish a Surplus Fund. Amounts on deposit in the Surplus Fund are to be disbursed or deposited to or upon the order of the Lessee on any date. The balance in the Surplus Fund at September 30, 2021 was \$-0-.

Provisions of Revenue Bond Resolutions – Water Fund

Bond covenants require the City to maintain certain account balances and fees so that the funds available in each fiscal year will be sufficient (based on stated ratios) to meet the payment of operating expenses, current debt service, and reserve requirements. Certain bond covenants are noted below:

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Revenue Bond Resolutions – Water Fund (Continued)

Revenue Fund

The provisions of the bond documents require the issuer to establish a Revenue Fund. All operating revenues received by the Water Fund are required to be deposited into this fund then disbursed as outlined in the bond documents. The balance in the Revenue Fund at September 30, 2021 was \$-0-.

Third Subordinate Debt Service Fund

The bond documents require the issuer to establish a Third Subordinate Debt Service Fund to be exclusively used for the purpose paying principal and interest on the Bonds as they become due and payable. On or before the 20th day of each month, the Issuer is required to transfer from the Revenue Fund an amount equal to 1/12 of the principal maturing on the next succeeding principal payment date, along with 1/12 the annual interest on the interest becoming due on the next succeeding interest payment date. The balance in the Third Subordinate Debt Service Fund at September 30, 2021 was \$16,364.

Third Subordinate Reserve Fund

The bond documents require the Issuer shall deposit to the credit of the Third Subordinate Reserve Fund, on or before the 20th day of each month, an amount equal to 1/120 of the Reserve fund Requirement until such time as the amount on deposit in the Third Subordinate Reserve Fund equals the Reserve Fund Requirement, and monthly thereafter, such amount as shall be necessary to maintain the amount on deposit in the Third Subordinate Reserve Fund in an amount equal to the Reserve Fund Requirement, provided that the maximum amount required to be deposited in any single calendar month shall not exceed 1/120 of the Reserve Fund Requirement. Amounts on deposit in the Third Subordinate Reserve Fund shall be used only for the purpose of making payments into the Third Subordinate Debt Service Fund when the monies available therein shall be insufficient to pay principal and interest on the Bonds. Investments on deposit in the Third Subordinate Reserve Fund shall be valued at least annually on each principal payment date at the fair market value thereof. Investments on deposit in the Third Subordinate Reserve Fund shall be retained therein until the amount of money on deposit therein equals the Reserve Fund Requirement, and thereafter such earnings shall be deposited in the Third Subordinate Debt Service Fund and applied in the manner established for the application of funds therein. The "Reserve Fund Requirement" shall mean the lesser of (i) the maximum amount of principal and interest scheduled to become due on the Bonds in the current or any succeeding Bond Year; (ii) 125% of the average annual debt service on the Bonds calculated at the date of issuance; or (iii) 10% of the proceeds of the Bonds. The Reserve Fund Requirement as of September 30, 2021 was calculated to be \$170,183. The balance in the Third Subordinate Reserve Account at September 30, 2021 was \$170,183.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Provisions of Revenue Bond Resolutions – Water Fund (Continued)

Operation and Maintenance Fund

The bond documents require the Issuer to establish an Operation and Maintenance Fund to be used exclusively for the purpose of receiving funds to be transferred monthly by the Issuer from the Revenue Fund, and for paying, as they accrue, the Current Expenses of the system pursuant to the Annual Budget. After having made the deposits to the Sinking Fund as noted above, the Issuer shall transfer on or before the 15th day of each month from the Revenue Fund and deposit to the credit of the Operation and Maintenance Fund a sum sufficient to pay the Current Expenses of the system for the current month, all in accordance with the Annual Budget. Any balance remaining in the Operation and Maintenance Fund at the end of the fiscal year and not required to pay costs incurred during said fiscal year shall be deposited promptly into the Third Subordinate Debt Service Fund. The balance in the Operation and Maintenance Fund at September 30, 2021 was \$-0-.

Asset Management Reserve Fund

The bond documents require the Issuer to establish an Asset Management Reserve Fund to be used exclusively for the purpose of paying expenditures required for the renewal and replacement of short-lived assets of the System. After having made the deposits to the Sinking Fund as noted above, the Issuer shall transfer on or before the 20th day of each month from surplus funds in the Revenue Fund and deposit to the credit of the Asset Management Reserve Fund an amount equal to one-twelfth (1/12) of the required annual deposit of \$37,510 (the Annual Deposit), and monthly thereafter, provided that the maximum amount required to be on deposit in the Asset Management Reserve Fund shall not exceed the sum of ten (10) Annual Deposits. The balance in the Asset Management Reserve Fund at September 30, 2021 was \$300,080.

NOTE 8 CURRENT-YEAR REFUNDING OF DEBT

On October 15, 2020, CaPFA 2000F issued Student Housing Refunding Revenue Bonds, Series 2020A-1 (Series 2020A-1) and the Student Housing Refunding Revenue Bonds, Taxable Series 2020A-2 (Series 2020A-2) in the amounts of \$126,115,000 and \$22,200,000, respectively, with fixed interest rates of 5% and 4%, respectively. The proceeds were used to refund the outstanding principal and interest of the Senior Series 2000F-1 and Subordinate Series 2000G Bonds, refinance the outstanding principal and interest for the Protective Advance Agreement and the Bond Insurer Advance and fund deposits to the Debt Service Reserve Fund and the COVID Fund. The maturity date of the issued debt was extended from 2031 to 2035. Issuance costs of \$2,185,148 were paid from accumulated debt service funds and proceeds.

The current refunding resulted in CaPFA 2000F increasing its aggregate debt service payments by almost \$39.0 million over the next 15 years and obtained an economic loss (difference between the present values of the old and new debt service payments) of \$5.9 million.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 CURRENT-YEAR REFUNDING OF DEBT (CONTINUED)

On October 13, 2020, CaPFA 2010A issued Series 2020A Certificates of Participation in the amount of \$65,420,000 with fixed interest rates from 3.625% to 5.000%. The proceeds were used to refund the outstanding principal and interest of the Series 2010A Certificates of Participation and fund an energy efficiency project. The maturity date of the issued debt was accelerated from December 2040 to February 2040. Issuance costs of \$2,257,933 were paid from accumulated debt service funds and proceeds.

The current refunding resulted in CaPFA 2010A decreasing its aggregate debt service payments by almost \$13.2 million over the next 19 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$6.4 million.

NOTE 9 LEASES

CaPFA 2000F and the City leases office equipment from a third party under long-term operating leases, which expire through 2026. The future minimum rental payments due under the lease are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 21,279
2023	18,145
2024	8,745
2025	6,248
2026	2,368
Total	<u>\$ 56,785</u>

Rental expense was \$18,911 for the year ended September 30, 2021.

CaPFA 2000F leases land in Orlando, Florida which has been developed and is used as student housing under a noncancelable operating lease. Rent on the land is a lump sum payment of \$400 paid at signing and additional rent, paid annually, equal to the amounts available and released from the Surplus Fund. For the year ended September 30, 2021, the amounts released and paid as additional rent was \$-0-.

CaPFA 2010A leases land in Tamuning (formerly of Dededo), Guam which has been developed and is used as a high school under a noncancelable operating lease. Rent on the land is a lump sum payment of \$1 paid at signing.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 INTERFUND TRANSACTIONS

Interfund transfers for the fiscal year ended September 30, 2021 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities:		
General	\$ 735,862	\$ -
Total Governmental Activities	<u>\$ 735,862</u>	<u>\$ -</u>
Business-Type Activities:		
CaPFA	\$ -	\$ 31,163
Electric	-	476,124
Water	-	228,575
Total Business-Type Activities	<u>\$ -</u>	<u>\$ 735,862</u>

Transfers were made to move unrestricted business-type revenues to the General Fund to subsidize operations.

The composition of interfund receivables and payables as of September 30, 2021 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Activities:		
General	\$ 45,354	\$ 7,506
CRA	-	6,863
	<u>\$ 45,354</u>	<u>\$ 14,369</u>
Business-Type Activities:		
Electric	\$ -	\$ 1,678
Water	-	30,735
CaPFA	7,506	6,078
Total Business-Type Activities	<u>\$ 7,506</u>	<u>\$ 38,491</u>

The outstanding balances between funds result mainly from short-term advances and the time lag between the date's transactions are recorded in the accounting system and payments between funds are made.

NOTE 11 SEGMENT INFORMATION

The City's blended component units, CaPFA and two special purpose corporations issued revenue bonds and certificates of participation to finance the acquisition of student housing and to build a high school. CaPFA 2000F financed the cost of acquisition of the Knights Circle and Pointe at Central (formerly known as Pegasus Landing and Pegasus Pointe) housing projects which consist of 744 apartments and 432 apartments respectively, located near the University of Central Florida in Orlando, Florida. CaPFA 2010A is financing the costs of construction of John F. Kennedy High School in Guam.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11 SEGMENT INFORMATION (CONTINUED)

	CaPFA	CaPFA Capital Corp. 2000F	CaPFA Capital Corp. 2010A
Condensed Statement of Net Position (Deficit)			
ASSETS			
Current Assets	\$ 9,807	\$ 22,661,505	\$ 309,860
Capital Assets, Net	-	80,316,980	36,678,421
Restricted Assets, Cash and Cash Equivalents	2,802,694	25,561,405	3,373,793
Advances to Other Funds	7,506	-	-
Advance to Joint Venture	155,812	-	-
Total Assets	2,975,819	128,539,890	40,362,074
DEFERRED OUTFLOWS			
Deferred Outflows on Refunding	-	237,043	622,898
Total Deferred Outflows	-	237,043	622,898
LIABILITIES			
Current Liabilities	7,402	9,721,466	881,027
Due to Other Funds	-	-	6,079
Noncurrent Liabilities	-	157,433,905	66,763,527
Total Liabilities	7,402	167,155,371	67,650,633
NET POSITION (DEFICIT)			
Net investment in Capital Assets	-	(30,927,922)	(21,320,781)
Restricted for Debt Service	-	27,779,233	-
Restricted for Capital Projects	2,802,694	-	-
Restricted for Renewal and Replacement	-	2,162,155	1,097,515
Restricted for Insurance	-	-	219,936
Unrestricted Net Position (Deficit)	165,723	(37,391,904)	(6,662,331)
Total Net Position (Deficit)	\$ 2,968,417	\$ (38,378,438)	\$ (26,665,661)

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11 SEGMENT INFORMATION (CONTINUED)

	<u>CaPFA</u>	<u>CaPFA Capital Corp. 2000F</u>	<u>CaPFA Capital Corp. 2010A</u>
Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit)			
OPERATING INCOME			
Lease and Rental Income	\$ -	\$ 31,993,162	\$ 3,209,842
Other Tenant Income	-	881,429	-
Issuer and Management Fees	692,679	-	-
Depreciation	-	(5,599,824)	(1,779,354)
Other Operating Expenses	(93,940)	(14,202,729)	(1,787,548)
Net Operating Income	<u>598,739</u>	<u>13,072,038</u>	<u>(357,060)</u>
NONOPERATING REVENUE (EXPENSES)			
Investment Income	2,238	91	907
Interest Expense	-	(6,342,204)	(3,607,341)
Loss on Disposal of Assets	-	(13,869)	-
Miscellaneous	-	(34,583)	-
Bond Issuance Costs	-	(2,185,148)	(2,257,933)
Total Nonoperating Revenues (Expenses)	<u>2,238</u>	<u>(8,575,713)</u>	<u>(5,864,367)</u>
TRANSFERS	<u>138,517</u>	<u>-</u>	<u>(169,679)</u>
CHANGE IN NET POSITION (DEFICIT)	739,494	4,496,325	(6,391,106)
Net Position (Deficit) - Beginning of Year	<u>2,228,923</u>	<u>(42,874,763)</u>	<u>(20,274,555)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 2,968,417</u>	<u>\$ (38,378,438)</u>	<u>\$ (26,665,661)</u>
Condensed Statement of Cash Flows			
NET CASH FROM			
Operating Activities	\$ 601,335	\$ 21,422,783	\$ 2,663,128
Noncapital Financing Activities	252,433	-	(169,679)
Capital and Related Financing Activities	-	4,104,510	(5,766,574)
Investing Activities	2,237	91	907
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	856,005	25,527,384	(3,272,218)
Net Cash and Cash Equivalents - Beginning of Year	<u>1,946,689</u>	<u>21,642,521</u>	<u>6,814,272</u>
NET CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,802,694</u>	<u>\$ 47,169,905</u>	<u>\$ 3,542,054</u>

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 12 COMMITMENTS AND CONTINGENCIES

Florida Municipal Power Agency (FMPA)

The City has entered into agreements with FMPA, of which it is a member, and with certain other members of FMPA, to sell the City's capacity and energy (entitlement share) from Florida Power & Light's St. Lucie Unit No. 2 Project (the Unit). Pursuant to a Power Sales Contract and a Project Support Contract, the City has acquired an entitlement share of FMPA's allocation of these services.

The Power Sales Contract requires payments for each month in which capacity, energy, or transmission services are available from the St. Lucie Project. Payments due each month are based upon an annual budget. Once each year, the excess or deficiency of payments related to actual cost is calculated and applied to the monthly statements from FMPA to the City. The Power Sales Contract will remain in effect until the latest of: (1) the date principal, premium (if any), and interest on all Bonds has been paid or funds are set aside for the payment thereof, (2) the date the Unit is decommissioned or finally disposed of as an electric generating unit pursuant to the Participation Agreement or FMPA's interest in the unit is terminated pursuant to the Participation Agreement or otherwise disposed of, or (3) the date all obligations of FMPA under the Participation Agreement have been paid, performed, or provided for.

In any month when electric capacity, energy, or transmission services are not made available to the City, payment is made to FMPA under a Project Support Contract in a like amount as would have been due under the Power Sales Contract. The City accounts for purchases under these contracts as operating expenses. Total revenue netted against operating expenses for the year ended September 30, 2021 is \$-0-.

Water Tank Maintenance Agreement

On June 1, 2004, the City entered into a Maintenance Agreement with a company to clean and maintain the City's water tower. The agreement calls for annual payments on June of each year. The base rate for the services was scheduled to be \$8,855 from 2008 thru 2010, then increasing to the current cost of the services every third year thereafter, not to exceed a maximum of 5% annually. The City may cancel the contract with notice prior to 90 days of the anniversary date of the contract.

Management Contract

Effective February 1, 2020, CaPFA entered into an agreement with Asset Campus USA, LLC. to manage the student housing property in Orlando, Florida for 12 months, with automatic renewal for two additional 12-month terms unless terminated under certain provisions of the agreement. The management fee through the expiration of this agreement in January 2023 is \$1,132,042.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Letter of Credit

On June 29, 2016, the City entered into a revocable letter of credit (the letter) with First Bank, which serves as the security deposit for Florida Power & Light Company (FPL), the City's electric provider. The letter is in the amount of \$250,000 and is available to FPL if the City causes an event of default under the electric agreement or if First Bank notifies FPL the letter will not be extended beyond the expiry date and the City fails to provide alternative security within 10 days of the expiry date. The letter is for a term of one year and expires on June 30. The letter renews automatically for one year unless First Bank provides notification at least 30 days prior to expiry date. As of September 30, 2021, no amounts have been drawn on the letter.

NOTE 13 JOINTLY GOVERNED ORGANIZATIONS

The City, through an inter-local agreement with Glades County, Florida, created the City-County Public Works Authority (the Authority). The Authority provides water, sewer, and reclaimed water facilities within its boundaries. The Authority's governing board is comprised of the Glades County Board of County Commissioners and the Council of Moore Haven. The Authority is an independent entity organized under the laws of the state of Florida and neither the City nor the County has a participating ownership interest in the Authority.

The City provides the Authority with personnel to operate the facilities, as well as providing administrative services. For the year ended September 30, 2021, the City received \$166,807 and \$30,000 for personnel reimbursement and administrative services, respectively.

Financial statements for the Authority can be obtained from the City Clerk at the City of Moore Haven, Florida, City Hall, 299 Riverside Drive, Moore Haven, Florida 33471.

NOTE 14 DEFINED BENEFIT PENSION PLANS

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Background (Continued)

Essentially all regular employees of the City are eligible to enroll as members of the state-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The City's pension expense totaled \$32,814 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2021.

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected City Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the member's five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the member's eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Class Members Initially Enrolled before July 1, 2011:	
Retirement up to Age 62 or up to 30 Years of Service	1.60
Retirement at Age 63 or with 31 Years of Service	1.63
Retirement at Age 64 or with 32 Years of Service	1.65
Retirement at Age 65 or with 33 Years of Service	1.68
Regular Class Members Initially Enrolled on or after July 1, 2011:	
Retirement up to Age 65 or up to 33 Years of Service	1.60
Retirement at Age 66 or with 34 Years of Service	1.63
Retirement at Age 67 or with 35 Years of Service	1.65
Retirement at Age 68 or with 36 Years of Service	1.68
Elected City Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular:	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the City, effective July 1, 2020, were applied to employee salaries as follows: regular employees 8.28%, City elected officials 47.46%, senior management 25.57%, DROP participants 15.32% and retirees initially reemployed on or after July 1, 2010, who are not eligible for retirement coverage 3.44%. The City's contributions to the FRS Plan were \$79,917 for the year ended September 30, 2021.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2021, the City reported a liability of \$170,918 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2021, the City's proportion was 0.00226%, which was a decrease of 0.00002% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the City recognized pension expense of (\$2,128) for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 29,296	\$ -
Changes in Actuarial Assumptions	116,951	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	596,290
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	44,210	6,784
City Contributions Subsequent to the Measurement Date	24,606	-
Total	<u>\$ 215,063</u>	<u>\$ 603,074</u>

\$24,606 reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2022	\$ (66,467)
2023	(80,251)
2024	(112,524)
2025	(153,568)
2026	193

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.80%

Mortality rates were based on the generational mortality using gender-specific MP-2018 mortality improvement projection scale. The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	2.1 %	2.1 %	1.1 %
Fixed Income	20.0	3.8	3.7	3.3
Global Equity	54.2	8.2	6.7	17.8
Real Estate (Property)	10.3	7.1	6.2	13.8
Private Equity	10.8	11.7	8.5	26.4
Strategic Investments	3.7	5.7	5.4	8.4
Totals	<u>100.0 %</u>			
Assumed Inflation – Mean			2.4	1.2

Discount Rate

The discount rate used to measure the total pension liability remained at 6.80% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	One Percent Decrease	Current Discount Rate	One Percent Increase in Discount Rate
FRS Plan Discount Rate	5.80%	6.80%	7.80%
Authority's Proportionate Share of the FRS Plan Net Pension Liability	<u>\$ 764,357</u>	<u>\$ 170,918</u>	<u>\$ (325,130)</u>

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2021, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were \$18,604 for the year ended September 30, 2021.

Pension Costs

At September 30, 2021, the City reported a liability of \$390,705 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all participating employers. At June 30, 2021, the City's proportion was 0.00319%, which was a decrease of 0.00007% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the City recognized pension expense of \$34,942 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 13,074	\$ 164
Changes in Actuarial Assumptions	30,701	16,098
Net Difference Between Projected and Actual Earnings on HIS Program Investments	407	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	40,089	7,799
City Contributions Subsequent to the Measurement Date	4,827	-
Total	<u>\$ 89,098</u>	<u>\$ 24,061</u>

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

\$4,827 reported as deferred outflows of resources related to pensions resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 15,327
2023	10,740
2024	12,817
2025	13,847
2026	6,674
Thereafter	805

Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

HIS Actuarial Assumptions:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	2.16%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability changed from 2.21% to 2.16% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	One Percent Decrease	Current Discount Rate	One Percent Increase in Discount Rate
HIS Plan Discount Rate	1.16%	2.16%	3.16%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	<u>\$ 451,693</u>	<u>\$ 390,705</u>	<u>\$ 340,739</u>

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website (<http://www.dms.myflorida.com>).

Summary

The aggregate amount of net pension liability, related deferred outflows of resources and deferred inflows of resources and pension expense for the City's defined benefit pension plans as summarized below:

	FRS Plan	HIS Plan	Total
Net Pension Liability	\$ 170,918	\$ 390,705	\$ 561,623
Deferred Outflows of Resources Related to Pensions	215,063	89,098	304,161
Deferred Inflows of Resources Related to Pensions	603,074	24,061	627,135
Pension Expense	(2,128)	34,942	32,814

NOTE 15 DEFINED CONTRIBUTION PLAN

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 15 DEFINED CONTRIBUTION PLAN (CONTINUED)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan pension expense totaled \$20,636 for the year ended September 30, 2021.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 16 FUND DEFICIT

The following funds had a net position deficit as of September 30, 2021:

CAPFA Fund	<u>\$ (62,075,682)</u>
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The deficit in the CaPFA Fund relates to CaPFA 2000F and CaPFA 2010A, parts of the blended component unit. The CaPFA 2000F condition is the result of annual deficits recorded due to the terms of the Loan Agreement and Trust Indenture. CaPFA 2000F reported a negative change in net position. Pursuant to the terms of the Loan Agreement and the Trust Indenture, the Net Revenues of CaPFA 2000F must fund current year debt service requirements, operations, and certain other reserve requirements. If a surplus exists after meeting the aforementioned requirements and other ratios are met, the remaining surplus is to be paid to the University of Central Florida Foundation, Inc. in accordance with the terms of the Ground Lease Agreement. The CaPFA 2010A condition is the result of noncash expenditures like depreciation expense and the amortization of bond issuance costs and discounts. The terms of the lease agreement with Guam calls for rental income to cover operating expenditures and debt payments as a result CaPFA 2010A will continue to accumulate a deficit balance for noncash expenses. This condition is not the result of deteriorating financial conditions.

NOTE 17 RISK MANAGEMENT

Employee Benefits: The City has obtained employee health insurance coverage from a commercial company. For the fiscal year ended September 30, 2021, the City has incurred health insurance expense of \$234,207. There have been no claims in excess of insurance coverage as of September 30, 2021.

Property and Casualty: The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To cover itself against these exposures, the City became a member of Public Risk Management of Florida (the Pool), a local government liability risk pool. The Pool has approximately 50 local government agency members. The Pool administers activities relating to property, general liability, police professional, automobile liability, public officials liability, workers' compensation, and machinery. The Pool absorbs losses up to a specified amount each Pool year, and in addition purchases excess and other specific coverage from third-party carriers. The Pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the Pool can make additional limited assessments. Losses, if any, in excess of the Pool's ability to assess its members, revert back to the member that incurred the loss. The cost of the insurance is allocated among the appropriate departments and funds.

There has been no significant reduction in insurance coverage from the prior year and there have been no settlements in excess of insurance coverage in any of the prior three years. There were no additional assessments levied against the City for the fiscal year ended September 30, 2021.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 17 RISK MANAGEMENT (CONTINUED)

As specified in the Loan Agreement, CaPFA 2000F and CaPFA 2010A are required to purchase and maintain certain levels of commercial insurance to cover losses resulting from workers' compensation, general liability insurance, property insurance, automobile insurance, and other various types of insurance coverage. There have been no significant reductions in insurance coverage from the prior year and the amount of settlements, if any, have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 18 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description and Funding Policy

The City provides postretirement health care benefits in accordance with Section 112.0801, Florida Statutes, to all eligible employees who retire from the City. The employee's contribution is the full amount of the annual premium. Expenditures for postemployment health care benefits are recognized as premiums are paid. As of September 30, 2021, no retirees have elected to participate in the health care plan.

No trust or agency fund has been established for the plan.

The plan does not issue a separate financial report.

Participant Data

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

	Valuation Date September 30, 2019
Active Employees Electing Coverage	21
Actives Waiving Coverage	0
Retirees Electing Coverage	0
Total Employees	21

Total OPEB Liability

The City's total OPEB liability of \$102,924 was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2019. The following table shows the changes in the County's total OPEB liability for the year ended September 30, 2021.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 18 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

	Total OPEB Liability
Balance - October 1, 2020 ¹	\$ 88,320
Changes:	
Service Cost	18,154
Interest	2,803
Differences Between Expected and Actual Experience	-
Changes of Assumptions	2,741
Benefit Payments	(9,094)
Net Change	14,604
Balance - September 30, 2021 ¹	\$ 102,924

¹ The City has elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year.

OPEB Liability Discount Rate Sensitivity

The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	One Percent Decrease in Discount Rate	Current Discount	One Percent Increase in Discount Rate
OPEB Plan Discount Rate	1.41%	2.41%	3.41%
Total OPEB Liability	\$ 111,312	\$ 102,924	\$ 95,028

OPEB Liability Health Care Trend Rate Sensitivity

The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate one percentage point lower or one percentage point higher than the current healthcare trend rate:

Description	One Percent Decrease in Trend Rate	Current Trend Rate	One Percent Increase in Trend Rate
OPEB Plan Trend Rate	5.40%	6.40%	7.40%
Total OPEB Liability	\$ 90,194	\$ 102,924	\$ 118,140

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 18 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City's OPEB expense was \$18,819. In addition, the City reported deferred outflows of resources from the following sources:

Description	Deferred Outflows	Deferred Inflows
City Benefit Payments Subsequent to the Measurement Date	\$ 4,879	\$ -
Total	<u>\$ 4,879</u>	<u>\$ -</u>

\$4,879 reported as deferred outflows of resources related to OPEB resulting from City implicit contributions to the OPEB Plan subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2022.

Methods and Assumptions

The City uses the alternative measurement method. The alternative measurement method only allows amortization of investment gains and losses. All other gains and losses due to experience and assumption changes are recognized immediately in the annual OPEB expense.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Calculations for financial reporting purposes are based on the benefits provided under terms of the plan as understood by the employer and the plan members in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**CITY OF MOORE HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 18 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Methods and Assumptions (Continued)

The actuarial method is:

Actuarial cost method	Entry Age Normal level percent of pay
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The actuarial assumptions are:

Discount rate	2.41% (Based on the Fidelity 20-Year Municipal GO AA Index rate for 20- year, tax-exempt municipal bonds)
Healthcare cost trend rate	6.40% for FY2020, gradually decreasing over several decades to an ultimate rate of 4.00% in FY2076 and later years.
Expected return on plan assets	N/A
Inflation rate	2.50%
Retirement Age	Latest of age 62, plan eligibility or current age.
Coverage Elections	50% of the employees expected to retire in the future are assumed to elect coverage at retirement, continue coverage to age 65 and then waive coverage. Employees currently waiving coverage are assumed to waive coverage at retirement.
Medicare Eligibility	100% of current and future retirees under age 65 are assumed to become Medicare eligible at the later of age 65 or retirement. Actual Medicare status was used for retired members.
Disability	None

Mortality rates were based on assumptions used in the July 1, 2019 Florida Retirement System Pension Plan actuarial valuation: Pub-2010 headcount weighted, below median healthy mortality tables, setback one year for males for nondisabled mortality, and set forward three years for males for disabled mortality. Generational projections using scale MP-2018.

The following change was recognized under GASB 75 during the fiscal year:

The discount rate was changed from 2.75% to 2.41% based on updated Fidelity 20-Year Municipal GO AA Index rate for 20-year, tax-exempt municipal bonds.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**CITY OF MOORE HAVEN, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS ¹**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY				
Service Cost	\$ 18,154	\$ 11,205	\$ 11,764	\$ 11,713
Interest	2,803	6,794	6,752	5,982
Differences Between Expected and Actual Experience	-	(101,272)	-	-
Changes of Assumptions	2,741	19,253	(10,675)	(5,049)
Benefit Payments	<u>(9,094)</u>	<u>(27,704)</u>	<u>(17,921)</u>	<u>(7,552)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	14,604	(91,724)	(10,080)	5,094
Total OPEB Liability - Beginning of Year	88,320	180,044	190,124	185,030
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 102,924</u>	<u>\$ 88,320</u>	<u>\$ 180,044</u>	<u>\$ 190,124</u>
Covered Employee Payroll	<u>\$ 1,052,992</u>	<u>\$ 1,120,142</u>	<u>\$ 900,020</u>	<u>\$ 851,949</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	9.77%	7.88%	20.00%	22.32%

¹ The City implemented GASB Statements No. 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN *
LAST 10 FISCAL YEARS ¹

	2021	2020	2019	2018	2017	2016	2015	2014
City of Moore Haven, Florida's Proportion of the Net Pension Liability	0.002262658%	0.002282990%	0.002271527%	0.195455500%	0.001905069%	0.001756239%	0.001931602%	0.001907122%
City of Moore Haven, Florida's Proportionate Share of the Net Pension Liability	<u>\$ 170,918</u>	<u>\$ 989,481</u>	<u>\$ 782,282</u>	<u>\$ 588,722</u>	<u>\$ 563,507</u>	<u>\$ 443,452</u>	<u>\$ 249,492</u>	<u>\$ 116,362</u>
City of Moore Haven, Florida's Covered Payroll	<u>\$ 1,127,603</u>	<u>\$ 1,130,834</u>	<u>\$ 1,053,988</u>	<u>\$ 877,263</u>	<u>\$ 843,212</u>	<u>\$ 802,621</u>	<u>\$ 800,886</u>	<u>\$ 820,567</u>
City of Moore Haven, Florida's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	15.16%	87.50%	74.22%	67.11%	66.83%	55.25%	31.15%	14.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of 6/30.

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

For June 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF CITY'S CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN *
LAST 10 FISCAL YEARS ¹

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 87,586	\$ 73,732	\$ 72,236	\$ 57,729	\$ 49,472	\$ 42,509	\$ 42,135	\$ 41,792
Contributions in Relation to the Contractually Required Contribution	<u>(87,586)</u>	<u>(73,732)</u>	<u>(72,236)</u>	<u>(57,729)</u>	<u>(49,472)</u>	<u>(42,509)</u>	<u>(42,135)</u>	<u>(41,792)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 1,120,721</u>	<u>\$ 1,129,447</u>	<u>\$ 1,100,887</u>	<u>\$ 900,804</u>	<u>\$ 851,948</u>	<u>\$ 842,767</u>	<u>\$ 799,845</u>	<u>\$ 793,147</u>
Contributions as a Percentage of Covered Payroll	7.82%	6.53%	6.56%	6.41%	5.81%	5.04%	5.27%	5.27%

* The amounts presented for each fiscal year were determined as of 9/30.

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN *
LAST 10 FISCAL YEARS ¹

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Moore Haven, Florida's Proportion of the Net Pension Liability	0.003185100%	0.003258253%	0.003151528%	0.002685956%	0.002645433%	0.002583764%	0.002639949%	0.002666834%
City of Moore Haven, Florida's Proportionate Share of the Net Pension Liability	<u>\$ 390,705</u>	<u>\$ 397,827</u>	<u>\$ 352,624</u>	<u>\$ 284,285</u>	<u>\$ 282,862</u>	<u>\$ 301,127</u>	<u>\$ 269,233</u>	<u>\$ 249,355</u>
City of Moore Haven, Florida's Covered Payroll	<u>\$ 1,127,603</u>	<u>\$ 1,130,834</u>	<u>\$ 1,053,988</u>	<u>\$ 877,263</u>	<u>\$ 843,212</u>	<u>\$ 802,621</u>	<u>\$ 800,886</u>	<u>\$ 820,567</u>
City of Moore Haven, Florida's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	34.65%	35.18%	33.46%	32.41%	33.55%	37.52%	33.62%	30.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

For June 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF CITY'S CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN *
LAST 10 FISCAL YEARS ¹

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 18,608	\$ 18,748	\$ 18,275	\$ 14,953	\$ 14,142	\$ 13,990	\$ 10,797	\$ 9,626
Contributions in Relation to the Contractually Required Contribution	<u>(18,608)</u>	<u>(18,748)</u>	<u>(18,275)</u>	<u>(14,953)</u>	<u>(14,142)</u>	<u>(13,990)</u>	<u>(10,797)</u>	<u>(9,626)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 1,120,721</u>	<u>\$ 1,129,447</u>	<u>\$ 1,100,887</u>	<u>\$ 900,804</u>	<u>\$ 851,948</u>	<u>\$ 842,767</u>	<u>\$ 799,845</u>	<u>\$ 793,147</u>
Contributions as a Percentage of Covered Payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.35%	1.21%

* The amounts presented for each fiscal year were determined as of 9/30.

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

GOVERNMENT AUDITING STANDARDS



**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***

Honorable Mayor and City Council
City of Moore Haven, Florida
Moore Haven, 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, the business-type activities, each major fund of the City of Moore Haven, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2022.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2021-001 to be a material weakness.

Honorable Mayor and City Council
City of Moore Haven, Florida

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2021-002 and 2021-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2021-004.

The City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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



CliftonLarsonAllen LLP

Fort Myers, Florida
June 22, 2022

**CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2021**

Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

2021-001 Audit Adjustments

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria

City management is responsible for establishing and maintaining internal controls for the proper recording of all the City's receipts and disbursements, including reclassifications between funds, year-end accruals, and activity of all cash and investment accounts.

Condition

As part of the audit, we proposed audit adjustments to revise the City's books at year-end. These adjustments involved the recording of accruals, reclassifications of revenues and disbursements to the proper accounts, and fund balance reclassifications. Management reviews, approves and takes responsibility for the proposed audit adjustments.

Cause

Management relies on the auditor to help make the necessary entries at year-end.

Effect

The design of the controls over the financial reporting process affects the City's ability to report their financial data consistent with the assertions of management.

Repeat Finding

The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2020-002.

Recommendation

We understand that this material weakness is already known to management and represents a conscious decision by management and the Council to accept that degree of risk because of cost or other considerations. We acknowledge the fact that management is responsible for making decisions concerning costs and the related benefits. We are responsible to communicate significant deficiencies and material weaknesses in accordance with professional standards regardless of management's decisions to ensure that the Council is aware of this situation.

Views of Responsible Officials and Planned Corrective Actions

The purchase of a new financial system has been approved with implementation to begin soon. The current financial system has severe limitations, has not been updated in several years, and does not provide financial data in the format necessary for financial reporting. The improvement in the accuracy of financial information along with new report features should greatly help with end of year accruals and adjustments that will decrease audit adjustments.

**CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2021**

Financial Statement Findings (Continued)

2021-002 Contracts, Leases and Other Agreements

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria

The City should maintain copies of all contracts, leases, and other agreements, and follow up on all outstanding payments owed to the City.

Condition

During the year, the City Clerk had not received payments for invoices sent out for use of the City's utility poles from 2018-2021. These amounts were not recorded as a receivable or revenue until 2021.

Cause

The City does have established policies and procedures relating to utility pole invoices. The City personnel could not locate a copy of the lease and outstanding invoices sent out were not followed upon for payment when overdue.

Effect

By not maintaining copies of contracts and billing properly, revenue under contracts could be understated or not collected based on the terms of the contract.

Repeat Finding

No

Recommendation

We recommend the City develop procedures to maintain copies of all contracts, leases, and other agreements in one location. We also recommend the City maintain a summary of the terms and payment schedules, so billings and payments are not missed.

Views of Responsible Officials and Planned Corrective Actions

The city has noted the recommendation and will maintain copies of all contracts going forward. The company lease in question is believed to have been from a long time ago and since then the company has changed hands several times and there is no way of knowing when it initially started.

**CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2021**

Financial Statement Findings (Continued)

Financial Statement Findings (Continued)

2021-003 Inaccurate Final Budget Schedule

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria

All budget changes that change total revenues or expenditures should be approved by Council. If there are no approved budget amendments the original and final budget totals should agree in total in all budget schedules.

Condition

The original and final budget provided to us showed a change from original budget to final budget for the year ended September 30, 2021 but there were no approved budget amendments.

Cause

The City was advised by an outside consultant that they should adjust the final budget to match actual amounts at year end. The adjustments to the budget were not approved by City Council.

Effect

By providing a schedule with final budget number different than original the statements could be misstated. If the numbers were provided in reports to management or Council inaccurate budget to actual information could be relied upon for decisions.

Repeat Finding

No

Recommendation

We recommend that the City establish policies and procedures to ensure that all budget changes are brought to City Council for timely approval of budget amendments.

Views of Responsible Officials and Planned Corrective Actions

The conditions identified in this finding goes back prior to fiscal year 2021. Records could not be found to show that the City consistently followed the requirements of FS 166.241(7) and (7c) for amending and adoption of budget amendments. The governing body of each municipality at any time within a fiscal year or within 60 days following the end of the fiscal year amend a budget. And that budget amendment must be adopted in the same manner as the original budget. Since the final budget was adopted by resolution, budget amendments must be done by resolution.

Those requirements have not consistently been followed. Adjustments were made to the final budget without going through the formal approval process with approval of the Council by resolution. For the current fiscal year, the City Council is approving budget amendments by resolution.

**CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2021**

Financial Statement Findings (Continued)

2021-004 Florida Statute 189.016(4) and (6) - Uniform Special District Accountability Act

Type of Finding: Compliance

Criteria

189.016(4) The tentative budget must be posted on the special district's official website at least two days before the budget hearing, held pursuant to s. 200.065 or other law, to consider such budget and must remain on the website for at least 45 days. The final adopted budget must be posted on the special district's official website within 30 days after adoption and must remain on the website for at least two years. This subsection and subsection (3) do not apply to water management districts as defined in s. 373.019.

189.016(6) The governing body of each special district at any time within a fiscal year or within 60 days following the end of the fiscal year may amend a budget for that year as follows:

- a) Appropriations for expenditures within a fund may be decreased or increased by motion recorded in the minutes if the total appropriations of the fund do not increase.
- b) The governing body may establish procedures by which the designated budget officer may authorize certain amendments if the total appropriations of the fund do not increase.
- c) If a budget amendment is required for a purpose not specifically authorized in paragraph (a) or paragraph (b), the budget amendment must be adopted by resolution.

Condition

No official budget was adopted for the City of Moore Haven Affordable Housing Finance Authority, the City of Moore Haven Redevelopment Agency, and Moore Haven Capital Projects Finance Authority.

Cause

City staff was unaware of the Uniform Special District Accountability Act requirement for budgeting.

Effect

Each special district is in violation of state statute.

Repeat Finding

No

Recommendation

We recommend a budget be adopted annually and approved by the board for each entity even if the budget is for no activity. The approved budget should then be posted to the District's website as required.

**CITY OF MOORE HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2021**

Financial Statement Findings (Continued)

2021-004 Florida Statute 189.016(4) and (6) - Uniform Special District Accountability Act (Continued)

Views of Responsible Officials and Planned Corrective Actions

Budgets were not officially adopted for the City's Special Districts - City of Moore Haven Affordable Housing Finance Authority (AHFA), the City of Moore Haven Redevelopment Agency (CRA) and the Moore Haven Capital Projects Finance Authority (CAPFA). There has not been recent activity in the AHFA and very little activity in the CRA so a budget was not adopted for either. For CAPFA, any projects or expenses were approved at a meeting. Florida Statute 189.016(4) requires that a budget be adopted annually even if there is no activity and 189.016(6) outlines the requirements to amend the budget if necessary. Budgets will be officially adopted for the referenced Special Districts going forward.



MANAGEMENT LETTER

Honorable Mayor and City Council
City of Moore Haven, Florida
Moore Haven, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Moore Haven, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 22, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 22, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. See Exhibit A for the status of findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The City discloses this information in the notes to the financial statements.

Financial Condition and Management

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

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

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

Special District Component Units

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the City of Moore Haven Redevelopment Agency reported:

- a. The total number of district employees compensated in the last pay period of the district’s fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district’s fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as 0 (provide list).
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as 0.

Honorable Mayor and City Council
City of Moore Haven, Florida

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the City of Moore Haven Affordable Housing Finance Authority reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as 0 (provide list).
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as 0.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the City of Moore Haven Capital Projects Finance Authority reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as 0 (provide list).
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as 0.

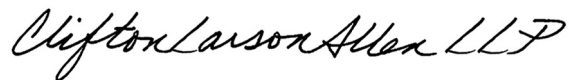
Honorable Mayor and City Council
City of Moore Haven, Florida

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we identified one such finding which is described in the accompanying schedule of findings and responses as item 2021-04.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Fort Myers, Florida
June 22, 2022

**CITY OF MOORE HAVEN, FLORIDA
MANAGEMENT LETTER
EXHIBIT A
SEPTEMBER 30, 2021**

Prior Year Findings		Finding Number			Current Year Status		
		Current Year	2019-2020	2018-2019	Cleared	Partially Cleared	Not Cleared
2020-001 Annual Financial Reporting Under Generally Accepted Accounting Principles	Material Weakness	N/A	2020-001	2019-001	X		
2020-002 Audit Adjustments	Material Weakness	2021-002	2020-002	2019-002			X
2020-003 Terminated Employees with User Rights	Material Weakness	N/A	2020-003	N/A	X		
2020-004 Inaccurate Schedules and Account Reconciliations	Material Weakness	N/A	2020-004	N/A	X		
2020-005 Electronic Banking Access	Material Weakness	N/A	2020-005	N/A	X		
2020-006 Physical Documentation of Preparation and Review	Management Letter	N/A	2020-006	N/A	X		
2020-007 Florida Statute Chapter 280	Management Letter	N/A	2020-007	N/A	X		



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and City Council
City of Moore Haven, Florida
Moore Haven, Florida

We have examined the City of Moore Haven, Florida's (the City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the City is responsible for the City's compliance with specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021.

This report is intended solely for the information and use of the City 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 22, 2022